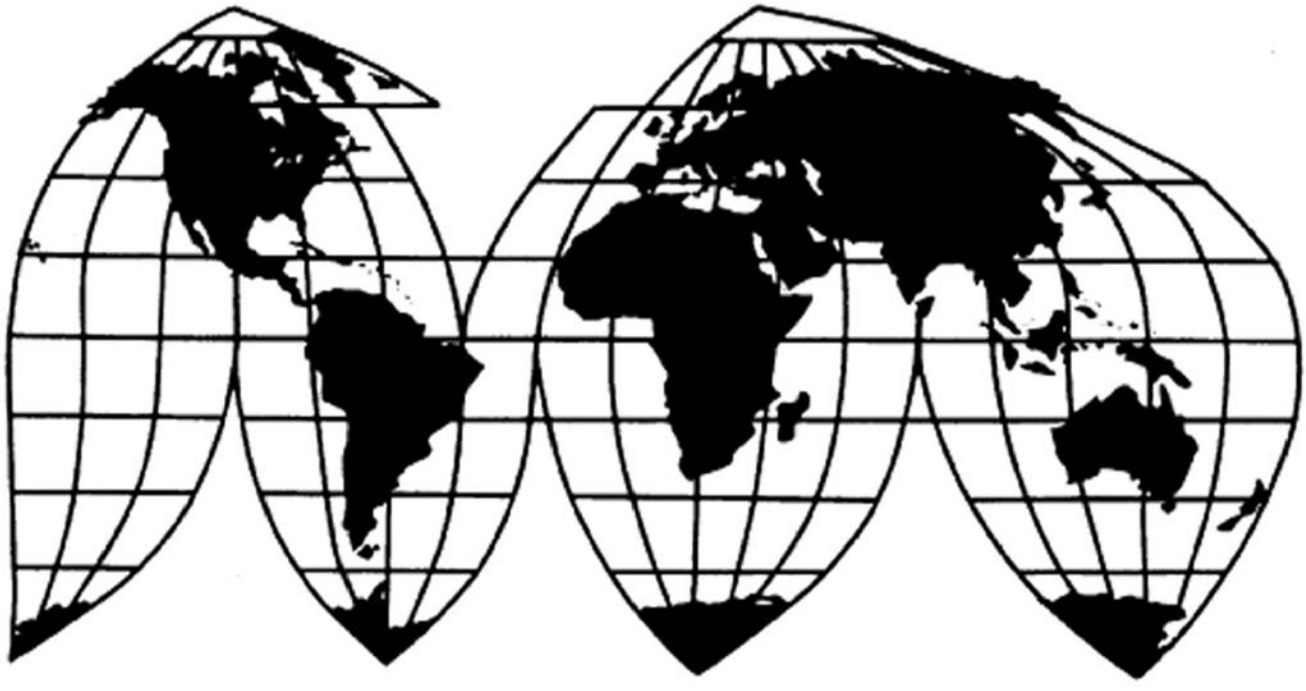
Cut-To-Length Carbon Steel Plate from China, Russia, And Ukraine

Investigation Nos. 731-TA-753, 754, and 756 (Second Review)

Publication 4103 **October 2009**

U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-753, 754, and 756 (Second Review)

Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675d(c)) (the Act), that revocation of the antidumping duty order on cut-to-length carbon steel plate from China, and termination of the suspended antidumping duty investigations on imports of cut-to-length carbon steel plate from Russia and Ukraine, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on August 1, 2008 (73 FR 45071) and determined on November 4, 2008 that it would conduct full reviews (73 FR 70368, November 20, 2008). 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 March 11, 2009 (74 FR 10614). The hearing was held in Washington, DC, on September 9, 2009, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty order on cut-to-length carbon steel plate ("CTL plate") from China, and termination of the suspended investigations on CTL plate from Russia and Ukraine, 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. BACKGROUND

A. Original Determinations

In December 1997, the Commission determined that an industry in the United States was being threatened with material injury by reason of imports of CTL plate from China, Russia, South Africa, and Ukraine that were being sold at less than fair value ("LTFV").[1] Prior to the Commission determinations, Commerce issued final LTFV determinations on November 19 and 20, 1997, and, on the basis of suspension agreements that it had entered into with each of the subject countries on October 24, 1997,[2] Commerce continued the investigations.[3] There were no appeals from the Commission's original determinations.

B. First Five-Year Reviews

After conducting a full review of the grouped transition orders, on August 29, 2003, the Commission determined that termination of the suspended investigations on CTL plate from China, Russia, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that termination of the suspended investigation on CTL plate from South Africa would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[4] On September 17, 2003, Commerce published notices of the continuation of the suspended investigations on CTL plate from China, Russia, and Ukraine.[5] There were no appeals from the Commission's first five-year review determinations.

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[1] Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. No.731-TA-753-756 (Final), USITC Pub. 3076 (December 1997) ("Original Determinations").

[2] 62 Fed. Reg. 61766 (Nov. 19, 1997) (Ukraine); 62 Fed. Reg. 61751 (Nov. 19, 1997) (South Africa); 62 Fed. Reg. 61780 (Nov. 19, 1997) (Russia); 62 Fed. Reg. 61773 (Nov. 19, 1997) (China).

[3] 62 Fed. Reg. 61754 (Nov. 19, 1997) (Ukraine); 62 Fed. Reg. 61731 (Nov. 19, 1997) (South Africa); 62 Fed. Reg. 61787 (Nov. 19, 1997) (Russia); 62 Fed. Reg. 61964 (Nov. 20, 1997) (China).

[4] Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. No.731-TA-753-756 (Review), USITC Pub. 3626 (Sept. 2003) ("First Reviews"). The order on CTL plate from South Africa was subsequently revoked.

[5] 68 Fed. Reg. 54417 (Sept. 17, 2003).

C. Background and Terms of the Terminated Suspension Agreement for China and the Current Suspension Agreements for Russia and Ukraine

1. China

On October 24, 1997, Commerce signed a non-market economy ("NME") suspension agreement with the Government of the People's Republic of China suspending the antidumping duty investigation of CTL plate from China.[6] The agreement provided for five years of quotas, and was extended through October 31, 2003. After the Commission's and Commerce's affirmative determinations in the first reviews, on August 29, 2003 the Government of China announced its intention to withdraw from the suspension agreement. Therefore, Commerce terminated the agreement with respect to China and issued an antidumping duty order effective November 3, 2003.[7]

2. Russia

On October 24, 1997, Commerce signed a NME suspension agreement with the Government of the Russian Federation suspending the antidumping duty investigation of CTL plate from Russia.[8] The agreement provided for quotas and was replaced by a market economy agreement on December 20, 2002.[9] On January 23, 2003, the agreement was revised to eliminate the quotas, and each CTL plate producer/exporter individually agreed to make any necessary price revisions to eliminate completely any amount by which the normal value of the merchandise exceeds the U.S. price of its merchandise subject to the agreement.[10] The agreement remains in effect for the signatory producers/exporters of CTL plate from Russia: JSC Severstal ("Severstal"), OJSC Magnitogorsk Iron & Steel Works ("MMK"), and JSC NOSTA Integrated Iron-Steel Works, although only Severstal had reportedly applied for normal values under the agreement for the current period.[11]

3. Ukraine

On October 24, 1997, Commerce signed a NME suspension agreement with the Government of Ukraine suspending the antidumping duty investigation of CTL plate from Ukraine.[12] The agreement set a quota, or export limit, for shipments of CTL plate and set a minimum reference price at which Ukrainian mills were required to sell their CTL plate products. On February 17, 2006, Commerce revoked Ukraine's status as a NME country. Effective November 1, 2008, Commerce converted the NME suspension agreement to a market economy agreement based on a request by certain Ukrainian producers of CTL plate.[13] Under the current agreement, signatory producers/exporters in Ukraine agree

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[6] Confidential Staff Report ("CR") at I-3; Public Report ("PR") at I-3. The CR was revised by memoranda INV-GG-097 and INV-GG-099, dated October 5, 2009 and October 8, 2009, respectively.

[7] 68 Fed. Reg. 60081 (Oct. 21, 2003).

[8] CR at I-4; PR at I-4.

[9] 68 Fed. Reg. 3859 (Jan. 27, 2002).

[10] 68 Fed. Reg. 3859 (Jan. 27, 2002). The cost-based normal values are calculated by Commerce.

[11] CR at I-5; PR at I-4.

[12] CR at I-5; PR at I-5.

[13] 73 Fed. Reg. 57602 (Oct. 3, 2008).

to make any necessary price revisions to eliminate completely any amount by which the normal value of their merchandise exceeds the U.S. price of the merchandise subject to the agreement.[14]

D. The Current Reviews

On August 1, 2008, the Commission instituted the present reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty order on CTL plate from China and/or the termination of the suspended investigations on CTL plate from Russia and Ukraine would be likely to lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.[15]

The Commission received a joint response to the notice of institution that was filed on behalf of domestic producers ArcelorMittal USA ("ArcelorMittal"), Evraz NA Claymont ("Claymont"), Evraz NA Oregon Steel Mills ("Oregon Steel Mills"), Nucor Corp. ("Nucor"), and SSAB North America Division ("SSAB NAD") (hereinafter collectively referred to as "domestic interested parties"). Three additional responses to the notice of institution were filed by the following respondent interested parties: Severstal, a Russian producer and exporter of the subject merchandise; MMK, a Russian producer of the subject merchandise; and Azovstal Iron & Steel Works ("Azovstal") and Ilyich Iron & Steel Works ("Ilyich"), producers/exporters of the subject merchandise in Ukraine.

On November 4, 2008, the Commission determined to conduct full reviews pursuant to section 751(c)(5) of the Act.[16] [17] 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 Russia and Ukraine were adequate, but that the respondent interested party group response with respect to China was inadequate. The Commission decided to conduct full reviews concerning CTL plate imports from China to promote administrative efficiency in light of its decision to conduct full reviews with respect to CTL plate from Russia and Ukraine.[18]

Commerce expedited its second reviews with respect to subject imports from China and Russia and published final affirmative review determinations on December 5, 2008 and December 8, 2008, respectively.[19] Commerce conducted a full second review with respect to subject imports from Ukraine and published a final affirmative review determination on March 20, 2009.[20]

Domestic interested parties SSAB NAD, Claymont, and Oregon Steel Mills filed joint prehearing and posthearing briefs with the Commission, and representatives from the companies appeared at the Commission hearing. ArcelorMittal and Nucor filed a joint prehearing brief and separate posthearing briefs with the Commission, and representatives from both companies appeared at the hearing. U.S. Steel filed a posthearing brief with the Commission, but did not appear at the hearing. A representative from the United Steelworkers Union appeared at the hearing. No foreign producers or importers of CTL plate appeared at the hearing or filed briefs in these reviews.

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[14] Two companies have applied for normal values in the first half of 2010. CR at I-7; PR at I-6.

[15] 73 Fed. Reg. 45071 (Aug. 1, 2008).

[16] 19 U.S.C. § 1675(c)(5).

[17] 73 Fed. Reg. 70368 (Nov. 4, 2008); see also Explanation of Commission Determination on Adequacy, CR/PR at Appendix A.

[18] Id.

[19] 73 Fed. Reg. 74143 (Dec. 5, 2008) (China); 73 Fed. Reg. 74461 (Dec. 8, 2008) (Russia).

[20] 74 Fed. Reg. 11910 (March 20, 2009).

Eleven U.S. mills and six U.S. processors, accounting for virtually all U.S. shipments of CTL plate in 2008, provided information and/or data.[21] The Commission received importers' questionnaires from 16 firms regarding imports of CTL plate; these firms accounted for *** percent of subject imports in 2008.[22] No producer of CTL plate from China provided a questionnaire response; two producers of CTL plate from Russia, Severstal and MMK, which combined represent approximately *** percent of total CTL plate production in Russia, provided questionnaire responses; and one producer of CTL plate from Ukraine, Azovstal, accounting for approximately *** percent of total CTL plate production in Ukraine, provided a questionnaire response.[23] Thirty-seven purchasers of CTL plate also provided questionnaire responses.[24]

II. DOMESTIC LIKE PRODUCT

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

A. Product Description

The imported product subject to the antidumping duty order and suspended investigations under review, as defined by Commerce, consists of the following:

> hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot-rolled, neither clad, plated, nor coated

[21] CR at I-42; PR at I-33 & CR/PR at Table I-9

[22] CR at IV-1; PR at IV-1.

[23] CR at IV-36, IV-47; PR at IV-22, IV-28.

[24] CR at I-51; PR at I-39.

[25] 19 U.S.C. § 1677(4)(A).

[26] 19 U.S.C. § 1677(10); see, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. 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., 1st Sess. 90-91 (1979).

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

with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness.

Included as subject merchandise . . . are flat-rolled products which have been beveled or rounded at the edges . . . Excluded from the subject merchandise within the scope . . . is grade X-70 plate, and certain carbon CTL steel plate with a maximum thickness of 80 millimeters in steel grades BS 7191, 355 EM, and 355 EMZ.[28]

Most CTL plate is hot-rolled on a reversing mill, although it may also be rolled in Steckel mills and in continuous hot-strip mills.[29] CTL plate can be made in a variety of widths, thicknesses, and shapes for incorporation into other manufactured products or for further processing into other steel products. Among other applications, it is used in load-bearing and structural applications, such as bridge work, and for machine parts, transmission towers, light poles, buildings, mobile equipment and heavy transportation equipment.[30] It is also used in, inter alia, the production of tanks, sills, offshore drilling rigs, pipes, petrochemical plant and machinery, and various fabricated pieces.[31]

B. Whether to Expand the Domestic Like Product

1. Background and Prior Treatment of this Issue

In the original investigations the Commission defined the domestic like product to consist of CTL plate produced by U.S. mills or cut from coiled plate by service centers.[32] The Commission also considered whether plate in coil form itself warranted inclusion in the domestic like product definition. Based on different physical characteristics and end uses, limited interchangeability, different manufacturing facilities for the majority of CTL plate and coiled plate, and differences in price, the Commission did not include coiled plate in its domestic like product definition.[33]

In the first reviews of the antidumping duty order and suspension agreements, domestic producer U.S. Steel argued, without opposition from any of the parties to those reviews, that the domestic like product definition should be expanded beyond the scope to include micro-alloy steel because there was no clear dividing line between the two types of CTL plate. Reviewing its traditional domestic like product factors, the Commission determined that "the differences between carbon steel CTL plate and micro-alloy steel CTL plate are not so pronounced as to constitute clear dividing lines and, accordingly, we include micro-alloy steel CTL plate within our domestic like product definition. . . ."[34] The Commission stated

[28] 73 Fed. Reg. 74143 (Dec. 5, 2008).

[29] CR at I-36; PR at I-29.

[30] CR at I-33; PR at I-28.

[31] CR at I-33; PR at I-28.

[32] Original Determinations at 8-9.

[33] Original Determinations at 7-8.

[34] First Reviews at 8-9.

that this approach was consistent with its treatment of the issue in numerous original investigations that were conducted between 1998 and 2002 involving CTL plate and other forms of flat rolled steel.[35] [36]

2. Analysis and Conclusion

No new facts have been presented to warrant a like product definition that is different from that reached by the Commission in the first reviews of these suspension agreements and antidumping duty order. Moreover, domestic interested parties stated that they agree with a domestic like product definition that includes micro-alloy CTL plate.[37] The respondent interested parties did not address this issue.

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[35] Id. at 9. Certain Cold-Rolled Steel Products from Australia, India, Japan, Sweden, and Thailand, Invs. Nos. 731-TA-965, 971-72, 979, and 981 (Final), USITC Pub. 3536 (Sept. 2002); Hot-Rolled Steel Products from Argentina and South Africa, Inv. Nos. 701-TA-404 (Final) and 731-TA-898 and 905 (Final), USITC Pub. 3446 (Aug. 2001); Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan, Russia, South Africa, and Thailand, Inv. Nos. 701-TA-393 and 731-TA-829 to 830, 833 to 834, 836, and 838 (Final), USITC Pub. 3283 (Mar. 2000); Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-387 to 391 (Final) and 701-TA-816 to 821 (Final), USITC Pub. 3273 at 5 (Jan. 2000); Certain Hot-Rolled Steel Products from Japan, Inv. No. 731-TA-807 (Final), USITC Pub. 3202 (June 1999); Certain Hot-Rolled Steel Products from Brazil, Japan, and Russia, Inv. Nos. 701-TA-384 (Prelim.) and 731-TA-806 to 808 (Prelim.), USITC Pub. 3142 at 6 (Nov. 1998). In each of those cases, micro-alloy products were included in the scope.

[36] Since the first reviews, the Commission has twice considered whether or not micro-alloy steel should be included in the definition of the domestic like product in reviews of other orders affecting CTL plate. In Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 (Final) and 701-TA-816-821 (Review), USITC Pub. 3816 at 4-6 (Nov. 2005), the Commission found no reason to alter its finding in the original investigations of a single domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, which in that case included micro-alloy plate, X-70 plate, and plate cut from coils. In 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- 327, 348, and 350 (Second Review), and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review), USITC Pub. 3899, (January 2007) at 31 ("2007 CTL Plate Reviews"), three Commissioners expanded the like product definition to include micro-alloy products and three Commissioners declined to expand the domestic like product to include micro-alloy products.

[37] ArcelorMittal's Posthearing Brief at 40; SSAB NAD Posthearing Brief at 12; Nucor's Posthearing Brief at 17-18 ("the micro-alloy question is often a distinction without commercial significance.").

Therefore, consistent with our domestic like product definition in the first reviews, we include micro-alloy CTL plate within our domestic like product definition of CTL plate.[38] [39]

III. DOMESTIC INDUSTRY

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a {w}hole 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."[40] 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.

In the original determinations, the Commission considered whether the domestic industry should include the processors that changed a non-like product (coiled plate) into the domestic like product. The Commission analyzed the production-related activities of the processors and concluded that processors were properly considered a part of the domestic industry. The Commission therefore defined the domestic industry to include all producers of CTL carbon steel plate, whether toll producers, integrated producers, or processors.[41]

In the first reviews of these suspension agreements and antidumping duty order, the Commission once again included processors within the definition of the domestic industry.[42]

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[38] Chairman Aranoff was among the three Commissioners who determined not to expand the domestic like product to include micro-alloy CTL plate in the 2007 CTL Plate Reviews. In those reviews, the Commission noted that it had not expanded the domestic like product in either the original investigations or the first reviews of the orders at issue there. USITC Pub. 3899 (Jan. 2007) at 26. In determining not to expand the domestic like product, Chairman Aranoff explained that she "relied primarily on the fact that no party advocated . . . an expansion during these reviews." Id. at 31 n.118. She allowed that she might reach a contrary conclusion in a future investigation or review, "[d]epending on the facts found and the arguments presented . . . ." Id. With respect to the order and suspension agreements at issue here, the Commission determined in the first reviews to include micro-alloy CTL plate in the domestic like product (the issue was not presented in the original investigations). In these second reviews, no party has advocated a change and no new facts suggest that one is warranted. Given these circumstances, Chairman Aranoff joins her colleagues in defining the domestic like product to include micro-alloy CTL plate for purposes of the current reviews. In any regard, the volume of domestic micro-alloy CTL plate production is too small to have a significant impact on the data in the record.

[39] Commissioner Lane includes micro-alloy CTL plate within the Commission's domestic like product definition for purposes of these reviews. Commissioner Lane notes that in these reviews, unlike the 2007 CTL Plate Reviews, domestic interested parties support including micro-alloy plate in the domestic like product definition and the Commission included micro-alloy plate in these underlying first reviews. Commissioner Lane did not participate in the first reviews of these investigations. She notes that evidence on the record of these reviews indicates that "the micro-alloy question is often a distinction without commercial significance." Domestic interested party, Nucor's, posthearing brief at 17-18. See also CR at I-35; PR at I-29. Depending on the facts found and the arguments presented in any future investigation or review, Commissioner Lane could reach a contrary conclusion on whether to include micro-alloy CTL plate in the domestic like product.

[40] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677. The related party provision provides that producers that are related to an exporter or importer of subject merchandise or which are themselves importers may be excluded in appropriate circumstances. 19 U.S.C. § 1677(4)(B).

[41] Original Determinations at 9-12.

[42] First Reviews at 9-10.

No new facts have been presented to warrant a conclusion different from that in the original investigations and the first reviews. Moreover, no party raised any objections to this domestic industry definition. Therefore, based on our definition of the domestic like product, we define the domestic industry to include all producers of the domestic like product.[43]

IV. CUMULATION

A. Original Investigations and First Reviews

In the original investigations, the Commission found that the statutory criteria for cumulation were met. The Commission found that subject imports compete with each other and with the domestic like product, and it therefore cumulated subject imports from China, Russia, South Africa, and Ukraine for purposes of analyzing whether the domestic industry was materially injured by reason of LTFV imports from those countries. Because the Commission ultimately found no present material injury, it also considered cumulation for purposes of its threat analysis. The Commission exercised its discretion to cumulate the LTFV imports from China, Russia, South Africa, and Ukraine for the same reasons it determined cumulation was warranted for its material injury analysis.

In the first reviews, the Commission found that based on the available information regarding capacity, production, product mix, importance of price considerations to purchasers, and export orientation, as well as the "prevailing conditions of competition in the U.S. market," the subject imports from China, Russia, South Africa, and Ukraine would each be likely to have a discernible adverse impact on the domestic industry if the suspended investigations were terminated. The Commission also found that there likely would be a reasonable overlap of competition between subject imports from all countries under review and the domestic like product, and among the subject imports from all of the countries, if the suspended investigations were terminated. The Commission did not find any likely significant differences in the conditions of competition among imports from the subject countries, except with

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[43] The Commission also determines 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. 19 U.S.C. § 1677(4)(B).

In the original determinations, the Commission found that North Star Steel Co., Cargill Inc., and Feralloy Corp. were related parties due to either their direct importation of subject merchandise, or through common ownership with an importer of subject merchandise, but found that appropriate circumstances did not exist to exclude any of these related parties. Original Determinations at 13. In the first reviews, the Commission found no related party issues. First Reviews at 10 n.44.

There are two related party issues in these reviews. Domestic producer *** holds a *** in foreign producer ***. CR at I-46; PR at I-36. *** are not themselves importers of the subject merchandise. CR/PR at Table I-10. We find that *** and *** are not related parties as defined by the statute because ***. ArcelorMittal/Nucor's Prehearing Brief at 5 n.6.

Domestic processor *** imported subject merchandise during the period of review and therefore qualifies as a related party as defined by the statute. CR/PR at Table III-10. We find, however, that appropriate circumstances do not exist to exclude *** from the domestic industry. First, *** supports continuation of the orders. Second, as a ratio to *** domestic production in 2006 and 2007, *** imports of subject merchandise from *** were only *** percent and *** percent, respectively. CR/PR at Table III-10. *** interests therefore would appear to be in domestic production rather than in importation.

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.

respect to imports from South Africa.[44] As a result, the Commission exercised its discretion to cumulate subject imports from China, Russia and Ukraine.

B. Legal Standard

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

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[45]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.[46] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied in these reviews, because all of the reviews of CTL plate were initiated on the same day.

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 of CTL plate 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 for CTL plate.[47] In so doing, we take into account the various arguments by the parties.

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[44] The Commission found that significant differences in conditions of competition were likely to exist for subject imports from South Africa, and therefore declined to exercise its discretion to cumulate the likely volume and price effects of subject imports from South Africa. See First Reviews at 16-17.

[45] 19 U.S.C. § 1675a(a)(7).

[46] 19 U.S.C. § 1677(7)(G)(i); see also, e.g., 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 v. United States, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008); United States Steel Corp. v. United States, Slip Op. 08-82 (Aug. 5, 2008).

[47] Vice Chairman Pearson and Commissioner Okun note that while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, they next proceed to consider whether there is a likelihood of a reasonable overlap of competition whereby those imports

(continued...)

In these reviews, domestic interested parties ask the Commission to exercise its discretion to cumulate imports from all three subject countries.[48]

Based on the record, we find that subject imports from each of the three countries would not be likely to have no discernible adverse impact on the domestic industry were the suspended investigations terminated or antidumping duty order revoked. We also find a likely reasonable overlap of competition among the imports from the subject countries and between the subject imports and the domestic like product were the suspended investigations terminated or antidumping duty order revoked. We do not find significant differences in the likely conditions of competition affecting imports from China, Russia, and Ukraine.[49] We therefore exercise our discretion to cumulate subject imports from China, Russia, and Ukraine.

C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[50] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[51] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

Based on the record, we do not find that subject imports from any of the subject countries are likely to have no discernible adverse impact on the domestic industry in the event of revocation of the order or termination of the suspended investigations covering those imports.[52]

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[47] (...continued)
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, Slip Op. 09-16 at 23-25 (Ct. Int'l Trade Mar. 9, 2009); Nucor Corp. v. United States, Slip Op. 08-141 at 39-43 (Ct. Int'l Trade Dec. 23, 2008).

[48] See, e.g., ArcelorMittal/Nucor's Prehearing Brief at 5-26; SSAB NAD's Prehearing Brief at 3-7; U.S. Steel's Posthearing Brief at 3-4.

[49] As explained in footnote 71, Commissioners Lane and Pinkert, applying a different analytical framework, find no justification for exercising their discretion not to cumulate the subject imports from China, Russia, and Ukraine.

[50] 19 U.S.C. § 1675a(a)(7).

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

[52] In the current reviews, no responses to the Commission's questionnaires were received from producers of CTL plate in China. Consequently, data for China are based on information collected in the original investigations, the first reviews, and published sources. In the current reviews, the Commission received responses to its questionnaires from two Russian producers of CTL plate, Severstal and MMK, which combined reportedly represent *** percent of CTL plate production in Russia. In the current reviews, the Commission identified and issued questionnaires to three Ukrainian firms believed to produce CTL plate, and received a response from one, ***, which estimated it accounted for *** percent of Ukrainian production of CTL plate in 2007.

The volume of subject imports from China, Russia, and Ukraine rose rapidly during the original investigations.[53] Subject imports from each of the three countries have remained in the U.S. market even after the impositions of the antidumping duty order and signing of the suspension agreements, albeit at smaller volumes.[54]

The size of the CTL plate industry in each of these countries is significant, both absolutely and relative to the U.S. market.[55] Each country also has significant excess capacity[56] as well as capacity to produce a large range of plate products. Moreover, the CTL plate industries in all of the subject countries produce significant volumes of subject plate and export subject plate, although to varying degrees.[57]

Imports from each of the subject countries are likely to be substitutable for, and competitive with, domestically produced CTL plate.[58] Such competition is likely to be based, at least in part, on price, due to the importance of price in purchasing decisions.[59] Producers in each of the subject countries undersold U.S. producers in the large majority of pricing comparisons during the original investigations and the first reviews, and continued to undersell U.S. producers during the period examined in the current reviews.[60]

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[53] During the period examined in the original investigations, the volume of subject imports from China increased from 8,639 short tons in 1994 to 301,652 short tons in 1996, the volume of subject imports from Russia increased from 230,156 short tons in 1994 to 252,396 short tons in 1996, and the volume of subject imports from Ukraine increased from 295,775 short tons in 1994 to 627,796 short tons in 1996. CR/PR at Table I-1.

[54] In the current reviews, based on official Commerce import statistics, the volume of subject imports from China declined irregularly from 6,036 short tons in 2003 to 4,360 short tons in 2008, subject imports from Russia increased irregularly from 3,742 short tons in 2003 to a period high of 84,992 short tons in 2008, and subject imports from Ukraine increased irregularly from 4,724 short tons in 2003 to a period high of 173,945 short tons in 2008. CR/PR at Table C-1.

[55] Based on published data, CTL plate capacity in China has grown *** since the original investigations and first reviews, and was at least *** short tons in 2007. CR at IV-32; PR at IV-20. Reported Russian production capacity increased irregularly from *** short tons in 2003 to *** short tons in 2008. CR/PR at Table IV-18. Ukrainian production capacity, based on the single responding producer, declined from *** short tons in 2004 to *** short tons in 2008. CR/PR at Table IV-22.

[56] CR/PR at Tables IV-17 & IV-21. We do not have reported data on excess capacity in China due to the lack of participation in these proceedings by Chinese producers, but given the greatly increased capacity of the Chinese industry since the imposition of the order, and the negative impact of the recent global collapse in the market for CTL plate, we find that China likely has significant excess capacity. CR at IV-19-IV-21; PR at IV-19-IV-21.

[57] Since 2003, China's exports of CTL plate have increased from 1.2 million short tons to 5.6 million short tons, and were estimated to be 10.3 million short tons in 2007. CR/PR at Table IV-15. Exports from CTL plate producers in Russia declined irregularly from *** percent of shipments in 2003 to *** percent in 2008; exports accounted for *** percent of shipments in interim 2009 as compared to *** percent in interim 2008. CR/PR at Table IV-18. Exports from the sole reporting Ukrainian producer remained above *** percent of total shipments throughout the period of review, declining irregularly from a *** percent of shipments in 2004 to *** percent in 2008; exports accounted for *** percent of shipments in interim 2009 as compared to *** percent of shipments in interim 2008. CR/PR at Table IV-22.

[58] CR/PR at Table II-8.

[59] CR/PR at Table II-6.

[60] In the original investigations, subject imports from China undersold the domestic like product in 69 of 78 price comparisons, and in the first reviews subject imports from China undersold the domestic like product in 33 of 59 comparisons. In these reviews, subject imports from China undersold the domestic like product in four of nine comparisons, with margins ranging from 0.9 to 16.5 percent. CR/PR at Table V-7. In the original investigations, subject imports from Russia undersold the domestic like product in 54 of 55 price comparisons, and in the first

(continued...)

Accordingly, 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, and given that producers in China, Russia, and Ukraine have a demonstrated history of rapid increases in volume and underselling, we do not find that subject imports from China, Russia, and Ukraine would likely have no discernible adverse impact on the domestic industry.

D. Likelihood of a Reasonable Overlap of 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.[61] Only a "reasonable overlap" of competition is required.[62] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[63]

In the original determinations and the first reviews, the Commission found a reasonable overlap of competition among the subject countries and the domestic like product. In these reviews, no party has argued that circumstances have changed so as to warrant a different result concerning the likely overlap of competition for cumulation purposes.

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[60] (...continued)
reviews subject imports undersold the domestic like product in 39 of 47 comparisons. In the current reviews, subject imports from Russia undersold the domestic like product in 22 of 49 price comparisons, with margins of underselling ranging from *** percent. CR/PR at Table V-7. In the original investigations, subject imports from Ukraine undersold the domestic like product in all 59 price comparisons, and undersold the domestic like product in 20 of 39 comparisons during the first reviews. In the current reviews, subject imports from Ukraine undersold the domestic like product in 16 of 27 price comparisons, with margins of underselling ranging from *** percent. CR/PR at Table V-7 as revised in Memorandum INV-GG-099.

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

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

[63] See generally Chefline Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

1. Fungibility[64]

In general, U.S. producers and importers reported that domestic CTL plate and subject imports are used interchangeably. All responding producers that had knowledge of CTL plate from various sources, as well as nine out of 11 importers, reported that the products are "always" or "frequently" used interchangeably.[65] The majority of responding purchasers also reported that U.S.-produced CTL plate can "always" or "frequently" be used interchangeably with the subject product. The vast majority of market participants also reported that CTL plate from the various subject countries is "always" or "frequently" used interchangeably.[66]

Accordingly, in these reviews, subject imports and the domestic like product appear no less fungible than they did in the original investigations or the first reviews.

2. Common or Similar Channels of Distribution

In the first reviews, the Commission found that virtually all shipments of subject imports are to distributors or service centers, and that domestic producers and importers ship plate to end users, distributors and service centers.[67] This is generally consistent with the record in the current reviews. In these reviews, domestic producers' U.S. shipments of CTL plate to distributors or service centers ranged from 54.6 percent in 2003 to 46.0 percent in 2008, while the large majority of shipments of subject imports from each of the subject countries were to distributors or service centers throughout the review period.[68]

3. Same Geographic Markets

The domestic like product and subject imports continue to be sold nationwide.[69]

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[64] Commissioner Lane notes that, with respect to fungibility, her 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, Invs. Nos. 701-TA-451 and 731-TA-1126-1128 (Prelim.), USITC Pub. 3964 at 32-33 (Nov. 2007).

[65] CR/PR at Table II-8.

[66] Id. Although the majority of imports for CTL plate from Russia were less than or equal to three inches in thickness in 2008, and the majority of imports of CTL plate from China were greater than three inches in thickness in 2008, (CR/PR at Table IV-6), we note that these countries' exports to the United States represent only a small percentage of their total production in 2008, and there is no evidence on the record that producers in these countries can not produce the full range of CTL plate thicknesses. In fact, pricing data from the original investigations showed that producers in China did in fact ship to the United States ***. Original Determinations, Confidential Staff Report at V-8 and Table V-1. Moreover, U.S. importers' shipments of CTL plate from China were *** in the "all other cut-to-length plate" category in 2008, which overlaps with the *** of Ukrainian producers' reported exports and home market shipments of CTL plate, and shipments by the responding Russian producers to their ***. CR/PR at Tables IV-7, IV-20 & IV-24.

[67] First Reviews at 15. In 2002, 63 percent of U.S. produced CTL plate shipments went to distributors or service centers.

[68] CR/PR at Table II-2.

[69] First Reviews at 16; CR at IV-17; PR at IV-12.

4. Simultaneous Market Presence

While subject import volumes from each subject country are significantly lower in this review than they were during the original investigations, subject imports from each country have continued to enter the U.S. market in each year of the current review period.[70]

5. Conclusion

Based on the traditional four competition factors that the Commission considers, we conclude that subject imports from the subject countries likely would be generally fungible, move in the same channels of distribution, and compete simultaneously in the same geographic markets if the suspended investigations were terminated and/or the antidumping duty order was revoked. No party has asserted an argument that a reasonable overlap of competition is not likely. Accordingly, we conclude that there likely would be a reasonable overlap of competition between subject imports and the domestic like product, and among the subject imports themselves, if the suspended investigations were terminated and/or the antidumping duty order was revoked.

E. Other Considerations[71]

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from China, Russia, and Ukraine are likely to compete under similar or different conditions in the U.S. market after revocation of the order and termination of the suspended investigations.[72] Based on the current record, we do not find, and no party has asserted, any significant differences in likely conditions of competition among imports from China, Russia, and Ukraine. Accordingly, we exercise our discretion to cumulate subject imports from China, Russia, and Ukraine.

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[70] CR at IV-18; PR at IV-12 & CR/PR at Table IV-9.

[71] Commissioners Lane and Pinkert explain their analysis of other considerations as follows. Where, in a five-year review, they 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, they 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, they find that there is no such condition or propensity with respect to the subject imports. Therefore, they find no justification for exercising their discretion not to cumulate the subject imports from China, Russia, and Ukraine, and they have cumulated them in these reviews.

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

V. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE SUSPENDED INVESTIGATIONS ARE TERMINATED AND THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standards

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[73] 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."[74] Thus, the likelihood standard is prospective in nature.[75] 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.[76] [77] [78]

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."[79] According to

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[73] 19 U.S.C. § 1675a(a).

[74] 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.

[75] 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.

[76] 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'").

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

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

[79] 19 U.S.C. § 1675a(a)(5).

the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[80]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[81] 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).[82] 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.[83]

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and the suspended investigations are terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[84] 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.[85]

In evaluating the likely price effects of subject imports if the orders under review were revoked and the suspended investigations are terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[86]

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and the suspended investigations are terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States,

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[80] 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.

[81] 19 U.S.C. § 1675a(a)(1).

[82] 19 U.S.C. § 1675a(a)(1). We note that no duty absorption findings have been made by Commerce.

[83] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[84] 19 U.S.C. § 1675a(a)(2).

[85] 19 U.S.C. § 1675a(a)(2)(A-D).

[86] 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.

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.[87] 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.[88]

As stated above, the Commission received responses to its questionnaires from two Russian producers of CTL plate, Severstal and MMK, which combined reportedly represent *** percent of CTL plate production in Russia, a questionnaire response from one Ukrainian firm, ***, which estimated it accounted for *** percent of Ukrainian production of CTL plate in 2007. The Commission did not receive any foreign producer questionnaire responses from CTL plate producers in China. Accordingly, we have relied on the facts otherwise available when appropriate in these reviews, which consist primarily of information from the original investigations, information submitted in these reviews, and information available from published sources.[89] [90]

B. Conditions of Competition and Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[91]

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[87] 19 U.S.C. § 1675a(a)(4).

[88] 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.

[89] 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.").

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

[91] 19 U.S.C. § 1675a(a)(4).

1. The Commission's Original Determinations

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 for CTL plate had increased overall during the period examined in the original investigations. Producers, importers and end-user purchasers attributed the increase in demand to a strong economy and to such specific factors as low interest rates, increased spending on capital goods, and increased general construction spending.[92] The Commission also identified the growing importance of steel service centers, which accounted for 23.8 percent of domestic production of CTL plate in 1996.[93] The Commission also found that CTL plate is essentially a commodity-type product and that price is a significant factor for purchasers.[94]

2. The Commission's First Reviews

In the first reviews, the Commission highlighted several conditions of competition pertinent to its analysis of the domestic CTL plate market. The Commission found that demand for CTL plate had declined overall during the period. Market participants attributed the decrease to general economic conditions, with specific factors cited such as decreased spending on capital goods and decreased general construction spending.[95] The Commission also noted that the domestic industry had consolidated over the period, and that productivity had increased. The Commission identified the growing importance of steel service centers as a factor in increased price competition because of their buying leverage due to their ability to make large purchases and hold sizable quantities of CTL plate in inventory.[96] Finally, the Commission noted that safeguard duties not to exceed three years had been imposed on imported CTL plate, among other steel products, in 2002, and that imports from China, Russia, and Ukraine were subject to this temporary import relief.

3. The Current Proceedings

We find the following conditions of competition relevant to our determinations in these reviews.

a. Demand

The majority of market participants agree that U.S. demand for CTL plate increased from 2003 to mid-2008, and then collapsed in late 2008 due to the sudden and unforeseen global economic recession.[97] Apparent U.S. consumption of CTL plate increased irregularly from 6.4 million short tons in 2003 to 8.6

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[92] Original Determinations at 14.

[93] Original Determinations at 14.

[94] Original Determinations at 20.

[95] First Reviews at 20. In 2002, service centers accounted for 63.0 percent of U.S.-produced shipments and purchased all reported subject imports.

[96] Id. at 21.

[97] CR at II-17; PR at II-11. According to domestic interested parties, the current market for CTL plate does not simply reflect a downturn in a normal business cycle, but is directly caused by the economic collapse in global steel demand which, combined with the financial collapse, resulted in an unprecedented global economic reversal. Hearing Tr. at 72-73 (Blume) (Whiteman).

million short tons in 2008, and was 4.5 million short tons in interim 2008 and 2.2 million short tons in interim 2009.[98] Global consumption grew from 2003 to 2008 and then is forecast to decline in 2009.[99]

Looking forward, domestic producers report that the quantity of CTL plate entered into their "order books" was dramatically lower through September 30, 2009 when compared to the same period in 2008.[100] Domestic interested parties also report that U.S. and global CTL plate demand is currently weak and will remain weak for the reasonably foreseeable future as the U.S. industry is "suffering through the worst steel market in decades."[101] According to domestic interested parties, they have seen little, if any, impact on demand for CTL plate spurred by stimulus spending in the American Recovery and Reinvestment Act of 2009.[102] CTL plate industry analysts reported that "infrastructure development projects, the types of things the federal stimulus package was intended to spark, have not yet had a significant impact on plate demand."[103] Collectively, these reports as to order books, demand projections, and the lack of a large impact by stimulus spending indicate that demand is likely to remain weak for the reasonably foreseeable future.

Consistent with our finding that demand for CTL plate is derived from demand for end-use applications,[104] and in light of the wide variety of customers and multiplicity of distinct industries for which CTL plate is used, we do not find that the CTL plate market is characterized by a regular and measurable business cycle that might be characteristic of other industries.[105] Although the various industries that use CTL plate may each be characterized by a specific business cycle, CTL plate producers respond to several different end-user industries and their individual business cycles.

b. Supply

Since the original investigations and first reviews, there have been a number of changes in the identity of the suppliers to the U.S. market, although the U.S. market continues to be supplied primarily by the U.S. industry. During the original investigations, 14 mills, representing virtually all domestic mill production of CTL plate, and 21 processors, supplied the Commission with information on their operations with respect to CTL plate.[106] In the first reviews, 10 mills and eight processors, accounting for approximately 90 percent of production over that period, supplied the Commission with information.[107] In these reviews, 11 mills and six processors producing CTL plate provided the Commission with information, with five mills accounting for *** percent of reported shipments.[108]

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

[99] CR/PR at Tables IV-29 & IV-30.

[100] CR/PR at Table III-8.

[101] CR at IV-70; PR at IV-35.

[102] Hearing Tr. at 51 (Rosenthal). Some producers noted that demand for CTL plate will remain low in the next 2-3 years, but expect demand to improve with the help of transportation funding and stimulus spending. CR at II-20; PR at II-13.

[103] CR at II-20 n.19; PR at II-13 n.19.

[104] CR at II-11; PR at II-7.

[105] We note that the vast majority of purchasers reported that there was no specific business cycle to the CTL plate industry. CR at II-15; PR at II-10.

[106] CR at I-41; PR at I-33.

[107] CR at I-41; PR at I-33.

[108] Those five mills are ArcelorMittal, Evraz Claymont, Evraz Inc., Nucor, and SSAB NAD.

The CTL plate assets of several U.S. mills changed ownership over the course of the review period. In May 2003, International Steel Group ("ISG") acquired most of the assets of Bethlehem Steel Corporation, including the facilities at Burns Harbor, Indiana; Sparrows Point, Maryland; and Coatesville and Conshohocken, Pennsylvania.[109] ISG exchanged its pickle line at Indiana Harbor Works for U.S. Steel's Gary Works' plate mill.[110] In 2004, Nucor purchased substantially all of the steelmaking assets of Corus' Tuscaloosa, Alabama facility.[111] Cargill, Inc., the parent company of North Star Steel, sold the fixed assets and working capital of North Star to Gerdau Ameristeel.[112]

The domestic CTL plate market has also become increasingly global as multinational corporations entered the U.S. market through acquisitions. In April 2005, ISG, the company that accounted for the ***, at the time of the first reviews, was merged into Mittal Steel Company, N.V. (formerly Ispat International N.V.), and the U.S. CTL plate facilities of ISG are now referred to as Mittal Steel USA.[113] In June 2006, Mittal Steel Company, N.V. merged with Arcelor S.A. to form ArcelorMittal, the world's largest steelmaker.[114] In 2007, IPSCO was acquired by Sweden's SSAB. Finally, Russia-based Evraz acquired Oregon Steel mills in 2007 and Claymont Steel in 2008.[115] As a result of consolidation, the domestic CTL plate industry is better able to respond to changes in demand by idling production facilities. Whereas in 1996 no domestic producer operated more than two production locations, by 2008 one producer operated eleven production locations, another operated seven, and another operated four.[116]

The domestic industry's capacity grew irregularly by 13.2 percent from 2003-2008, from 9.6 million in 2003 to a period high of 10.9 million in 2008, but was 9.3 percent lower in interim 2009 as compared to interim 2008.[117] ArcelorMittal *** in late 2008 citing the precipitous drop in demand, and in May 2009, Evraz Inc. announced a multi-week work stoppage at one of its plants and JSW Steel USA announced the possible suspension of one of its plate mill operations that had been running at only 10-15 percent of capacity.[118]

Although U.S. producers accounted for the vast majority of domestic shipments, there were also subject and non-subject imports supplying the U.S. market during the period of review. Non-subject imports were the second-largest source of CTL plate in the U.S. market during the period of review, reaching a period high in market share in 2006 and a period low in 2008.[119] Market share for the subject countries was smaller over the period, reaching a period high in 2008.

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[109] CR/PR at Table III-1.

[110] CR at III-6; PR at III-5.

[111] CR/PR at Table III-1.

[112] CR/PR at Table III-1. Since 2003, the steel service center industry has also experienced substantial consolidation. CR at III-5; PR at III-4.

[113] CR/PR at Table III-1.

[114] CR/PR at Table III-1.

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

[116] Original Determinations Staff Report at Table III-3 & CR/PR at Table I-9.

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

[118] CR/PR at Table III-1.

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

(c) Other Conditions

As indicated in our cumulation discussion, market participants find subject imports from China, Russia, and Ukraine to be generally interchangeable with one another and for the domestic like product. Purchasers listed price and quality as the two most important factors affecting their purchasing decisions regarding CTL plate.[120]

Raw material costs vary depending on the production process, with steel scrap playing a relatively larger role in the raw material costs for electric arc furnace ("EAF") non-integrated mills, for example.[121] Regardless of the production methodology used, the cost of raw materials (e.g., iron ore, coal, and steel scrap) and energy are important components of the total cost of producing CTL plate.[122] Prices in the United States of iron ore and coal remained relatively stable from 2003 through 2007, and began to increase in 2008.[123] The price of iron and steel scrap in the United States increased between 2003 and 2004, fluctuated at higher levels before rising steeply, then declined sharply in 2008; scrap prices have recovered somewhat in 2009.[124] The prices of both natural gas and electricity in the United States generally rose over the period of review, with notable increases for each in 2008.[125] The majority of market participants indicated that CTL plate prices follow the raw material price trends closely.[126]

C. Revocation of the Antidumping Duty Order and Termination of the Suspended Investigations Is Likely to Lead to Continuation or Recurrence of Material Injury

1. Likely Volume of Cumulated Subject Imports

a. The Commission's Original Determinations

In the original determinations, the Commission found that the CTL plate industry was threatened with material injury by reason of cumulated subject imports. The Commission noted in its threat analysis that the volume of cumulated subject imports from China, Russia, South Africa, and Ukraine rose from 650,038 short tons in 1994 to 1,263,389 short tons in 1996, an overall increase of 94.4 percent, and that there was a further increase of 76.3 percent when the interim periods were compared (first quarter 1996 and first quarter 1997). The Commission found that the dramatic surge of subject imports in interim 1997 demonstrated the ability of respondents to ship very large volumes of subject imports to the United States and the likelihood that respondents would do so in the absence of affirmative determinations.[127] The Commission also noted that the rate of increase far outpaced growth in domestic demand, resulting in increased market share for subject imports. The Commission also considered it significant that each of the subject countries was facing at least one and, in some cases, several antidumping findings,

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[120] When asked to list the three most important factors considered when choosing a supplier, price and quality were the most commonly cited factors overall; 16 of 37 responding purchasers reported that quality was the most important factor, and 12 reported that price was the most important factor. CR/PR at Table II-4. Thirty-one of 37 purchasers reported that price is "very important" to their purchasing decisions. CR/PR at Table II-6.

[121] CR at I-37; PR at I-30.

[122] CR at V-1; PR at V-1.

[123] CR at V-1; PR at V-1; CR/PR at Figure V-1.

[124] CR at V-1; PR at V-1; CR/PR at Figure V-2.

[125] CR at V-1; PR at V-1.

[126] CR at II-10, V-2; PR at II-7, V-2.

[127] Original Determinations at 24-25.

investigations, or quantitative restrictions in other major export markets indicating that export markets other than the United States were and might be further restricted.[128]

b. The Commission's First Reviews

In the first reviews the Commission found that the likely volumes of cumulated subject imports from China, Russia, and Ukraine, both in absolute terms and as a share of the U.S. market, would be significant for several reasons. First, the Commission found that in the three years prior to the suspension agreements, the volume of subject imports increased by 121.1 percent, thus demonstrating the ability of subject countries to increase exports to the United States rapidly without the restraining effects of the suspension agreements. Second, despite limitations in the scope of coverage of data on foreign production, the data collected by the Commission showed considerable production capacity in the cumulated subject countries, and that this capacity had increased over the period. Third, the Commission found that producers in all three countries had the ability to shift production capacity between subject merchandise and other products. Fourth, the Commission found that the industries in the cumulated countries were somewhat export oriented. Fifth, the Commission found that the United States was an attractive market for foreign producers because of its size and its established distribution system, and that evidence on the record showed that U.S. prices for CTL plate are often higher than prices in other markets. Finally, the Commission found that exports of subject merchandise from each of the subject countries were subject to a number of tariff and non-tariff barriers in third-country markets, further increasing the attractiveness of the U.S. market. Accordingly, the Commission found that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant.[129]

c. The Current Reviews

Several factors support the conclusion that cumulated subject import volume is likely to be significant if the order is revoked and the suspended investigations terminated.

First, during the period examined in these reviews, cumulated subject imports maintained a growing presence in the U.S. market, even with the order and suspension agreements in place. Based on official Commerce statistics, subject imports increased irregularly from 14,502 short tons in 2003 to 263,298 short tons in 2008, an increase of 1,756 percent.[130] By quantity, subject imports increased their U.S. market share from 0.2 percent in 2003 to 3.0 percent in 2008.[131] Thus, even under the restraining effects of the order and suspension agreements, CTL plate producers in subject countries have shown the ability to increase exports to the United States rapidly.

Second, despite certain limitations in the scope of coverage of data on foreign production noted previously, the data collected by the Commission show considerable production capacity and excess capacity in each of the subject countries and, further, that the capacity has increased over the period of review. As of 2007, *** reports available reversing plate capacity of mills in China of approximately ***

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[128] Original Determinations at 25.

[129] First Reviews at 24-25.

[130] CR/PR at Table C-1. Cumulated subject imports were *** in interim 2009 as compared to *** in interim 2008.

[131] CR/PR at Table C-1. The U.S. market share accounted for by cumulated imports was *** percent in interim 2009 as compared to *** percent in interim 2008.

short tons.[132] *** acknowledges that this capacity figure may be understated, and indeed reported that reversing mill plate production in China *** from *** short tons to *** short tons.[133] We recognize that this same report also notes that consumption of reversing mill plate in China has also more than *** during this period from *** short tons to *** short tons.[134] Based on this report, China produced approximately *** short tons in excess of its consumption in 2008, when demand for CTL plate was still strong. A *** lists China's 2008 reversing mill plate capacity as *** short tons.[135] Moreover, published reports indicate that CTL plate producers in China are planning to add *** tons of additional CTL plate capacity in the reasonably foreseeable future.[136]

Reported capacity to produce CTL plate in Russia has increased from *** short tons in 2003 to *** short tons in 2008.[137] Russian producers have indicated that they will be expanding capacity in the reasonably foreseeable future.[138]

Only one Ukranian producer, ***, provided data to the Commission in these reviews. Its reported capacity to produce CTL plate in Ukraine declined from *** short tons in 2004 to *** short tons in 2008.[139] In its response to the Commission's notice of institution, Azovstal reported that Ukranian production of CTL plate in 2007 totaled *** short tons of which Ukrainian producer Ilyich accounted for *** short tons.[140] *** reports that reversing mill plate capacity in CIS countries (mainly Russia and Ukraine combined) grew from *** short tons in 2003 to *** short tons in 2008.[141] Collectively, reversing mill plate production in China, Russia, and Ukraine is estimated to be *** short tons in 2008, while consumption is estimated to be ***. [142] [143] The excess capacity for these countries represents a large potential ability to produce subject imports in relation to the U.S. market.

Having examined subject CTL plate capacity in China, Russia, and Ukraine, we now consider evidence of unused capacity in those countries. In 2008, reversing mill plate production in China, Russia, and Ukraine exceeded consumption in the three countries by a figure that is about as large as apparent

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[132] CR at IV-32; PR at IV-20 citing ***.

[133] CR at IV-18 n.12, PR at IV-13 n. 12 & CR/PR at Tables IV-13 & IV-26-IV-27. Figures on reversing mill plate likely understate total CTL plate production because they do not account for CTL plate cut from coiled plate. CR at IV-24; PR at IV-16.

[134] CR/PR at Tables IV-29-IV-30.

[135] CR at IV-32; PR at IV-20.

[136] CR at IV-19-20; PR at IV-13-IV-14 & CR/PR at Table IV-11.

[137] CR/PR at Table IV-18. Reported capacity to produce CTL plate in Russia was *** short tons in interim 2009 as compared to *** short tons in interim 2008.

[138] CR at IV-21-22; PR at IV-14. For example, ***.

[139] CR at IV-48; PR at IV-28. Azovstal reported its overall production capacity for 2003 and explained that it was ***. Therefore, the apparent ***. CR at IV-49; PR at IV-28.

[140] CR at IV-47; PR at IV-28. Ilyich did not respond to the Commission's questionnaire in these reviews.

[141] CR/PR at Table IV-26.

[142] CR/PR at Tables IV-13-IV-14.

[143] By way of another comparison, Chairman Aranoff notes that CTL plate production capacity in the nine countries that were cumulated in the 2007 CTL Plate Reviews was *** in comparison to production capacity in China, Russia, and Ukraine. ***.

U.S. consumption of *** short tons.[144] [145] Reported 2008 excess capacity in Russia equaled approximately *** short tons, and in Ukraine, for the one responding producer, excess capacity equaled approximately *** short tons.[146] We do not have reported data on excess capacity for China due to the lack of participation in these proceedings by Chinese producers. Given the greatly increased capacity of the Chinese industry since imposition of the order, the evidence of production in substantial excess of consumption, and the negative impact of the recent collapse in the market for CTL plate, we find that Chinese producers likely have significant excess capacity that could be a source of increased exports to the United States should the order be revoked. Moreover, despite poor global economic conditions, the record contains unrebutted evidence of numerous capacity expansions planned for the CTL plate industry in China in the reasonably foreseeable future.[147] Accordingly, using even the most conservative estimates, cumulated excess capacity is equal to a significant percentage of apparent U.S. consumption in 2008. Given reports that demand for CTL plate in China, Russia, and Ukraine has fallen sharply in 2009, and that prospects for a rapid recovery are remote, we conclude that unused capacity will likely be substantially higher during the reasonably foreseeable future than in 2008.[148] This excess capacity, which includes new capacity added at considerable expense, will likely provide a strong incentive for foreign producers of CTL plate in China, Russia, and Ukraine to increase shipments to export markets.

In addition, it would appear that the CTL plate industries in all three countries have the capacity to increase production of subject merchandise by shifting away from the production of other products. CTL plate producers in China indicated in the first reviews that they had the ability to produce other products on the same equipment, including alloy, low-alloy, shipbuilding, high-grade structural, and pressure plate, and no evidence to the contrary has been provided in these reviews.[149] In Russia, firms produce *** on the same equipment used to produce CTL plate.[150] In Ukraine, *** were reportedly produced on the same equipment used to produce CTL plate.[151]

Third, the industries in the cumulated countries range from somewhat to highly export-oriented. Exports constituted *** percent of Ukraine's total shipments in 2008 and *** percent of Russia's shipments.[152] Since 2003, China's exports of CTL plate have increased from *** short tons to *** short tons, and were estimated to be *** short tons in 2007.[153] Moreover, as of 2005, China's status changed

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[144] CR/PR at Tables IV-13, IV-14, and C-1.

[145] Commissioners Lane and Pinkert note that, according to *** data covering 2008, subject country plate production of reversing mill plate *** subject country consumption by *** short tons (imports but not exports are included in subject country consumption). CR/PR at Tables IV-13 and IV-14. This *** is nearly as much as total U.S. consumption.

[146] CR/PR at Tables IV -17 & IV-21.

[147] CR/PR at Table IV-11, CR at IV-19-IV-21, IV-31-IV-33; PR at IV-13-IV-14, IV-19-IV-21.

[148] Nucor's Posthearing Brief at Ex. 1 at 25-31.

[149] First Reviews at 24.

[150] CR at IV-40; PR at IV-24.

[151] CR at IV-52; PR at IV-29.

[152] CR/PR at Tables IV-17 & IV-21. The record does not contain a reported percentage of China's exports as a share of total shipments due to the lack of participation in these proceedings by Chinese producers.

[153] CR/PR at Table IV-15.

from a net importer of CTL plate to a net exporter, and by 2006, China was the largest exporter of CTL plate among the subject countries.[154]

Fourth, the United States is an attractive market for foreign producers because of its size and established distribution system. Service centers have consolidated and enhanced their ability to hold sizable quantities of imports in inventory. CTL plate prices in the United States tend to be higher than prices in Asia, and comparable to prices in Europe.[155] Asian markets have been leading export destinations for foreign producers of the subject merchandise in China, Russia, and Ukraine.[156]

Finally, exports of subject merchandise from China, Russia, and Ukraine are also subject to a number of tariff and non-tariff barriers in third-country markets, further increasing the attractiveness of the U.S. market.[157]

Accordingly, based on the demonstrated ability of the CTL plate industries in China, Russia, and Ukraine to increase imports into the U.S. market rapidly, their ability to shift production, their substantial production capacity, production, and unused capacity, lower home market demand, their reliance on export markets (despite numerous barriers), and their strong motivation to increase imports into the United States in the absence of the order and/or suspension agreements, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant.[158]

2. Likely Price Effects of Cumulated Subject Imports

a. The Commission's Original Determinations

In the original determinations, the Commission found that the CTL plate industry was threatened with material injury by reason of cumulated subject imports. The Commission noted that large or rapidly increasing volumes of low-priced imports can have significant adverse price effects in this industry. The Commission found that subject imports undersold the domestic product in the overwhelming majority of comparisons, with margins of underselling ranging from 0.3 to 36.2 percent. The Commission also found that prices obtained by domestic producers for sales to distributors peaked in early 1995, as did prices for two of three pricing products sold to end users, before declining through early 1996.[159] In its threat analysis, the Commission found evidence that increased subject imports would enter at prices likely to depress or suppress domestic prices to a significant degree. Sales to distributors of products 1, 2, and 3 (the categories with the greatest volume among products investigated) started to show declines in price in

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[154] CR/PR at Table IV-15. In 2007, it was estimated that China's trade balance for CTL plate equaled *** short tons. Ukraine is a consistent net exporter of CTL plate. While Russia recently became a net importer of CTL plate, its exports of CTL plate are still considerable. CR/PR at Table IV-15.

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

[156] CR at IV-33 (China), IV-44 (Russia), and IV-53 (Ukraine); PR at IV-21 (China), IV-26 (Russia), and IV-29 (Ukraine).

[157] Domestic interested parties note that Canada has imposed antidumping duties on the subject product from China, and that Australia has imposed duties on hot-rolled steel plate from China. CR at IV-28; PR at IV-17. *** have imposed antidumping duties on CTL plate from Russia, and CTL plate from Russia is subject to ***. *** have imposed antidumping duties on CTL plate from Ukraine, and CTL plate from Ukraine is also subject to a ***. CR at IV-29; PR at IV-17-IV-19.

[158] Apparent U.S. consumption of CTL plate in interim 2009 was 2.2 million short tons; it was 50.6 percent lower than in interim 2008, indicating a significantly smaller U.S. CTL plate market for which the domestic industry would have to compete against unfairly traded subject imports. CR/PR at Table C-1; see SSAB NAD's Posthearing Brief at 9-10.

[159] Original Determinations at 20-21.

mid-to-late 1996 which continued through early 1997, notwithstanding a strong growth in demand.[160] The Commission found that these price trends reflected imminent price depression and suppression.

B. The Commission's First Reviews

In its first reviews, the Commission found that price was an important factor in the purchase of CTL plate, and that, with the increasing role of service centers in the distribution of CTL plate in the U.S. market, price competition had increased since the original investigations.[161] The Commission noted that even with the suspension agreements in place, there was significant underselling of the imported product, and that prices for all pricing products sold to service centers generally trended downward over the period. Accordingly, the Commission found a likelihood of significant negative price effects from the subject imports. The Commission therefore concluded that if the suspended investigations were terminated, significant volumes of subject imports from China, Russia, and Ukraine likely would significantly undersell the domestic like product to gain market share, and likely would have significant depressing or suppressing effects on the prices of the domestic like product.[162]

C. The Current Reviews

Price remains an important factor in the purchase of CTL plate, with a vast majority of purchasers reporting that price is "very important" to their purchasing decisions.[163] Prices generally are determined on a transaction-by-transaction basis.[164] CTL plate is commonly sold on a spot basis and, to a lesser extent, under short- and long-term contracts.[165]

Even under the discipline of the order and suspension agreements, the pricing data in these reviews indicate a mixture of both overselling and underselling by subject imports. The Commission collected pricing data on four pricing products.[166] These products accounted for approximately 15.1 percent of U.S. shipments and 55.3 percent of U.S. commercial shipments of imports from China, 44.7 percent of U.S. commercial shipments of imports from Russia, and 9.1 percent of U.S. commercial shipments of imports from Ukraine during January 2003 - June 2009.[167] The data indicate that cumulated

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[160] Original Determinations at 26.

[161] First Reviews at 26.

[162] Id. at 27.

[163] CR/PR at Table II-6.

[164] CR at V-4; PR at V-4.

[165] CR at V-4-V-5; PR at V-4-V-5.

[166] The pricing products were: hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.250" thick (Product 1); hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.3125" thick (Product 2); hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.375" through 2.00" thick (Product 3); and hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edges, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.5" through 1.5" in thickness thick (Product 4). CR at V-6; PR at V-5.

[167] CR at V-6; PR at V-5.

subject imports undersold the domestic like product in these reviews in 42 out of 85 quarterly comparisons.[168]

Quarterly prices for both U.S. produced and subject imported CTL plate fluctuated, but generally increased from 2003 to the third quarter of 2008.[169] There were two major price increases, one in 2004 and another in 2008. Prices declined sharply in the final three quarters of the period examined, coincident with the decrease in consumption due to the onset of global economic turmoil in late 2008.[170]

As discussed above, the United States is an attractive market because of its size and established distribution system. Prices for CTL plate in the U.S. market are generally higher than prices for CTL plate in Asia, and comparable to prices in Europe.[171] Moreover, several importers and purchasers indicated in their questionnaire responses to the Commission that they expected that producers in the subject countries would ***, should the Commission revoke the order and terminate the suspended investigations.[172]

Given the factors motivating foreign producers of the subject merchandise to increase shipments to the United States, and the degree of substitutability between subject and domestic CTL plate, foreign producers in the subject countries are likely to use underselling as a means to increase market share in the United States. Considering the likely significant volume of cumulated subject imports, the importance of price in the CTL plate market, the interchangeability of subject imports and the domestic like product, and the price effects of low-priced imports in the original investigations and first reviews, underselling by subject imports is likely to result in significant negative price effects from the subject imports in the event of revocation of the order and termination of the suspended investigations. We conclude that, if the antidumping duty order were revoked and the suspended investigations were terminated, significant volumes of subject imports from China, Russia, and Ukraine likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

[168] CR/PR at Table V-7. Subject imports from China undersold the domestic like product in four of nine comparisons; subject imports from Russia undersold the domestic like product in 22 of 49 comparisons, and subject imports from Ukraine undersold the domestic like product in 16 of 27 comparisons. Id.

[169] CR at V-17; PR at V-12; CR/PR at Fig. V-4.

[170] CR at V-17; PR at V-12; CR/PR at Fig. V-4.

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

[172] CR/PR at Appendix D and ArcelorMittal/Nucor's Prehearing Brief at 89.

3. Likely Impact of Cumulated Subject Imports[173]

a. The Commission's Original Determinations

In the original determinations, the Commission found that the CTL plate industry was threatened with material injury by reason of cumulated subject imports.[174] The Commission found that, in the absence of affirmative threat determinations, the volume of subject imports and the price pressure exerted by these imports would increase, resulting in further reductions in prices or suppression of price increases that, in turn, would lead to declines in domestic industry revenues and profitability. The Commission considered declines in the industry's financial performance at the end of the period examined in the original investigations to be a strong indication that the industry's condition would further deteriorate in the near future if the escalating volume and price pressure of subject imports continued. The Commission noted that most mills and processors reported that they anticipated negative effects from subject imports in the future.[175]

b. The Commission's First Reviews

In the first reviews, the Commission noted that, despite an initial improvement as a result of the suspension agreements, the domestic industry's condition deteriorated significantly during the review

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[173] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Tariff Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

In the final results of its full sunset review of the suspended antidumping duty investigation on CTL plate from Ukraine, Commerce determined that termination of the suspended investigation would likely lead to a continuation or recurrence of dumping at weighted-average margins as follows: 81.43 percent for Azovstal; 155.00 percent for Ilyich; and 237.91 percent for a Ukranian-wide rate. 74 Fed. Reg. at 11910. (March 20, 2009).

In the final results of its expedited sunset review of suspended antidumping duty investigations on CTL plate from Russia, Commerce determined that termination of the suspended investigation would likely lead to a continuation or recurrence of dumping at weighted-average margins as follows: 53.81 percent for Severstal and 185.00 percent for a Russia-wide rate. 73 Fed. Reg. at 74461 (Dec. 8, 2008).

In the final results of its expedited sunset review of the antidumping duty order on CTL plate from China, Commerce determined that revocation of the antidumping duty order would likely lead to a continuation or recurrence of dumping at weighted-average margins as follows: 30.68 percent for Anshan; 30.51 percent for Baoshan; 17.33 percent for Liaoning; 38.16 percent for Shanghai Pudong; 128.59 percent for WISCO; and 128.59 percent for a PRC-wide rate. 73 Fed. Reg. 74143 (Dec. 5, 2008).

[174] The Commission determined that the adverse impact of the subject imports on the domestic industry was not of sufficient magnitude to conclude that the domestic industry was materially injured by reason of subject imports. The Commission found that, although volume and market penetration of subject imports rose during the period examined in the original investigations, the data on the condition of the industry were mixed and any deterioration in the domestic industry's condition was reflected primarily in the interim 1997 data, upon which the Commission placed less weight than pre-petition data. Original Determination at 22-23.

[175] Original Determinations at 26.

period due to a wave of unfairly traded imports from non-subject countries, particularly in 1998.[176] The Commission found that although demand, as measured by apparent U.S. consumption, grew markedly in 1998, the industry's overall profitability improved only marginally in that year, and declined significantly thereafter, with the industry operating at a loss from 1999 through 2002.[177] Thus, the Commission found that the domestic industry's performance over the period indicated that it was vulnerable to material injury from subject imports. The Commission concluded that, if the suspended investigations were terminated, subject imports from China, Russia, and Ukraine would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

c. The Current Reviews

The years 2003 through 2008 included several prosperous years characterized by strong demand and rising prices for CTL plate. Apparent U.S. consumption rose by 35.1 percent from 6.4 million short tons in 2003 to 8.6 million short tons in 2008.[178] Corresponding to increases in consumption from 2003-2008, U.S. production of CTL plate increased by 32.8 percent to 8.6 million short tons in 2008.[179] U.S. shipments increased over this period by 30.0 percent to 7.8 million short tons in 2008, and net sales also increased by 34.6 percent to 7.7 million short tons in 2008.[180] The domestic industry's capacity also increased by 13.2 percent to 10.9 million short tons in 2008.[181] Capacity utilization increased irregularly by 11.6 percentage points to 78.9 percent in 2008. Inventories as a share of total shipments declined by *** percentage points, to a full-year period low of *** percent in 2008.

The domestic industry's employment-related indicators also improved irregularly from 2003 to 2008.[182] The industry's production and related workers (PRWs) increased slightly to 4,191 in 2008. The number of PRW hours worked increased by 4.5 percent to 9,488 in 2008.[183] Worker productivity and hourly wages followed a similar pattern of increasing irregularly from 2003 to 2008.[184]

By 2004, the domestic industry began to reap the benefits of restructuring and increased demand for CTL plate, which led to significant increases in prices, and robust profit margins from 2004 to 2008. From 2004 to 2008, the domestic industry experienced operating margins above 20.0 percent in each year, as well as increasing gross profits and operating income.[185] These strong financial results allowed capital expenditures to increase by 258 percent from 2003 to 2008, as deferred maintenance was performed and facilities modernized and expanded.[186]

The domestic industry's performance and financial indicators deteriorated dramatically, however, in 2009 due in large part to the sudden global economic crisis that began in late 2008. Apparent U.S.

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[176] First Reviews at 28.

[177] Id. The Commission noted that there was a drop-off in demand for CTL plate after 1999.

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

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

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

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

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

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

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

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

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

consumption of 2.2 million short tons in interim 2009 was 50.6 percent lower than in interim 2008.[187] As demand slumped in 2009, U.S. production of 2.1 million short tons was 55.5 percent lower than in interim 2008. U.S. shipments of 2.0 million short tons in interim 2009 were 51.9 percent lower than in interim 2008, while net sales of 1.9 million short tons in interim 2009 were 55.0 percent lower than in interim 2008.[188] Capacity was 9.3 percent lower in interim 2009 as compared to interim 2008. Capacity utilization was only 40.8 percent in interim 2009, 42.3 percentage points lower than in interim 2008. Inventories were 6.2 percent of total shipments in interim 2009, 0.5 percentage points higher than their share of total shipments in interim 2008.[189]

The domestic industry's employment-related indicators also declined precipitously in 2009 as many U.S. producers were forced to idle plate mills, temporarily cease production, reduce shift levels, or extend summer maintenance outages as a result of the current market conditions.[190] The industry's PRWs were 15.6 percent lower in interim 2009 than in interim 2008.[191] The number of PRW hours worked were 33.4 percent lower in interim 2009 than in interim 2008.[192] Worker productivity and hourly wages were both lower in interim 2009 than in interim 2008.[193]

In 2009, confronted with a global economic crisis, which led to a substantial decline in demand for CTL plate and a significant drop in CTL plate prices, the domestic industry suffered an abrupt decline in profitability. In interim 2009, the domestic industry's operating margin of negative 7.1 percent was 28.9 percentage points lower as compared to positive 21.8 percent in interim 2008.[194] In interim 2009, the domestic industry suffered a gross loss of $53.6 million and an operating loss of $100 million as compared to a gross profit of $920 million and an operating income of $847 million, respectively, in interim 2008.[195] Capital expenditures were 26.0 percent lower in interim 2009 than in interim 2008.[196]

Despite several years of very favorable financial returns, industry consolidation, and an enhanced ability to respond to anticipated changes in demand, we find the domestic industry vulnerable to the effects of subject imports. Although favorable financial returns have allowed the domestic industry to make needed capital investments, the income generated does not insulate the domestic industry from a deep and extended downturn in the demand and price of CTL plate. Not only is the need for investment ongoing, but income generated in recent years was devoted to a number of needs, including, among others, debt servicing, employee profit sharing, and returns to shareholders.[197] Additionally, while the consolidated domestic industry has responded to the drop in demand by idling production facilities and laying off production workers, the magnitude of the decline has resulted in a sharp fall in the industry's financial and trade indicators in interim 2009, including operating losses.[198] Furthermore, prospects for a substantial recovery in demand are unlikely in the reasonably foreseeable future. In such an environment,

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

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

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

[190] CR/PR at Table III-2, & CR at III-2-4 & III-9; PR at III-2-4 & III-5.

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

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

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

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

[195] Although the domestic industry's "order books" are showing some improvement by September 2009, they are still well below the comparable period in 2008. CR/PR at Table III-8.

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

[197] ArcelorMittal's Posthearing Brief at Ex. 1 at 4-5. See Tr. at 66-70 (Britten, Rosenthal, and Conway).

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

the domestic industry is vulnerable to the likely significant additional volume of subject merchandise which is likely to undersell the domestic like product to a significant degree.[199]

We also have considered the likely role of nonsubject imports in the U.S. market. In the last year of the original investigations, nonsubject imports accounted for 6.9 percent of the U.S. market.[200] Since that time, nonsubject imports have maintained a relatively steady presence in the U.S. market, never exceeding 15.1 percent. In the current reviews, nonsubject imports increased from 6.0 percent of the U.S. market in 2003 to a period high of 12.8 percent in 2006, before declining to 6.6 percent in 2008.[201] Nonsubject imports maintained a steady presence in the U.S. market, even while demand was growing and prices were rising from 2004 to 2008, and even after antidumping duty orders and countervailing duty orders were revoked on CTL plate from eleven subject countries in 2007.[202] Accordingly, we find that subject imports are likely to have a significant adverse impact upon the domestic industry if the order were revoked and the suspended investigations were terminated, notwithstanding the presence of nonsubject imports in the U.S. market.

We have considered the likely future effects of suppressed demand for CTL plate on the domestic industry. The global economic crisis has contributed to the domestic industry's vulnerability through lower industry sales volumes and prices. We expect negative effects to continue as U.S. demand is unlikely to become robust in the foreseeable future.[203] [204] Nevertheless, for the reasons described above, we find that subject imports would further reduce domestic sales volumes and prices significantly and thereby would be likely to have a significant adverse impact on the domestic industry in the event of revocation of the order and termination of the suspended investigations.

Based on the record in these reviews, we conclude that revocation of the order and termination of the suspended investigations would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. We also find that the volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipment, sales, market share, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, market share, and revenues 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. We conclude that, if the antidumping duty order were revoked and the suspended investigations were terminated, subject imports from China, Russia, and Ukraine would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

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[199] Vice Chairman Pearson notes that for the vast majority of the period of review, the CTL plate industry was extremely profitable, with operating margins ranging from 21.2 percent in 2008 to 27.7 percent in 2006, and that the industry's current losses are almost entirely attributable to the significant reduction in demand for plate associated with a severe general economic recession. Thus, notwithstanding the industry's losses in the first two quarters of 2009, Vice Chairman Pearson believes that the industry's robust profit margins during the period 2004-2008 leave it relatively well positioned to thrive in the CTL plate market when the economic climate improves.

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

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

[202] 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- 327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007).

[203] We find that the domestic industry has taken steps to enhance its ability to respond to more incremental or anticipated changes in demand. This is evident in the industry's continued favorable performance as apparent U.S. consumption fluctuated during the period of review. CR/PR at Table C-1.

[204] Commissioners Lane and Pinkert do not join the preceding footnote.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigations on CTL plate from Russia and Ukraine would 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 August 1, 2008, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate ("CTL plate") from China and/or the termination of the suspended investigations on CTL plate from Russia and Ukraine would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On November 4, 2008, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] Selected information relating to the schedule of the current five-year reviews appears in the following tabulation.[5]

[1] 19 U.S.C. 1675 (c).

[2] All interested parties were requested to respond to this notice by submitting the information requested by the Commission. *Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine*, 73 FR 45071, August 1, 2008.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty order and suspended investigations concurrently with the Commissions's notice of institution. *Initiation of Five-year ("Sunset") Review*, 73 FR 44968, August 1, 2008.

[4] The Commission found that the domestic interested party response to its notice of institution was adequate based on the information and expressions of willingness to participate in these second reviews by ArcelorMittal USA ("ArcelorMittal"), Evraz NA Claymont (" Evraz Claymont"), Evraz NA Oregon Steel Mills ("Evraz Inc."), Nucor Corp. ("Nucor"), and SSAB North America Division ("SSAB"). The Commission also found that the respondent interested party group responses with respect to Russia and Ukraine were adequate based on the information and expressions of willingness to participate in these second reviews by Azovstal Iron and Steel Works ("Azovstal"), Ilyich Iron and Steel Works ("Ilyich"), OJSC Magnitogorsk Iron and Steel Works ("Magnitogorsk"), and JSC Severstal ("Severstal"). The Commission determined that the respondent interested party group response with respect to China was inadequate, but determined to conduct full reviews to promote administrative efficiency. *Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine*, 73 FR 70368, November 20, 2008.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B contains a list of witnesses who appeared at the Commission's hearing.

Effective date	Action
October 24, 1997	Commerce and the Governments of China, Russia, South Africa, and Ukraine sign suspension agreements (62 FR 61773, 61780, 61751, and 61766, November 19, 1997)
December 17, 1997	Commission's final affirmative determinations regarding imports from China, Russia, South Africa, and Ukraine (62 FR 66128)
October 24, 2002	Commerce's termination of the suspended antidumping duty investigation on CTL plate from South Africa (68 FR 54417, September 17, 2003)
August 29, 2003	In the first reviews the Commission reached a negative determination regarding imports from South Africa and affirmative determinations regarding imports from China, Russia, and Ukraine (68 FR 52614, September 4, 2003)
November 3, 2003	Commerce's termination of the suspended antidumping duty investigation on CTL plate from China and notice of antidumping duty order (68 FR 60081, October 21, 2003)
August 1, 2008	Commission's institution of five-year reviews (73 FR 45071)
August 1, 2008	Commerce's institution of five-year reviews (73 FR 44968)
November 4, 2008	Commission's determinations to conduct full five-year reviews (73 FR 70368, November 20, 2008)
December 5, 2008	Commerce's final results of expedited five-year review of the antidumping duty order on CTL plate from China (73 FR 74143)
December 8, 2008	Commerce's final results of expedited five-year review of the suspension agreement on CTL plate from Russia (73 FR 74461)
March 5, 2009	Commission's scheduling of the reviews (74 FR 10614, March 11, 2009)
March 20, 2009	Commerce's final results of full five-year review of the suspension agreement on CTL plate from Ukraine (74 FR 11910)
September 9, 2009	Commission's hearing
October 13, 2009	Commission's vote
October 26, 2009	Commission's determinations transmitted to Commerce

The Original Investigations

The original investigations resulted from petitions filed by counsel on behalf of Geneva Steel Co., Provo, UT; and Gulf States Steel, Inc., Gadsen, AL, on November 5, 1996, alleging that an industry in the United States is materially injured and threatened with material injury by reason of dumped imports of CTL plate from China, Russia, South Africa, and Ukraine. On October 24, 1997, Commerce signed suspension agreements with the subject countries.[6] The Commission determined that the domestic CTL

[6] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61751, November 19, 1997; *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 62 FR 61766, November 19, 1997; *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 62 FR 61773, November 19, 1997; and *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from the Russian*

(continued...)

plate industry was threatened with material injury by reason of the subject imports from China, Russia, South Africa, and Ukraine on December 17, 1997.[7]

Subsequent Proceedings

The following is a summary of the terms of, and activities under, the subject country suspension agreements, as well as the results of the first reviews for China, Russia, and Ukraine.[8]

China[9]

On October 24, 1997, Commerce signed a non-market economy ("NME") agreement with the Government of China suspending the antidumping duty investigation of CTL plate from China. The agreement provided for a quota lasting five years, and was amended on January 9, 2003, to extend the quota through October 31, 2003. This amendment allowed continued shipments of CTL plate from China pending the results of the first review in late August 2003. Following the Commission's and Commerce's affirmative determinations with respect to China as part of the first reviews, the suspended investigation was continued.[10] On August 29, 2003, the Government of China announced its intention to withdraw from the suspension agreement. Commerce subsequently terminated the agreement with respect to China and issued an antidumping duty order effective November 3, 2003.[11]

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[6] (...continued)
Federation, 62 FR 61780, November 19, 1997.

[7] *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997.

[8] In the first reviews the Commission reached a negative determination regarding imports from South Africa and affirmative determinations regarding imports from China, Russia, and Ukraine. *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, 68 FR 52614, September 4, 2003.

[9] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, pp. I-5-I-6.

[10] *Continuation of Suspended Antidumping Duty Investigations: Cut-to-Length Carbon Steel Plate From the People's Republic of China, the Russian Federation, and Ukraine*, 68 FR 54417, September 17, 2003.

[11] *Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China; Termination of Suspension Agreement and Notice of Antidumping Duty Order*, 68 FR 60081, October 21, 2003.

Russia[12]

On October 24, 1997, Commerce signed an NME agreement with the Government of the Russian Federation suspending the antidumping duty investigation of CTL plate from Russia. The agreement provided for a quota and was replaced by a market economy agreement on December 20, 2002.[13] Under the original NME agreement, the export products, limits, and reference prices for CTL plate from Russia were as follows:

Period	Products	Reference price (*dollars per short ton*)[1]	Export quota (*short tons*)[2]
Initial level	A36 A572	272 295	110,231

[1] Commerce adjusted reference prices quarterly (based on changes to the Bureau of Labor Statistics Producer Price Index ("PPI"). If the PPI fell by more than 2.6 percent from the average of the first two months of the period, the reference price was adjusted for the last month of the period. There was no cap on PPI changes.

[2] Commerce recalculated upward or downward annual adjustments in export limits based on apparent U.S. consumption of CTL plate (based on statistics from the U.S. Census Bureau and the American Iron and Steel Institute), calculated on the most recent 12 months of data, with a maximum adjustment +/- 6 percent.

Source: *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. I-6.

The suspension agreement was revised on January 23, 2003, based on an agreement between Commerce and the Russian CTL plate producers. The quota was eliminated and each signatory producer/exporter individually agreed to make any necessary price revisions to eliminate completely any amount by which the normal value of the merchandise exceeds the U.S. price of its merchandise subject to the agreement.[14] Under this current agreement, signatory manufacturers/exporters in Russia must sell at or above their cost-based normal values as calculated by Commerce. Following the Commission's[15] and Commerce's[16] affirmative determinations with respect to Russia as part of the first reviews, the suspension agreement was continued.[17] The suspension agreement remains in effect for the signatory producers/exporters of CTL plate from Russia: Severstal, Magnitogorsk, and JSC NOSTA Integrated Iron-Steel works ("Nosta").[18] However, only one Russian producer, Severstal, has applied for normal

[12] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. I-6.

[13] *Suspension of Antidumping Duty Investigation of Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 68 FR 3859, January 27, 2002.

[14] *Suspension of Antidumping Duty Investigation of Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 68 FR 3859, January 27, 2003.

[15] *Cut-to-Length Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Determinations*, 68 FR 52614, September 4, 2003.

[16] *Cut-to-Length Carbon Steel Plate From The People's Republic of China, the Russian Federation, and South Africa; Final Results of Expedited Sunset Review of Suspended Antidumping Duty Investigations*, 68 FR 1038, January 8, 2003.

[17] *Continuation of Suspended Antidumping Duty Investigations: Cut-to-Length Carbon Steel Plate From the People's Republic of China, the Russian Federation, and Ukraine*, 68 FR 54417, September 17, 2003.

[18] *Certain Cut-to-Length Carbon Steel Plate from Russia; Final Results of Expedited Sunset Review of the Suspension Agreement*, 73 FR 74461, December 8, 2008.

values under the agreement for the current period, July 1, 2009 through December 31, 2009.[19] Reference prices are not available under the current agreement because they are based on confidential business proprietary information that is provided to Commerce by the signatory companies.[20]

Ukraine[21]

On October 24, 1997, Commerce signed an NME agreement with the Government of Ukraine suspending the antidumping duty investigation of CTL plate from Ukraine. The agreement set a quota, or export limit, for shipments of CTL plate and set a minimum reference price at which Ukrainian mills were required to sell their CTL plate products. Whereas the Russian and Chinese producers accepted a lower quota in exchange for a lower reference price, the Ukrainian producers opted to accept a high reference price in exchange for a higher quota.

The export products, limits, and reference prices for CTL plate from Ukraine under the terms of the initial agreement are as follows:

Period	Products	Reference price (*dollars per short ton*)[2]	Export quota (*short tons*)[3]
	A36	326	
	A516	354	
	A572	351	
Initial level[1]	API-2H	481	174,165

[1] Not more than 22,046 short tons of CTL plate 0.375 inch or less in actual or nominal thickness may be sold. A 5 percent increase in export tonnage is allowed under the following circumstances: (1) if the weighted-average f.o.b. sales price for A36 plate over 0.375 inch exceeds the reference price by more than 5 percent; (2) increased tonnage can be only for A36 over 0.375 inch in thickness; and (3) the Government of Ukraine has complied with data reporting requirements set down by Commerce.

[2] Commerce adjusts reference prices quarterly (based on changes to the Bureau of Labor Statistics Producer Price Index ("PPI"). If the PPI falls by more than 2.6 percent from the average of the first two months of the period, the reference price will be adjusted for the last month of the period. There is no cap on PPI changes.

[3] Commerce recalculates upward or downward annual adjustments in export limits based on apparent U.S. consumption of CTL plate (based on statistics from the U.S. Census Bureau and the American Iron and Steel Institute, calculated on the most recent 12 months of data, with a maximum adjustment +/- 6 percent).

Source: *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. I-8 and *Reference Prices Pertaining to Suspension Agreement*, *Cut-to-Length Carbon Steel Plate from Ukraine, Case Number A-823-808*, found at the United States Department of Commerce, International Trade Administration, Import Administration, http://ia.ita.doc.gov/reference-price/refprice-a823808.html, retrieved August 11, 2009. Staff telephone interview with ***.

[19] Staff telephone interview with ***.

[20] Staff telephone interview with ***.

[21] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review),* USITC Publication 3626, September 2003, p. I-7.

Pursuant to the agreement, the export limit remained in effect until November 1, 2002. Effective December 20, 2002, Commerce agreed to an amendment to the agreement that allowed imports of CTL plate from Ukraine until November 1, 2003.[22] Following Commerce's[23] and the Commission's[24] affirmative determinations with respect to Ukraine as part of the first reviews, and the final results of administrative review of the suspension agreement,[25] Commerce continued the suspension agreement on CTL plate from Ukraine.[26] In order to provide for the continuation of exports of CTL plate from Ukraine to the United States following the expiration of the one-year extension, the agreement was amended on January 16, 2004.[27] On February 17, 2006, based on the evidence of economic reforms to that date, Commerce revoked Ukraine's status as a non-market economy country, effective February 1, 2006. Based on a request by certain Ukrainian producers of CTL plate, Commerce converted the non-market economy suspension agreement to a market economy agreement, effective November 1, 2008.[28] Under the current agreement, signatory manufacturers/exporters in Ukraine agree to make any necessary price revisions to eliminate completely any amount by which the normal value of their merchandise exceeds the U.S. price of the merchandise subject to the agreement.[29] Azovstal and Alchevsk Iron & Steel Works ("Alchevsk") have obtained normal values for the current period, July 1, 2009 through December 31, 2009.[30]

[22] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review),* USITC Publication 3626, September 2003, p. I-7.

[23] *Final Results of Five-Year Sunset Review of Suspended Antidumping Duty Investigation on Certain Cut-to-Length Carbon Steel Plate from Ukraine,* 68 FR 24434, May 7, 2003.

[24] *Cut-to-Length Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Determinations*, 68 FR 52614, September 4, 2003.

[25] *Certain Cut-to-Length Carbon Steel Plate From Ukraine; Final Results of Administrative Review of the Suspension Agreement and Determination Not To Terminate*, 68 FR 35626, June 16, 2003.

[26] *Continuation of Suspended Antidumping Duty Investigations: Cut-to-Length Carbon Steel Plate From the People's Republic of China, the Russian Federation, and Ukraine*, 68 FR 54417, September 17, 2003.

[27] *Amendment to the Antidumping Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate Between the United States Department of Commerce and the Government of Ukraine,* 69 FR 6254, February 10, 2004.

[28] *Suspension of Antidumping Investigation: Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 73 FR 57602, October 3, 2008.

[29] Ibid.

[30] Staff telephone interview with ***.

Summary Data

Table I-1 presents a summary of data from the original investigations, the first five-year reviews, and the current reviews.

The quantity of apparent U.S. consumption has fluctuated since the period examined in the original investigations, while U.S. producers' share of consumption, was at its lowest level in 1996, and reached its highest level in 2003. Since the original investigations, the share of subject imports declined overall, while the share of nonsubject imports increased following the suspension of the antidumping duty investigations covering China, Russia, South Africa, and Ukraine. Nonsubject imports (including those from South Africa) peaked as a share of the U.S. market in 1998 and since then have fluctuated between 6.0 and 12.8 percent.[31]

In the original investigations the largest source of subject imports was Ukraine. By the first reviews China had replaced Ukraine as the largest subject source. The situation has reversed again in these reviews and Ukraine was the source of half a million more tons of CTL plate than China during 2003-08. Russia has consistently been the second largest source of subject imports. U.S. imports from South Africa, the smallest supplier during the period examined in the original investigations, were smaller still during the first reviews but have since increased since the revocation of the antidumping duty order in September 2003 (effective October 24, 2002).[32]

Since 2002, the final calendar year examined in the first five-year reviews, the U.S. industry's capacity and production have increased in nearly every calendar year, and both reached their highest levels in 2008. Capacity utilization has fluctuated, but from 2004 forward remained above capacity utilization levels reported in the original investigations and the first reviews. The quantity of U.S. shipments generally followed a similar trend, peaking in 2008. The average unit value of U.S. shipments increased each year after 2003 and peaked in 2008, consistent with sustained levels of strong demand and rising costs (notably those for scrap and energy). Employment diminished from the end of the first reviews but was highest in 2008, while average wages increased during 2003-08. The trend in productivity gains witnessed in the first reviews continued. The unit cost of goods sold increased steadily each year, reflecting higher scrap prices and energy costs. After five consecutive years of operating losses, the U.S. industry generated positive operating income starting in 2004, which reached its peak for the period in 2008.

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[31] Antidumping and countervailing duty orders were issued in February 2000 covering six countries. *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; *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.

[32] *Termination of Suspended Antidumping Duty Investigation: Cut-to-Length Carbon Steel Plate From South Africa*, 68 FR 54417, September 17, 2003.

Table I-1
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity = *short tons*; Value = *1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. consumption quantity: Amount	7,918,112	7,745,003	8,675,485	7,348,408	8,938,897	6,538,528
Producers' share[1]	82.9	82.6	79.4	83.0	79.6	88.8
Importer's share: Chinal[1]	0.1	2.3	3.5	2.2	1.7	0.4
Russia[1]	2.9	3.0	2.9	2.2	1.3	0.3
Ukraine[1]	3.7	6.5	7.2	2.5	1.7	0.1
Subtotal, 3 subject countries:	6.7	11.8	13.6	6.9	4.7	0.8
South Africa	1.5	0.7	0.9	0.1	0.2	0.2
Subtotal, 4 countries	8.2	12.6	14.6	7.0	4.9	0.9
All other countries	8.9	4.9	6.0	10.0	15.4	10.3
Total imports[1]	17.1	17.4	20.6	17.0	20.4	11.2
U.S. consumption value: Amount	3,367,692	3,495,951	3,795,297	3,198,639	3,887,182	2,467,720
Producers' share[1]	84.3	83.8	81.6	84.1	80.6	88.3
Importer's share: China[1]	0.1	1.8	2.8	1.8	1.5	0.4
Russia[1]	2.1	2.2	2.1	1.7	1.0	0.2
Ukraine[1]	2.7	5.1	5.7	2.0	1.5	0.1
Subtotal, 3 subject countries:	4.9	9.1	10.6	5.5	4.0	0.7
South Africa	1.2	0.7	0.8	0.1	0.2	0.1
Subtotal, 4 countries:	6.1	9.8	11.4	5.5	4.2	0.8
All other countries	9.6	6.4	6.9	10.4	15.1	10.9
Total imports[1]	15.7	16.2	18.4	15.9	19.4	11.7

Table continued on next page.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
6,448,960	6,123,347	5,814,031	6,393,512	7,217,372	7,536,148	8,988,128	8,531,296	8,635,333
87.6	88.1	89.2	93.8	91.1	89.4	85.0	87.9	90.3
2.3	1.5	0.5	0.1	0.0	0.0	0.0	0.0	0.1
1.4	1.3	0.6	0.1	0.0	0.0	0.8	0.4	1.0
0.4	0.5	0.1	0.1	1.8	1.2	1.4	0.7	2.0
4.1	3.3	1.2	0.2	1.8	1.3	2.2	1.2	3.0
0.1	0.2	0.2	0.3	0.2	0.4	0.5	0.3	0.2
4.2	3.5	1.4	0.5	2.1	1.6	2.7	1.4	3.2
8.2	8.4	9.4	5.7	6.9	9.0	12.3	10.7	6.5
12.4	11.9	10.8	6.2	8.9	10.6	15.0	12.1	9.7
2,440,993	2,176,496	2,104,804	2,307,465	4,369,126	5,310,214	6,598,992	6,547,414	8,792,054
87.3	87.3	87.8	91.9	90.5	88.9	86.3	88.1	89.5
1.9	1.3	0.5	0.1	0.0	0.0	0.0	0.0	0.1
1.0	1.0	0.5	0.1	0.0	0.0	0.6	0.4	1.1
0.4	0.5	0.1	0.1	1.7	1.2	1.2	0.6	2.1
3.3	2.8	1.1	0.2	1.7	1.3	1.9	1.1	3.2
0.1	0.2	0.2	0.2	0.2	0.4	0.5	0.3	0.1
3.3	2.9	1.3	0.5	2.0	1.7	2.4	1.4	3.4
9.3	9.8	11.0	7.6	7.5	9.4	11.3	10.6	7.2
12.7	12.7	12.2	8.1	9.5	11.1	13.7	11.9	10.5

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Table I-1--*Continued*
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. imports from--						
China						
Quantity	8,639	181,737	301,652	163,527	154,955	26,159
Value	2,836	62,271	105,874	56,247	56,471	9,003
Unit value	$328	$343	$351	$344	$364	$344
Russia:						
Quantity	230,156	234,255	252,396	158,509	117,614	17,390
Value	69,556	78,164	78,514	53,096	39,929	6,115
Unit value	$302	$334	$311	$335	$339	$352
Ukraine:						
Quantity	295,775	500,266	627,796	184,615	148,349	3,814
Value	92,085	179,955	217,574	63,018	59,955	1,904
Unit value	$311	$360	$347	$341	$404	$499
Subtotal, 3 subject countries:						
Quantity	534,570	916,258	1,181,844	506,651	420,918	47,363
Value	164,477	320,390	401,962	172,361	156,355	17,022
Unit value	$308	$350	$340	$340	$321	$359
South Africa:						
Quantity	115,468	56,110	81,544	7,945	21,177	10,561
Value	41,481	23,688	31,769	3,059	8,625	3,449
Unit value	$359	$422	$390	$385	$407	$327
Subtotal, 4 countries:						
Quantity	650,038	972,368	1,263,389	514,597	442,094	57,923
Value	205,957	344,078	433,731	175,420	164,980	20,471
Unit value	$317	$354	$343	$341	$373	$353
All other countries:						
Quantity	701,627	378,226	520,807	732,631	1,379,685	671,426
Value	322,594	222,665	263,404	333,633	588,526	269,054
Unit value	$460	$589	$506	$455	$427	$401
All countries:						
Quantity	1,351,665	1,350,595	1,784,195	1,247,228	1,821,779	729,349
Value	528,551	566,743	697,135	509,053	753,506	289,524
Unit value	$391	$420	$391	$408	$414	$397

Table continued on next page.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
151,126	91,510	31,138	6,036	1,393	2,836	4,113	3,453	4,360
46,031	28,309	10,980	2,428	1,488	1,719	3,191	3,214	5,714
$305	$309	$353	$402	$1,068	$606	$776	$931	$1,311
87,898	79,070	34,453	3,742	714	3,001	69,960	37,793	84,992
23,933	20,690	10,399	1,239	602	1,766	42,572	25,236	95,098
$272	$262	$302	$331	$843	$588	$609	$668	$1,119
28,627	31,316	5,650	4,724	129,159	89,275	122,420	57,700	173,945
8,884	9,899	2,184	1,709	73,854	64,765	81,432	40,885	182,276
$310	$316	$387	$362	$572	$725	$665	$709	$1,048
267,651	201,896	71,241	14,502	131,265	95,113	196,494	98,947	263,298
78,848	58,898	23,563	5,375	75,943	68,250	127,195	69,335	283,089
$295	$292	$331	$371	$579	$718	$647	$701	$1,075
5,771	10,992	11,889	16,086	17,646	27,588	45,401	23,556	13,689
1,983	3,665	3,484	5,564	9,848	20,926	32,350	20,656	12,771
$344	$333	$293	$346	$558	$759	$713	$877	$933
273,422	212,888	83,130	30,588	148,911	122,701	241,895	122,503	276,987
80,830	62,563	27,046	10,939	85,792	89,176	159,545	89,991	295,860
$296	$294	$325	$358	$576	$727	$660	$735	$1,068
529,085	515,870	546,414	364,865	494,934	678,213	1,107,152	911,418	588,405
227,994	213,188	230,775	175,718	328,487	501,692	747,347	791,682	629,559
$431	$413	$422	$482	$664	$740	$675	$759	$1,127
802,507	728,758	629,543	395,453	643,845	800,913	1,349,047	1,033,921	835,392
308,824	275,751	257,821	186,658	414,278	590,868	906,892	781,673	925,418
$385	$378	$410	$472	$643	$738	$672	$756	$1,108

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Table I-1--*Continued*
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. producers'-- Capacity quantity	9,064,709	8,960,893	9,222,170	8,667,033	10,010,548	9,431,014
Production quantity	6,676,099	6,532,841	6,942,185	6,330,510	7,419,073	6,088,967
Capacity utilization	73.6	72.9	75.3	73.0	74.1	64.6
U.S. shipments: Quantity	6,566,447	6,394,408	6,891,290	6,101,180	7,117,118	5,809,179
Value	2,839,141	2,929,208	3,098,162	2,689,586	3,133,676	2,178,196
Unit value	$432	$458	$449	$441	$440	$375
U.S. producers'-- Ending inventory quantity	313,570	336,100	317,594	428,270	500,751	446,738
Inventories/total shipments[1]	4.7	5.2	4.6	6.8	6.8	7.4
Production workers	7,489	7,383	7,778	7,577	7,979	6,522
Hours worked (*1,000 hours*)	16,596	16,667	17,332	17,212	18,087	14,277
Wages paid (*1,000 dollars*)	337,309	349,810	365,401	375,409	402,019	318,065
Hourly wages	$20.33	$20.99	$21.08	$21.81	$22.23	$22.28
Productivity (*tons/1,000 hours)*	402.3	392.0	400.5	364.0	406.8	422.6
Net sales: Quantity	6,344,407	6,280,227	6,711,412	5,586,050	6,690,581	5,153,254
Value	2,739,295	2,868,752	3,017,747	2,514,284	3,005,441	1,964,899
Unit value	$432	$457	$450	$450	$449	$381
Cost of goods sold	2,556,592	2,604,129	2,758,843	2,328,842	2,742,965	1,955,117
Gross profit or (loss)	182,703	264,623	258,904	185,442	262,476	9,782
SG&A	103,858	104,941	116,090	106,177	123,630	140,283
Operating income or (loss)	78,845	159,682	142,814	79,265	138,846	(130,501)
Unit cost of goods sold	$403	$415	$411	$417	$410	$379
Unit operating income or (loss)	$12	$25	$21	$14	$21	($25)
Cost of goods sold/sales[1]	93.3	90.8	91.4	92.6	91.3	99.5
Operating income or (loss)/sales[1]	2.9	5.6	4.7	3.2	4.6	(6.6)

[1] In percent.

Note.–The data presented in table I-1 include micro-alloy steel CTL plate for the period 2003-08. As discussed in greater detail later in this chapter, the Commission's "domestic like product" finding in the first reviews included micro-alloy steel CTL plate. However, data for the broader product were unavailable for portions of the period for which data were collected in the first reviews (specifically 1997 and 1998). Because the Commission's analysis by necessity focused on data for non-alloy steel CTL plate, these data are presented in table I-1 for the period 1997-2002.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, *Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, table C-4; *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, tables I-I, III-6, and C-1.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
9,258,670	8,340,306	8,181,782	9,612,515	9,358,706	9,824,667	10,420,197	10,464,249	10,882,642
5,861,042	5,669,296	5,625,598	6,464,022	7,129,899	7,337,156	8,515,159	8,463,676	8,583,931
63.3	68.0	68.8	67.2	76.2	74.7	81.7	80.9	78.9
5,646,453	5,394,589	5,184,488	5,998,059	6,573,527	6,735,235	7,639,081	7,497,375	7,799,941
2,132,169	1,900,745	1,846,983	2,120,807	3,954,848	4,719,346	5,692,100	5,765,741	7,866,636
$378	$352	$356	$354	$602	$701	$745	$769	$1,009
447,226	442,041	334,473	472,142	467,155	427,639	535,175	544,133	429,247
7.6	7.9	6.2	7.3	6.5	5.8	6.3	6.4	4.9
6,641	6,082	4,862	4,184	3,498	3,576	3,732	3,853	4,191
14,384	12,962	10,908	9,080	7,847	8,113	8,629	8,869	9,488
321,268	300,089	258,415	229,460	219,468	233,643	267,258	281,310	318,344
$22.34	$23.15	$23.69	$25.27	$27.97	$28.80	$30.97	$31.72	$33.55
405.5	435.6	513.8	627.7	789.4	793.3	880.2	858.0	820.6
4,926,278	4,960,783	4,981,996	5,686,152	6,170,413	6,365,139	7,436,868	7,447,725	7,655,181
1,875,286	1,771,524	1,752,442	2,089,064	3,876,161	4,716,691	5,678,021	5,940,911	7,818,382
$381	$358	$352	$367	$628	$741	$763	$798	$1,021
1,901,588	1,875,510	1,769,708	2,040,663	2,924,844	3,399,302	3,988,778	4,258,383	6,018,354
(26,302)	(103,986)	(17,266)	48,401	951,317	1,317,389	1,689,243	1,682,528	1,800,028
127,459	113,716	105,644	150,714	117,739	124,784	116,397	130,271	143,355
(153,761)	(217,702)	(122,910)	(102,313)	833,578	1,192,605	1,572,846	1,552,257	1,656,673
$386	$378	$355	$359	$474	$534	$536	$572	$786
($31)	($44)	($25)	($18)	$135	$187	$211	$208	$216
101.4	105.0	101.0	97.7	75.5	72.1	70.2	71.7	77.0
(8.2)	(12.3)	(7.0)	(4.9)	21.5	25.3	27.7	26.1	21.2

RELATED INVESTIGATIONS

Antidumping and Countervailing Duty Investigations

The Commission has conducted numerous antidumping and countervailing duty investigations regarding CTL plate. A summary of these investigations is presented in table I-2. No original investigations have been instituted since 1999. As shown in the table, there are currently six antidumping duty orders, and two suspension agreements covering eight countries.

Table I-2
CTL plate: Previous and related investigations, 1978-2009

Original investigation				Subsequent actions
Date[1]	Number	Country	Outcome	
1978	AA1921-179	Japan	Affirmative	ITA revoked (1986)
1979	AA1921-197	Taiwan	Affirmative	Affirmative first review (1999) Negative second review (2005)
1979	AA1921-203	Poland	Negative	-
1980	731-TA-18	Belgium	Affirmative[2]	Terminated (1980)
1980	731-TA-19	Germany (West)	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-20	France	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-21	Italy	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-22	Luxembourg	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-23	Netherlands	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-24	United Kingdom	Affirmative[2]	Petition withdrawn (1980)
1981	701-TA-83	Belgium	Affirmative[2]	Incorporated into 701-TA-86
1981	701-TA-84	Brazil	Affirmative[2]	Incorporated into 701-TA-87
1982	731-TA-51	Romania	Affirmative[2]	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[2]	-
1982	701-TA-89	Italy	Negative[2]	-
1982	701-TA-90	Luxembourg	Negative[2]	-
1982	701-TA-91	Netherlands	Negative[2]	-
1982	701-TA-92	United Kingdom	Affirmative[2]	Terminated (1982)
1982	701-TA-93	Germany (West)	Affirmative[2]	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[2]	Terminated (1982)

Table continued on next page.

Table I-2--*Continued*
CTL plate: Previous and related investigations, 1978-2009

Original investigation				Subsequent actions
Date[1]	Number	Country	Outcome	
1982	731-TA-54	France	Negative[2]	-
1982	731-TA-55	Italy	Negative[2]	-
1982	731-TA-56	Luxembourg	Negative[2]	-
1982	731-TA-57	Netherlands	Negative[2]	-
1982	731-TA-58	Romania	Affirmative[2]	Terminated (1985)
1982	731-TA-59	United Kingdom	Affirmative[2]	Terminated (1982)
1982	731-TA-60	Germany (West)	Affirmative[2]	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[2]	Terminated (1984)
1983	731-TA-147	Germany (West)	Affirmative (on remand)[2]	Terminated (1984)
1983	731-TA-151	Korea	Affirmative	ITA revoked (1986)
1984	701-TA-225	Sweden	Negative	-
1984	701-TA-226	Venezuela	Affirmative[2]	Terminated (1985)
1984	731-TA-169	Finland	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-170	South Africa	Affirmative[2]	Petition withdrawn (1984)
1984	731-TA-171	Spain	Affirmative[2]	Terminated (1985)
1984	731-TA-213	Czechoslovakia	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-214	Germany (East)	Affirmative[2]	Terminated (1985)
1984	731-TA-215	Hungary	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-216	Poland	Affirmative[2]	Terminated (1985)
1984	731-TA-217	Venezuela	Affirmative[2]	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)

Table continued on next page.

Table I-2--*Continued*
CTL plate: Previous and related investigations, 1978-2009

Original investigation				Subsequent actions
Date[1]	Number	Country	Outcome	
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[2]	-
1992	731-TA-581	Korea	Negative	-
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) Ongoing second review (2009)
1996	731-TA-754	Russia	Affirmative[3]	Affirmative first review (2003) Ongoing second review (2009)
1996	731-TA-755	South Africa	Affirmative	Negative first review (2003)

Table continued on next page.

Table I-2--*Continued*
CTL plate: Previous and related investigations, 1978-2009

Original investigation				Subsequent actions
Date[1]	Number	Country	Outcome	
1996	731-TA-756	Ukraine	Affirmative[3]	Affirmative first review (2003) Ongoing second review (2003)
1999	731-TA-815	Czech Republic	Negative[2]	-
1999	731-TA-816	France	Affirmative	Negative first review (2005)
1999	731-TA-817	India	Affirmative	Affirmative first review (2005)
1999	731-TA-818	Indonesia	Affirmative	Affirmative first review (2005)
1999	731-TA-819	Italy	Affirmative	Affirmative first review (2005)
1999	731-TA-820	Japan	Affirmative	Affirmative first review (2005)
1999	731-TA-821	Korea	Affirmative	Affirmative first review (2005)
1999	731-TA-822	Macedonia	Negative[2]	-

[1] "Date" refers to the year in which the investigation was instituted by the Commission.
[2] Preliminary determination.
[3] 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) were 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.[33] President Reagan determined that import relief under section 201 of the Trade Act of 1974 was not in the national interest.[34] 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 addition, following receipt of a request from the Office of the United States Trade Representative ("USTR") on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974[35] to determine whether certain steel products, including CTL plate, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.[36] On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate ("Senate Finance Committee" or "Committee") requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of

[33] *Carbon and Alloy Steel Products, Inv. No. TA-201-51*, USITC Publication 1553, July 1984, p. 2.

[34] *Steel Import Relief Determination*, 49 FR 36813, September 20, 1984.

[35] 19 U.S.C. § 2252.

[36] *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

1974.[37] Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA-201-73.[38] On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission reached an affirmative determination with respect to certain carbon and alloy steel including plate.[39]

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. Import relief relating to CTL plate consisted of an additional tariff of 30 percent *ad valorem* on imports in the first year, 24 percent in the second year, and 18 percent in the third year.[40] The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.[41]

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization. The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

On September 19, 2003, the Commission submitted a mid-term report to the President and the Congress on the results of its monitoring of developments in the steel industry, as required by section 204(a)(2) of the Trade Act of 1974.[42] The Commission's monitoring report noted that, since the safeguard measures were instituted, the U.S. industry producing certain carbon and alloy flat-rolled steel, including CTL plate, had increased its market share to 89.1 percent from 84.6 percent, that the total quantity of imports from subject sources had declined, and that demand for certain carbon and alloy flat-rolled steel during the relief period also had declined.[43]

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.[44]

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[37] 19 U.S.C. § 2251.

[38] *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

[39] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

[40] *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.

[41] The Department of Commerce published regulations establishing such a system on December 31, 2002.

[42] *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9*, USITC Publication 3632, September 2003.

[43] Ibid. at Volume I, pp. viii-ix, and table C-4.

[44] *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.[45]

On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.[46]

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--*

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[45] Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final rule to implement a replacement program for the period beyond March 21, 2005. *Steel Import Monitoring and Analysis System*, 70 FR 12133, March 11, 2005. On December 5, 2005, Commerce published its final rule. *Steel Import Monitoring and Analysis System*, 70 FR 72373, December 5, 2005.

[46] *Steel: Evaluation of the Effectiveness of Import Relief, Inv. No. TA-204-12*, USITC Publication 3797, September 2005.

(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 questionnaire responses of 14 U.S. producers of CTL plate that are believed to have accounted for nearly all U.S. production of CTL plate during 2008. U.S. import data and related information are based on Commerce's official import statistics as revised to include imports of CTL micro-alloy steel plate, from the questionnaire responses of 16 U.S. importers of CTL plate that are believed to have accounted for 42.3 percent of total subject U.S. imports during 2008 and for 43.9 percent of the total U.S. imports of CTL plate from other sources. To maintain data consistency between the current reviews, the first reviews, and the original investigations, this report presents data for U.S. imports based on the following 17 statistical reporting numbers of the Harmonized Tariff Schedule of the United States ("HTS") for non-alloy steel CTL plate.[47] In addition, nonsubject imports include additional quantities and values of U.S. imports of micro-alloy steel CTL plate. Staff notes that the official import data are modestly overstated, as certain statistical reporting numbers include both subject merchandise and merchandise that is out of scope by reason of cladding or plating; thickness; or coiled form. Foreign industry data and related information are based on published sources and the questionnaire responses of three CTL plate producers: two producers in Russia accounting for an estimated *** percent of subject Russian production and one producer in Ukraine accounting for an estimated *** percent of total production. Responses by U.S. producers, importers, purchasers, and foreign producers of CTL plate to a series of questions concerning the significance of the existing antidumping duty order for China and suspended investigations for Russia and Ukraine and the likely effects of revocation of the order and termination of the suspension agreements are presented in appendix D. Appendix E contains an overview of the variance calculation.

COMMERCE'S REVIEWS

Administrative Reviews[48]

Commerce has completed one or more administrative reviews of the outstanding antidumping duty order on CTL plate from China and of the suspension agreements covering CTL plate from Russia and Ukraine.

China

Commerce completed one antidumping duty administrative review with regard to subject imports of CTL plate from China and recently made a preliminary determination in a second review. The results of the administrative reviews are shown in table I-3.

[47] 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.

[48] No duty absorption findings were made for any of the subject countries.

Table I-3
CTL plate: Administrative review of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (*percent*)
December 18, 2006 (71 FR 75710)	11/01/2004-10/31/2005	PRC-wide[1]	128.59
August 10, 2009[2] (74 FR 39921)	11/01/2007-10/31/2008	Hunan Valin Xiangtan	0.0

[1] This rate included Liaoning Company. In its *Preliminary Results* (71 FR 45768) Commerce rescinded the review with respect to Angang, which timely withdrew its request for administrative review.
[2] These are the preliminary results of review. Commerce also preliminarily rescinded the review with respect to Anshan Iron & Steel Group ("Anshan"), Baoshan International Trade Corp./Bao Steel Metals Trading Corp., Shanghai Baosteel Group Corp., Baoshan Iron and Steel Co., Ltd., and Shanghai Pudong Steel & Iron Co. ("Baoshan"), and Baosteel Group ("Baosteel").

Source: Cited *Federal Register* notices.

Russia

Commerce completed one administrative review of the suspension agreement with regard to subject imports of CTL plate from Russia. The results of the administrative review are shown in table I-4.

Table I-4
CTL plate: Administrative review of the suspended antidumping duty investigation for Russia

Date results published	Period of review	Producer or exporter	Results
May 14, 2008 (73 FR 27796)	01/01/2006-12/31/2006	Severstal	Commerce found that Severstal has been in compliance with the agreement.

Source: Cited *Federal Register* notice.

Ukraine

Commerce completed two administrative reviews of the suspension agreement with regard to subject imports of CTL plate from Ukraine. The results of the administrative reviews are shown in table I-5.

Table I-5
CTL plate: Administrative reviews of the suspended antidumping duty investigation for Ukraine

Date results published	Period of review	Producer or exporter	Results
June 16, 2003 (68 FR 35626)	11/01/2000-10/31/2001	Azovstal Ilyich Government of Ukraine	Commerce found that the companies and the government have been in compliance with the Agreement but did not terminate the agreement or the underlying investigation because the continued maintenance of the Agreement was necessary to offset dumping.
December 12, 2006 (71 FR 74486)	11/01/2004-10/31/2005	Government of Ukraine	Commerce found that each of the export licenses governed by the Agreement were at or above the reference prices stipulated by the Agreement. Ukraine did not exceed its annual export limits. Therefore, it concluded that the Government of Ukraine has been in compliance with the Agreement.

Source: Cited *Federal Register* notices.

New Shipper Review

Commerce initiated a new shipper review in response to a request from Hunan Valin Xiangtan Iron & Steel Co. ("Valin Xiangtan") on January 17, 2008. On April 18, 2008, Commerce expanded the period of review in order to cover Valin Xiangtan's entry of the subject merchandise. Because Valin Xiangtan's sale of subject merchandise was then covered both by the new shipper review and the administrative review for the period November 1, 2007 through October 31, 2008, Commerce rescinded the new shipper review effective April 8, 2009.[49]

Circumvention Review

On October 20, 2008, Commerce initiated an inquiry to determine whether adding "metallurgically and economically insignificant" amounts of boron[50] is a minor alteration that circumvents the antidumping duty order covering imports of CTL plate from China.[51] On July 14, 2009, Commerce published a preliminarily determination that Tianjin (a producer in China) and Toyota Tsusho (a U.S. importer) have circumvented the antidumping duty order.[52] Because no parties commented on Commerce's preliminary determination, and no reasons existed to reverse that determination, Commerce published a final determination that Tianjin and Toyota Tsusho have circumvented the antidumping duty order on CTL plate from China on August 12, 2009, effective on the same date.[53] Customs ***.[54] In addition, Customs ***.[55]

Five-Year Reviews

Commerce has issued the final results of its expedited reviews with respect to China and Russia and its full review with respect to Ukraine. Table I-6 presents the margins calculated by Commerce in its original investigations, first reviews, and the current reviews.

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[49] *Cut–to-Length Carbon Steel Plate from the People's Republic of China: Notice of Rescission of Antidumping Duty New Shipper Review*, 66 FR 15930, April 8, 2009.

[50] The inclusion of 0.0008 percent or more, by weight, of boron.

[51] *Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China: Initiation of Antidumping Circumvention Inquiry*, 73 FR 62250, October 20, 2008.

[52] *Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 33991, July 14, 2009.

[53] *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 40565, August 12, 2009.

[54] Proprietary Customs data, ***.

[55] Ibid.

Table I-6
CTL plate: Commerce's original, first five-year review, and current review antidumping duty margins for producers/exporters, by subject country

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Current review margin (*percent*)
China[1]			
Anshan	30.68	30.68	30.68
Baoshan	34.44	30.51	30.51
Liaoning	17.33	17.33	17.33
Shanghai Pudong	38.16	38.16	38.16
WISCO	128.59	128.59	128.59
All others	128.59	128.59	128.59
Russia[2]			
Severstal	53.81	53.81	53.81
All others	185.00	185.00	185.00
Ukraine[3]			
Azovstal	81.43	81.43	81.43
Ilyich	155.00	155.00	155.00
All others	237.91	237.91	237.91

[1] *Final Determination of Sales at Less Than Fair Value*, 62 FR 61964, November 20, 1997; *Final Results of Expedited Sunset Review*, 68 FR 1038, January 8, 2003; *Notice of Final Results of Expedited Sunset Review*, 73 FR 74143, December 5, 2008.
[2] *Notice of Final Determination of Sales at Less Than Fair Value*, 62 FR 61787, November 19, 1997; *Final Results of Expedited Sunset Review*, 68 FR 1038, January 8, 2003; *Final Results of Expedited Sunset Review*, 73 FR 74461, December 8, 2008.
[3] *Notice of Final Determination of Sales at Less Than Fair Value*, 62 FR 61754, November 19, 1997; *Final Results of Five-Year Sunset Review*, 68 FR 24434, May 7, 2003; *Final Results of Full Sunset Review*, 74 FR 11910, March 20, 2009.

Source: Cited *Federal Register* notices.

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA") (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.[56] During the review period, qualified U.S. producers of CTL plate were eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under CDSOA relating to one antidumping duty order on the subject product from China

[56] Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

beginning in Federal fiscal year 2003.[57] Table I-7 presents CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2003-08[58] by source and by firm.

Table I-7
CTL plate: CDSOA disbursements for China, by firm, and total claims, Federal fiscal years 2003-08

Item	Federal fiscal year					
	2003	2004	2005	2006	2007	2008
Disbursements (*dollars*)						
ArcelorMittal[1]	0	(2)	14,011	4,744,231	60,006	204,009
Evraz Claymont	(2)	(2)	(2)	(2)	(2)	20,032
Evraz Inc.	(2)	(2)	(2)	(2)	(2)	0
Nucor	(2)	(2)	(2)	(2)	(2)	0
Nucor Steel Tuscaloosa	(2)	(2)	(2)	(2)	(2)	0
U.S. Steel	(2)	(2)	6,639	1,615,646	17,412	53,877
United Steelworkers Union	(2)	(2)	(2)	4,107	43	(2)
Total	0	(2)	20,650	6,363,984	77,461	277,918
Claims (*1,000 dollars*)						
Total	1,794,921	(2)	6,709,260	8,640,209	10,054,273	17,107,512

[1] International Steel Group (ISG) in 2003, Mittal Steel USA ISG in 2005, Mittal Steel USA Inc. in 2006 and 2007, and ArcelorMittal in 2008.
[2] The company or organization was not listed that year.

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

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*, found at www.cbp.gov/xp/cgov/import/add_cvd, retrieved July 20, 2009.

[57] 19 CFR 159.64 (g).

[58] Preliminary amounts for 2009 disbursements are not available in the latest Customs CDSOA report dated April 30, 2009. Found at http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/, retrieved September 29, 2009.

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported product subject to the antidumping order and suspended investigations has been defined by Commerce as:

> Hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness.[59]

Included in the subject product are flat-rolled products of non-rectangular cross-section where such 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.[60]

Specifically excluded from the subject product is grade X-70 plate. Also excluded is certain carbon CTL steel plate with a maximum thickness of 80 millimeters in steel grades BS 7191, 355 EM, and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2.[61]

Tariff Treatment

Certain CTL plate is imported under the following statistical reporting numbers of the 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.[62] The tariff rates that apply to CTL plate entering the United States appear below in table I-8.

[59] *Certain Cut-To-Length Carbon Steel Plate From the People's Republic of China: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order*, 73 FR 74143, December 5, 2008.

[60] Ibid.

[61] Ibid.

[62] Ibid.

Table I-8
CTL plate: Tariff treatment, 2009

HTS provision	Article description	General	Special [1]	Column 2
		Rates (*percent ad valorem*)		
7208	Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated, or coated:			
7208.40	Not in coils, not further worked than hot-rolled, with patterns in relief:			
7208.40.30	Of a thickness of 4.75 mm or more	Free		20%
30	Of a thickness exceeding 10 mm			
60	Other			
	Other, not in coils, not further worked than hot-rolled:			
7208.51.00	Of a thickness exceeding 10 mm	Free		20%
30	Universal mill plate			
	Other:			
45	Of high-strength steel			
60	Other			
7208.52.0000	Of a thickness of 4.75 mm or more but not exceeding 10 mm	Free		20%
7208.53.0000	Of a thickness of 3 mm or more but less than 4.75 mm	Free		20%
7208.90.0000	Other	Free		20%
7210	Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, clad, plated or coated:			
7210.70	Painted, varnished or coated with plastics:			
7210.70.3000	Not coated or plated with metal and not clad	Free		0.4¢/kg + 20%
7210.90.9000	Other	Free		21.5%
7211	Flat-rolled products of iron or nonalloy steel of a width of less than 600 mm, not clad, plated or coated:			
7211.13.0000	Not further worked than hot-rolled:			
7211.14.00	Universal mill plate	Free		20%
30	Other, of a thickness of 4.75 mm or more	Free		20%
	Of high-strength steel			
45	Other:			
7211.90.0000	Not in coils			
7212	Other	Free		20%
7212.40	Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, clad, plated or coated:			
1000	Painted, varnished or coated with plastics:			
5000	Of a width of less than 300 mm	Free		25%
7212.50.0000	Other	Free		0.4¢/kg + 20%
	Otherwise plated or coated	Free		21.5%

[1] General note 3(c)(i) to the HTS lists the programs related to the enumerated special duty rate symbols.

Source: HTS (2009).

THE PRODUCT

Description and Applications

CTL plate, in these reviews, is a flat-rolled steel product that is generally 4.75 millimeters or more in thickness. Although there is no upper limit on the thickness of CTL plate that is within scope, the great majority of CTL plate produced in the United States is one inch or less in thickness (69.6 percent of U.S. shipments in 2008). CTL plate in the thickness range of greater than one inch but less than three inches constitutes 27.5 percent of U.S. shipments while CTL plate thicker than three inches accounts for

2.9 percent of U.S. shipments.[63] CTL plate is produced in a variety of widths, thicknesses, and shapes in order to be incorporated into other products or to be further processed into products. The term "cut-to-length" indicates that the product is produced as a flat plate with a defined length.

Plate is used in load-bearing and structural applications, such as agricultural and construction equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); bridges; machine parts (e.g., the body of the machine or its frame); electricity transmission towers and light poles; buildings (especially nonresidential);[64] and heavy transportation equipment, such as railroad cars (especially tank cars) and ships. Plate also is used in the production of tanks, sills, floors, offshore drilling rigs, pipes, petrochemical plant and machinery, and various other fabricated pieces. Plate can also be used in utility applications, such as wind towers[65] and pressure vessels.

The product scope also includes wide flat carbon steel bar at least 5.9 inches in width. Wide flat bar is a hot-rolled product made in various lengths and widths, usually starting at 1/8 inch in thickness although only bar at least 3/16 inch in thickness is within the product scope. It is often used in structural applications, such as bridges, and trailers.

Manufacturing Processes

In general, there are three distinct processing stages for hot-rolled nonalloy steel products, including: (1) melting or refining steel, (2) casting steel into semi-finished forms, and (3) hot rolling semi-finished forms into flat-rolled hot-rolled steel mill products. These processing stages are summarized below.

Melt Stage

Steel is produced by either the integrated or the nonintegrated process.[66] In the integrated process, iron ore is smelted in a blast furnace 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 furnace. In the nonintegrated process, molten steel is produced by melting scrap and primary iron products (such as pig iron or direct-reduced iron) in an electric arc furnace.

Whether produced by the integrated or nonintegrated process, molten steel is poured or "tapped" from the furnace into a ladle to be transported to casting. It is common for steelmakers to utilize a secondary steelmaking stage (ladle metallurgy station) to refine the product further into extra-clean or low-carbon steels satisfying stringent surface or internal requirements or micro cleanliness quality and mechanical properties before casting. Steelmakers may adjust the chemical content by adding alloying

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[63] Information on CTL plate thicknesses was compiled from data submitted in response to Commission U.S. producer/processor questionnaires.

[64] According to hearing testimony, nonresidential construction accounts for the largest share of plate consumption. Hearing transcript, p. 77 (Schagrin).

[65] Steel is the primary material used in wind turbines, comprising 89.1 percent by weight of a tower. Wind towers usually have three sections, each consisting of metal rings that are thickest at the bottom of the tower and are conical in shape since towers taper slightly from the base to a narrower opening at the top. During the manufacturing process plated sheets are cut, rolled into the conical shape and then welded into rings. *Wind Turbines, Industry & Trade Summary*, USITC Publication ITS-02, June 2009, pp. 5-6.

[66] American Iron and Steel Institute, "How Steel is Made,"found at http://www.steel.org/AM/Template.cfm?Section= How_Steel_is_Made&Template=/ TaggedPage/TaggedPageDisplay.cfm&TPLID=36&ContentID=21810, retrieved July 27, 2009.

elements, lowering the carbon content (decarburization), or adjusting the temperature of the molten steel for optimum casting. The essential physical properties of the steel are established in the melt stage.

Commerce initiated an antidumping circumvention inquiry at the request of ArcelorMittal, Evraz, Nucor, and SSAB concerning CTL plate with 0.0008 percent or more boron, by weight, and otherwise meeting the product scope requirements.[67] The addition of boron at concentrations of 0.0008 percent or more results in an alloy steel according to the HTS and would normally exclude CTL plate from the product scope of these reviews. However, in its final determination in the antidumping circumvention inquiry, Commerce determined that certain CTL plate with boron at concentrations of 0.0008 percent or more, is within the product scope.[68] Boron is an alloying element which, if used, is added at the melt stage. It is used at concentrations of approximately 0.0015 to 0.0030 percent[69] to increase the hardness of heat-treated steel and is not typically used in CTL plate that does not undergo heat treatment.[70] Standard commodity-grade CTL plate is not typically heat treated.

Some plate mills, such as Evraz and Jindal United Steel Corp. ("JSW Steel USA"), do not make their own steel. Instead, they roll plate from purchased slabs.[71] The production process for these mills does not include the melting and casting stages and begins at the rolling stage described later in this section.

Casting Stage

Following the melting stage, the molten steel is cast into a form suitable for the rolling process. Two principal methods of casting are used, ingot teeming and continuous casting. Continuous slab casting is the more common, preferred, and lower-cost method and is normally used to produce plates up to approximately 4 inches in thickness. Ingots are used to produce thicker plates, since continuous cast slabs of sufficient thickness are not available.

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 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 than the 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 the finished thickness. Reversing mills in the United States generally produce plate ranging from 0.187 to 20 inches (4.75 to 508 mm) in thickness and from 48 to 154 inches (1,219 to 3,912 mm) in width.

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[67] *Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order on Certain Cut–to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 33991, July 14, 2009.

[68] *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 40565, August 12, 2009.

[69] Metallurg Vanadium Corp., "*Ferroalloys and Alloying Additives Online Handbook*," boron chapter, found at http://www.metallurgvanadium.com/boronpage.html, retrieved July 27, 2009.

[70] Heat treatment is described later in this section.

[71] *See* Evraz, "*Evraz Oregon Steel Rolling Mill*," found at http://www.osm.com/LocationsFacilities/OregonSteel/RollingMill/tabid/155/Default.aspx, retrieved July 27, 2009; JSW Steel USA, "*JSW Plate Division: A Better Way to Buy Steel*," found at http://www.jswsteelusa.com/about_jindal.html, retrieved July 27, 2009.

Some reversing plate mills (known as "Steckel mills") are equipped with coilers on each side of the finishing mill that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer or thinner plates. Plate also can be rolled on a Steckel mill without using the heated coilers, in which case the mill operates like a conventional reversing plate mill. Steckel mills are equipped with coilers to produce coiled plate as well as in-line shearing facilities to produce discrete plate. Plate cut from hot-rolled coils is processed on a separate line where it is uncoiled, flattened, and cut to length. Plate produced in a Steckel mill typically ranges from 0.187 to 0.750 inches (4.75 to 19.1 mm) in thickness and 48 to 96 inches (1,219 to 2,438 mm) in width, although some mills can produce wider plate.[72]

In addition to reversing plate mills, plate may also be rolled on a continuous hot-strip mill. Such a mill has either a reversing rougher or a number (usually four or five) of nonreversing roughing mills followed by a finishing section consisting of a series of mill stands, usually six, spaced close together so that a plate 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. Although continuous hot-strip mills primarily produce hot-rolled sheet, they also may be used to produce plate up to approximately 72 inches wide and between three-sixteenths and one-half inch in thickness.

Because of its capability to cross roll, a reversing mill is somewhat flexible with regard to the slab width used to produce a given plate width. Steckel mills and continuous hot-strip mills can only use slabs slightly wider than the width of the plate to be produced, but have the advantage of being able to roll longer, heavier slabs than could be used on a reversing plate mill. Because of its generally thicker dimensions, plate from a reversing mill is preferred for 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); and heavy transportation equipment, such as railroad cars (especially tanker cars) and oceangoing ships. End users concerned about "coil set memory" (such as those that cut parts from plate) may prefer plate from a reversing mill because the edges of plate cut from coils from hot-strip and Steckel mills may curl on heating.

Most CTL plate is smooth on both sides, and by definition the product scope excludes plate with "patterns in relief" if produced on a universal mill.[73] "Patterns in relief" are used primarily in floor plate, which has a non-skid pattern of raised figures at regular intervals on one surface of the plate. Floor plate, however, can be produced in mills other than universal mills with patterns in relief. Such plate is produced by continuous hot-strip mills by placing an embossed roll in the final stand of the continuous mill and 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 to an embossed roll, and the final rolling pass completed.

After the CTL plate is made, it can be heat treated, subjected to a series of temperature changes to increase its hardness, strength, or ductility, thereby allowing the plate to be used in additional applications. The amount of time spent at the various temperatures and the rates of cooling can vary

[72] For example, Nucor and SSAB can roll plate over 96 inches in width on Steckel mills. *See* Nucor's "Production Facilities," found at http://www.nucortusk.com/#, retrieved September 30, 2009; SSAB's description of its Mobile, AL facility, found at http://www.ssab.com/About-SSAB1/The-SSAB-Group/SSAB-North-American/Operations/Mobile/, retrieved September 30, 2009.

[73] 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 without patterns in relief.

depending on the characteristics desired for the plate.[74] Some examples of heat treatments are normalizing, quenching, and quench and temper. Normalizing involves heating the steel to about 1,670 degrees and cooling slowly. This process increases the toughness of steel and is used in such applications as pressurized tank cars. Quenching is the immediate cooling of the steel after heating of the steel to 1,670 degrees, which makes the steel more resistant to abrasion. Quench and temper includes heating of the steel to 1,670 degrees, rapid cooling, and reheating to 800-1,200 degrees before cooling again, which makes the steel stronger and more durable.[75]

Plate producers may have several types of mills at a single steel facility. In such facilities, the reversing plate mill is usually separated from the hot-strip mill and the Steckel mill and employs different production workers.

Steel service centers traditionally have served as distributors of plate and typically do not have their own plate mills. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length or flame/plasma cutting plate into non-rectangular shapes. Service centers that process coiled plate into cut lengths or non-rectangular shapes may utilize coiled plate from U.S. or foreign mills. The process of producing CTL plate from coiled plate is the same whether performed at the steel mill or by a service center.[76]

DOMESTIC LIKE PRODUCT ISSUES

In making its injury determinations the Commission first determines the domestic like product. 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" (19 USC § 1677(10)).[77]

In its original determinations, the Commission defined the domestic like product as CTL carbon steel plate produced by U.S. mills and CTL plate cut from coiled plate by service centers.[78] The Commission did not include coiled plate in the domestic like product after considering arguments from respondents that plate in coil form should be included in the domestic like product. The Commission determined that "(b)ased on different physical characteristics and end uses, limited interchangeability, different manufacturing facilities for the majority of CTL plate and coiled plate, and differences in price, we do not include coiled plate in the domestic like product."[79] In the original determinations, the issue of micro-alloy steel plate did not arise and the Commission did not expressly address whether CTL plate made from micro-alloy steel should be included in the domestic like product. In the first reviews of the antidumping duty order and suspension agreements, the Commission revisited the original domestic like product definition and determined that "the differences between carbon steel CTL plate and micro-alloy steel CTL plate are not so pronounced as to constitute clear dividing lines and, accordingly, we include

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[74] American Iron and Steel Institute, "*Steel Glossary*," heat treatment entry, found at http://www.steel.org/AM/Template.cfm?Section=Steel_Glossary2&CONTENTID=6422&TEMPLATE=/CM/HTMLDisplay.cfm, retrieved September 30, 2009.

[75] ***.

[76] ***.

[77] The Commission's decision regarding the appropriate domestic product that is "like" the subject imported product is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities and production employees; and where appropriate, (6) price.

[78] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final),* USITC Publication 3076, December 1997, p. 9.

[79] Ibid., p. 8. The Commission also determined that "certain coiled plate" should not be included in the domestic like product for the same reasons.

micro-alloy steel CTL plate within our domestic like product definition..."[80] The Commission stated that this approach was consistent with its treatment of the issue in numerous original investigations that were conducted between 1998 and 2002 involving CTL plate and other forms of flat-rolled steel.[81]

Since the first reviews, the Commission has twice considered a CTL plate like product definition. In 2005, as part of *Cut-to-Length Carbon-Quality Steel Plate* reviews, the Commission found no reason to alter its finding in the original investigations of a single domestic like product, consisting of all domestically produced CTL plate that corresponds to the scope description, including X-70 plate, micro-alloy plate, and plate cut from coils.[82] In the 2007 second review of *Certain Carbon Steel Products*, three Commissioners expanded the domestic like product definition to include micro-alloy products[83] and three Commissioners declined to expand the domestic like product to include micro-alloy products.[84]

In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of these reviews, the domestic interested parties agreed with the Commission's definition as set out in the Commission's notice of institution.[85] The respondent interested parties did not address the issue in their comments. No party addressed this issue in comments on the draft questionnaires.[86] In their posthearing briefs, the domestic interested parties stated that they have no objection to the inclusion of micro-alloy plate in the Commission's definition of the domestic like product.[87] Domestic producer, Nucor, explained that "the micro-alloy question is often a distinction without commercial significance."[88]

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[80] Commissioner Koplan dissented from the Commission's like product finding, noting that in his judgment "the evidence in the record regarding changes in the product falls short of establishing support for a modification of the original domestic like product determinations or for warranting a like product broader than the scope of the imported products subject to the reviews." *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, pp. 8-9 and 33-36.

[81] Ibid.

[82] *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, pp. 4-6.

[83] Chairman Pearson, Commissioner Hillman, and Commissioner Okun found it appropriate to include micro-alloy steel CTL plate in the definition of the domestic like product. *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. AA1921-19 7(Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review)*, USITC Publication 3899, Volume I, January 2007, p. 31.

[84] Ibid. Vice Chairman Aranoff, Commissioner Koplan, and Commissioner Lane declined to expand the domestic like product to include micro-alloy steel CTL plate in the definition of the domestic like product.

[85] Domestic interested parties' response to the notice of institution, September 22, 2008, p. 18.

[86] Three sets of comments on the draft questionnaires were submitted by counsel for five domestic producers.

[87] Domestic interested party, ArcelorMittal's, posthearing brief, p. 40. Domestic interested parties, SSAB's, Evraz Claymont's, and Evraz Inc.'s, posthearing brief, p. 12. Domestic interested party, Nucor's, posthearing brief, p. 17.

[88] Domestic interested party, Nucor's, posthearing brief, p. 18.

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigations, 14 mills and 21 processors supplied the Commission with information on their U.S. operations with respect to CTL plate. The 14 mills represented virtually all mill production of CTL plate and coiled plate in the United States at that time.[89] In the first reviews, 10 mills and 8 processors producing CTL plate in the United States provided the Commission with information that accounted for approximately 90 percent of production for the period 1997 through March 2003.[90] In these current reviews, the domestic interested parties identified the following five U.S. producers of CTL plate in their response to the Commission's notice of institution: ArcelorMittal, Evraz Claymont, Evraz Inc., Nucor, and United States Steel Corp. ("U.S. Steel"). The Commission issued questionnaires to these mills, all of which provided the Commission with information on their CTL plate operations. In addition, the Commission issued questionnaires to mills that were identified as potential CTL plate producers and service centers believed to have cut-to-length processing lines. In all, 11 mills and 6 processors producing CTL plate provided the Commission with information and/or data.

Six firms, representing *** percent of reported 2008 shipments, have filed notices of appearance in these reviews.[91] *** representing *** percent of reported 2008 shipments, ***.[92] *** representing *** percent of 2008 shipments, ***.[93] Finally, ***, representing *** percent of 2008 shipments, ***.[94]

Domestic mill production of CTL plate is concentrated in the southern portion of the United States with fifteen mill facilities, including five in Texas. The majority of CTL plate processors also have operations in the southern United States. There are 15 processing facilities in the South, including three in Tennessee and four in Texas.

Details regarding each firm's position on continuation of the suspension agreements and the antidumping duty order, production location(s), parent company, and share of reported 2008 CTL plate shipments, are presented in table I-9.

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[89] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final),* USITC Publication 3076, December 1997, pp. III-1-III-6.

[90] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review),* USITC Publication 3626, September 2003, table I-4 and p. III-1.

[91] ArcelorMittal, Evraz Inc., Evraz Claymont, Nucor, SSAB, and U.S. Steel have filed entries of appearance.

[92] Domestic producers ***.

[93] Domestic producers ***.

[94] Domestic producer ***.

Table I-9
CTL plate: U.S. producers, position on continuation, production location(s), parent company, and share of U.S. shipments in 2008

Firm name	Position on continuation	Production location(s)	Parent company	Share of reported U.S. shipments (*percent*)
U.S. mills:				
ArcelorMittal	***	Burns Harbor, IN Coatesville, PA Conshohocken, PA Gary, IN	***% ArcelorMittal SA, Luxembourg	***
Arkansas Steel	***	Newport, AR	***% SC Steel Investment, U.S. ***% Sumitomo Corp., Japan ***% Yamato Kogyo Corp., U.S.	***
CMC Steel	***	Birmingham, AL	***% Commercial Metals Co., U.S.	***
Evraz Claymont	***	Claymont, DE	***% Evraz Group SA, Russia	***
Evraz Inc.	***	Portland, OR	***% Evraz Group SA, Russia	***
Gerdau Ameristeel	***	Baldwin, FL Charlotte, NC Jackson, TN Knoxville, TN Midlothian, TX Perth Amboy, NJ Sand Springs, OK Sayerville, NJ St. Paul, MN West Vidor, TX Wilton, IA	***% Gerdau Ameristeel, Canada[2]	***
JSW Steel USA	***	Baytown, TX	***% Jindal Group, India	***
Kentucky Electric	***	Ashland, KY	***% ALJ Regional Holdings, U.S.	***
LeTourneau	***	Longview, TX	***% Rowan Companies, U.S.	***
Nucor	***	Auburn, NY Cofield, NC Darlington, SC Jewett, TX Plymouth, UT Seattle, WA Tuscaloosa, AL	None	***
SSAB	***	Houston, TX Montpelier, IA	***% Svenskt Stal (SSAB), Sweden	***
U.S. Steel	***	Gary, IN	None	***

Table continued on next page.

Table I-9--*Continued*
CTL plate: U.S. producers, position on continuation, production location(s), parent company, and share of U.S. shipments in 2008

Firm name	Position on continuation	Production location(s)	Parent company	Share of reported U.S. shipments (*percent*)
U.S. processors:				
Cargill	***	Catoosa, OK East Chicago, IL Houston, TX Loudon, TN Memphis, TN Nashville, TN Panama City, FL	None	***
Friedman	***	Armorel, AR Decatur, AL Houston, TX	None	***
Macsteel	***	Bensalem, PA Catoosa, OK Charlotte, NC Houston, TX Hammond, IN	None	***
Metals USA	***	Muskogee, OK Philadelphia, PA	***% Apollo Management, U.S.	***
Namasco	***	Charleston, SC Chicago, IL Houston, TX Middletown, CT New Castle, DE Tulare, CA	***% Klockner & Co., SE, Germany	***
Olympic	***	Bedford Heights, OH	None	***
Steel Warehouse	***	Chattanooga, TN Memphis, TN Oak Creek, WI Rock Island, IL South Bend, IN	***% Lerman Holding Co., Inc., ***% Lerman Enterprise LLC.	***

[1] *** is not included in the domestic industry data because it did not provide a complete questionnaire response. It is ***.
[2] Gerdau Ameristeel noted that ***.
[3] Jindal United Steel Corp. and Steel Warehouse ***.
[4] Metals USA provided ***.
[5] Namasco provided ***. ***

Source: Complied from data submitted in response to Commission U.S. producer/processor questionnaires, sections 1-2, 1-3, and 1-4; *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, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review)*, USITC Publication 3899, Volume II, January 2007, table CTL-1-21.

Two domestic producers are related to subject importers. *** holds a *** percent interest in importer/exporter, ***.[95] *** has common shareholders with importer *** which imports and exports both subject and nonsubject CTL plate.[96] Four domestic producers reported commercial connections with nonsubject importers. *** is a sister company of CTL plate exporter ***. Domestic producer *** parent company is a *** CTL plate producer and exporter, ***. Both *** subsidiary *** and its *** act as importers/exporters of CTL plate. *** has *** that act as importers/exporters of CTL plate, ***.[97]

Two domestic producers are related to foreign CTL plate producers. *** is a sister company to *** CTL plate producers located around the globe.[98] *** has ***. Two domestic producers are related to other domestic producers. *** is owned by the same parent company, ***, as ***.[99] *** owns *** percent of CTL plate processor ***.[100]

Two domestic producers reported that since January 1, 2003, they have been involved in toll agreements regarding the production of CTL plate. *** reported that it has been involved in toll agreements with multiple tollees and approximately *** percent of its U.S. shipments in 2008 were produced under a toll agreement.[101] *** has a toll agreement under which *** retains title to the hot-rolled coil which is shipped to *** for conversion to CTL plate in return for a processing fee.[102] Under the contract ***.[103] One domestic producer *** reported the production of CTL plate in a foreign trade zone.[104]

Three domestic producers, ***, reported importing CTL plate.[105] *** did not provide an explanation for its *** imports from ***.[106] *** explained that it ***. *** reported subject imports from Russia in ***.[107] *** explained that it imports to ***. The company imported CTL plate in every full year of the period from nonsubject sources only, and from *** specifically.[108]

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[95] According to proprietary Custom's data, *** was the foreign producer and importer of *** kilograms (*** short tons) of CTL plate from China in 2007. Proprietary Customs data, U.S. imports for consumption, from China, by foreign producer and importer, 2003-08, 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, retrieved March 26, 2009.

[96] *** U.S. producer/processor questionnaire responses, section I-5. ***. ***. E-mail from ***, September 29, 2009.

[97] *** U.S. producer/processor questionnaire responses, section I-6.

[98] ***. *** U.S. producer/processor questionnaire response, section I-7.

[99] *** U.S. producer/processor questionnaire response, section I-7.

[100] *** U.S. producer/processor questionnaire response, section I-7.

[101] ***. *** U.S. producer/processor questionnaire response, section II-8a.

[102] *** U.S. producer/processor questionnaire response, section II-8a.

[103] Ibid., section II-9a.

[104] *** U.S. producer/processor questionnaire response, section II-16. The company produces CTL plate in *** which is located in *** near the port of ***. ***.

[105] *** U.S. producer/processor questionnaire responses, section II-15.

[106] *** importer questionnaire response, sections II-6 and II-7. *** imports were made by ***. *** importer questionnaire response, section I-2.

[107] *** importer questionnaire response, sections II-6 and II-7.

[108] *** importer questionnaire response, sections II-6 and II-7. ***. *** imports were made by ***. *** importer questionnaire response, section I-2.

U.S. Importers

The Commission received usable data from 39 importers during the original investigations and from 7 firms during the first reviews.[109] In the current reviews, 16 firms reported importing CTL plate since 2003.

Two importers have ties to subject importers/exporters. *** owns a *** percent interest in Chinese importer/exporter ***. *** has common shareholders with nonsubject and subject CTL plate importer/exporter ***.[110] In addition, two importers have ties to nonsubject importers/exporters. *** is a sister company to ***, a nonsubject importer/exporter. *** is related to two nonsubject importers/exporters, its *** and its ***.[111]

Several importers are related to nonsubject CTL plate producers. *** is a sister company to the *** CTL plate mills in the United States and the ***. *** major shareholder is the *** of Korea, a CTL plate producer and exporter. *** is owned by CTL plate producers and exporters ***. *** parent company is the *** CTL plate producer, ***. Through its parent it is a sister company to ***, a Canadian processor, and it has four subsidiary producers in the United States located in ***.[112]

As indicated in the following table, several U.S. importers are part of larger independent steel trading enterprises. In January 2008, two steel trading companies, CCC Steel and Ferrostaal Metals joined to form Coutinho & Ferrostaal. CCC Steel is described as "one of the leading independent international steel trading companies with a worldwide network of subsidiaries, representative offices and agencies.[113] Macsteel has 32 locations throughout North America and holds itself out as offering one of the largest inventories of metals in the service center industry.[114] Stemcor describes its principal business as "the international distribution of steel and raw materials." It notes that it was "founded in 1951 and the knowledge base and global infrastructure we have built up since then have helped to make us one of the leading providers of marketing, finance and logistics services to the steel industry. Today we have a turnover of over $5 billion and employ nearly 1,000 people across all our operating units."[115] Sunbelt is part of Russel Metals, a company that describes itself as one of the largest metals distribution and processing companies in North America (based on revenues and tons sold). Sunbelt is a steel trading and distribution company with worldwide sourcing and nationwide inventories. The company claims to have "vast inventories located at most major ports in the United States and the Caribbean."[116]

No importers reported entering or withdrawing CTL plate from foreign trade zones or bonded warehouses. One importer, *** reported importing CTL plate under the temporary importation under bond ("TIB") program.[117] Table I-10 presents a summary of information regarding U.S. importers of CTL plate.

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[109] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. I-20.

[110] *** importer questionnaire response, section I-6.

[111] *** importer questionnaire responses, section I-7.

[112] *** importer questionnaire responses, section I-8.

[113] CCC Steel company website, *Welcome to CCC Steel*, found at http://www.ccc-steel.de/index.html, retrieved September 22, 2009.

[114] Macsteel company website, Macsteel Service Centers USA, *About Us, A single powerful entity*, found at http://www.macsteelusa.com/about-us.asp, retrieved September 22, 2009.

[115] Stemcor company website, About Us, What we do, found at http://www.stemcor.com/Every_Step_in_Steel.php, retrieved on September 22, 2009.

[116] Sunbelt Group company website, found at http://www.russelmetals.com/english/import/operations/sunbelt/, retrieved September 22, 2009.

[117] According to *** it used the TIB program for ***. *** importer questionnaire response, section I-10.

Table I-10
CTL plate: Reporting U.S. importers, location(s), parent company, source(s) of imports, and shares of reported 2008 total U.S. imports

Firm	Location(s)	Parent company	Source(s) of imports	Share of reported 2008 total U.S. imports (*percent*)
A.M. Castle	Franklin Park, IL	None	***	***
AMIA	Chicago, IL	***% ArcelorMittal SA, Luxembourg	***	***
Artco Group	White Plains, NY Hannibal, OH	None	***	***
Cargill	Hopkins, MN	None	***	***
Commercial Metals Co.	Irving, TX	None	***	***
Coutinho & Ferrostaal	Houston, TX	***% ManFerrostaal, Germany ***% MPC, Germany ***% Villacero Group, Mexico	*** *** *** ***	***
Dongkuk	Torrance, CA	***% Dongkuk Steel Mill, Korea ***% Union Steel, Korea	***	***
Gerdau Ameristeel	Ontario, Canada Manitoba, Canada	***% Gerdau SA, Brazil	***	***
Kiewit	Ingleside, TX	***% Kiewit Corp, U.S.	***	***
Macsteel	Newport Beach, CA	None	***	***

Table continued on next page.

Table I-10–*Continued*
CTL plate: Reporting U.S. importers, location(s), parent company, source(s) of imports, and shares of reported 2008 total U.S. imports

Firm	Location(s)	Parent company	Source(s) of imports	Share of reported 2008 total U.S. imports (*percent*)
Metal One	Cleveland, OH Detroit, MI Houston, TX Miami, FL Nashville, TN Rosemont, IL Santa Fe Springs, CA Seattle, WA	***% Metal One Holdings America, Inc., U.S.	***	***
Metallia	Fort Lee, NJ	None	***	***
Ranger	Houston, TX	None	*** ***	***
SSAB	Lisle, IL	***% Svenskt Stal (SSAB), Sweden	***	***
Stemcor	New York, NY	***% Stemcor Holdings, Ltd., United Kingdom	*** *** *** ***	***
Sunbelt	Houston, TX	***% Russell Metals, Canada	*** *** ***	***
Thyssen	Southfield, MI	***% Thyssen Krupp USA, Inc., U.S.	***	***

Source: Compiled from data submitted in response to Commission importer questionnaires, sections I-2, I-3, and I-7.

U.S. Purchasers

Thirty-seven 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 questionnaires. Eight of the responding purchasers reported that they are end users, 7 reported that they are distributors, 13 are processors, 6 are both processors and distributors, 1 is a fabricator and manufacturer, and 1 is a pipe manufacturer. As explained in part II, producers and importers reported that end users account for about 45 percent of sales. CTL plate is used in construction, infrastructure, metal building systems, heavy industrial production, poles and towers, ship building, tanks, ships, product carrier, snowplow blades, railcars, line pipe, and energy (wind towers). About one-third of these purchasers reported that they compete for sales to their customers with manufacturers or importers of CTL plate.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-11 presents U.S. shipments, imports, and apparent U.S. consumption of CTL plate for the review period. Table I-12 presents U.S. consumption and market shares for the same period. The quantity of apparent U.S. consumption increased steadily from 2003 until reaching a peak in 2006. It declined somewhat in 2007 but increased in 2008. However, apparent U.S. consumption in January-June 2009 was approximately one-half that in January-June 2008. The U.S. producers' share of apparent consumption was highest in 2003 (the final year of the U.S. safeguard action covering CTL plate) and decreased over the next three years as the share held by subject, and nonsubject imports in particular increased. After 2006, U.S. producers' share of apparent consumption increased each full year, gaining market share primarily from nonsubject imports.

Table I-11
CTL plate: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January-June	
	2003	2004	2005	2006	2007	2008	2008	2009
	Quantity (*short tons*)							
U.S. producers' U.S. shipments	5,998,059	6,573,527	6,735,235	7,639,081	7,497,375	7,799,941	4,122,958	1,984,317
U.S. imports from--								
China	6,036	1,393	2,836	4,113	3,453	4,360	869	789
Russia	3,742	714	3,001	69,960	37,793	84,992	24,810	8,066
Ukraine	4,724	129,159	89,275	122,420	57,700	173,945	34,528	16,128
Subtotal	14,502	131,265	95,113	196,494	98,947	263,298	60,206	24,983
Other sources	380,951	512,579	705,800	1,152,553	934,974	572,094	297,075	203,650
Total imports	395,453	643,845	800,913	1,349,047	1,033,921	835,392	357,281	228,633
Apparent consumption	6,393,512	7,217,372	7,536,148	8,988,128	8,531,296	8,635,333	4,480,239	2,212,950
	Value (*$1,000*)							
U.S. producers' U.S. shipments	2,120,807	3,954,848	4,719,346	5,692,100	5,765,741	7,866,636	3,802,914	1,496,982
U.S. imports from--								
China	2,428	1,488	1,719	3,191	3,214	5,714	1,379	1,698
Russia	1,239	602	1,766	42,572	25,236	95,098	18,555	7,452
Ukraine	1,709	73,854	64,765	81,432	40,885	182,276	32,023	17,190
Subtotal	5,375	75,943	68,250	127,195	69,335	283,089	51,957	26,340
Other sources	181,282	338,335	522,619	779,697	712,338	642,330	283,150	210,980
Total imports	186,658	414,278	590,868	906,892	781,673	925,418	335,107	237,320
Apparent consumption	2,307,465	4,369,126	5,310,214	6,598,992	6,547,414	8,792,054	4,138,021	1,734,302

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

Table I-12
CTL plate: Apparent U.S. consumption and market shares, 2003-08, January-June 2008, and January-June 2009

	Calendar year						January - June	
Item	2003	2004	2005	2006	2007	2008	2008	2009
Quantity (*short tons*)								
Apparent consumption	6,393,512	7,217,372	7,536,148	8,988,128	8,531,296	8,635,333	4,480,239	2,212,950
Value (*1,000 dollars*)								
Apparent consumption	2,307,465	4,369,126	5,310,214	6,598,992	6,547,414	8,792,054	4,138,021	1,734,302
Share of quantity (*percent*)								
U.S. producers' U.S. shipments	93.8	91.1	89.4	85.0	87.9	90.3	92.0	89.7
U.S. imports from--								
China	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Russia	0.1	0.0	0.0	0.8	0.4	1.0	0.6	0.4
Ukraine	0.1	1.8	1.2	1.4	0.7	2.0	0.8	0.7
Subtotal, subject sources	0.2	1.8	1.3	2.2	1.2	3.0	1.3	1.1
All other sources	6.0	7.1	9.4	12.8	11.0	6.6	6.6	9.2
Total imports	6.2	8.9	10.6	15.0	12.1	9.7	8.0	10.3
Share of value (*percent*)								
U.S. producers' U.S. shipments	91.9	90.5	88.9	86.3	88.1	89.5	91.9	86.3
U.S. imports from--								
China	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Russia	0.1	0.0	0.0	0.6	0.4	1.1	0.4	0.4
Ukraine	0.1	1.7	1.2	1.2	0.6	2.1	0.8	1.0
Subtotal, subject sources	0.2	1.7	1.3	1.9	1.1	3.2	1.3	1.5
All other sources	7.9	7.7	9.8	11.8	10.9	7.3	6.8	12.2
Total imports	8.1	9.5	11.1	13.7	11.9	10.5	8.1	13.7

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

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

U.S. MARKET CHARACTERISTICS

CTL plate is produced from carbon and micro-alloy steel slabs. Slabs are formed from molten steel, then typically passed through either a traditional reversing plate mill or a Steckel mill, which increases the width and reduces the thickness. Alternatively, the slab may be processed into coiled plate on a hot strip mill (or a combination mill) and processed through a separate shear line. The plate is finished to the customer's specified thickness, width, and length[1] and sold across the United States (table II-1).

Table II-1
CTL plate: Geographic market areas in the United States served by domestic producers and importers of CTL plate

Region	Producers	Importers
Northeast[1]	15	7
Midwest[2]	14	9
Southeast[3]	14	9
Central Southwest[4]	14	12
Mountains[5]	12	6
Pacific Coast[6]	12	11
Other[7]	4	3

[1] – CT, ME, MA, NH, NJ, NY, PA, RI, and VT.
[2] – IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.
[3] – AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV.
[4] – AR, LA, OK, and TX.
[5] – AZ, CO, ID, MT, NV, NM, UT, and WY.
[6] – CA, OR, and WA
[7] – All other markets in the United States not previously listed, including AK, HI, PR, and VI.

Note.--In the original investigations, CTL plate produced in the United States was shipped nationwide; imports likewise entered the United States through a variety of ports, but were concentrated in the Central Southwest ports of Houston, TX and New Orleans, LA. In the first reviews, U.S. producers and importers, as a whole, reported nationwide sales, although most individual firms reported that their sales were concentrated in particular regions.

Source: Compiled from data submitted in response to Commission questionnaires and original and first review Staff Reports.

Commodity-grade CTL plate is used in a variety of applications, such as the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, and general load-bearing structures. Non-commodity grades of CTL plate have superior strength and performance characteristics as compared with commodity grades of CTL plate and typically are produced for customers seeking specific properties, such as improved malleability, hardness or abrasion resistance, impact resistance or toughness, higher strength, and ease in machining and welding. These particular properties are achieved by chemically refining the steel by increasing or decreasing

[1] *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. AA192-197 (Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 578, 582-587, 612, and 614-618 (Second Review),* USITC Publication 3899, Volume II, January 2007, p. CTL-II-1.

specific elements, and by accurate temperature control while hot rolling or heat treating the plate. Noncommodity grades of CTL plate are used to manufacture railroad cars, line pipes, mobile equipment, highway and railway bridges, pressure vessels, military armor, and machinery components.[2]

CHANNELS OF DISTRIBUTION

Domestically-produced and imported CTL plate is sold to distributors, service centers, and end users (table II-2). Overall, U.S. producers shipped slightly more than one-half of their CTL plate to distributors, while importers shipped the vast majority of their CTL plate to distributors.

Table II-2
CTL plate: U.S. producers' and U.S. importers' shares of reported U.S. shipments, by sources and channels of distribution, 2003-08, January-June 2008, and January-June 2009[1]

Item	2003	2004	2005	2006	2007	2008	January-June 2008	January-June 2009
	Share of reported shipments (*percent*)							
Domestic producers' shipments:								
To distributors/service centers	54.6	53.3	52.6	51.1	51.9	46.0	49.0	48.2
To end users	45.4	46.7	47.4	48.9	48.1	54.0	51.0	51.8
Shipments of imports from China:								
To distributors/service centers	***	***	***	***	***	***	***	***
To end users	***	***	***	***	***	***	***	***
Shipments of imports from Russia:								
To distributors/service centers	***	***	***	***	***	***	***	***
To end users	***	***	***	***	***	***	***	***
Shipments of imports from Ukraine:								
To distributors/service centers	***	***	***	***	***	***	***	***
To end users	***	***	***	***	***	***	***	***
Shipments of imports from nonsubject sources:								
To distributors/service centers	84.2	85.7	82.8	87.1	85.3	84.3	95.9	100.0
To end users	15.8	14.3	17.2	12.9	14.7	15.7	4.1	0.0
Total imports:								
To distributors/service centers	84.9	86.9	85.0	88.6	85.8	88.4	96.7	99.6
To end users	15.1	13.1	15.0	11.4	14.2	11.6	3.3	0.4

[1] In the original investigations, according to 1996 data, U.S. mills shipped 52.5 percent of their CTL plate to end users. CTL plate from subject countries was sold mostly to distributors/processors and service centers (China - 93.0 percent; Russia - 53.8 percent; Ukraine - 90.2 percent). In the first reviews, during 1997-2002, U.S. producers shipped about 60 percent of their CTL plate to distributors/service centers. CTL plate from subject countries was also sold mostly to distributors and service centers (the only noticeable outlier was in 2001, when 32.7 percent of CTL plate from Russia was sold to end users).

Source: Compiled from data submitted in response to Commission questionnaires and original and first review staff reports. *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, *Investigations Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997 pp. I-8-10, and *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, *Investigations Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. I-14.

[2] Ibid.

U.S. inland shipping distances for U.S.-produced and imported CTL plate were reported during the period 2003-09. Of the 14 responding producers, only 2 producers reported that the majority of their U.S. sales occur within 100 miles of their production or storage facilities. Most producers, 11 of 14, sold the majority of their CTL plate within distances of 101 to 1,000 miles. One producer sold *** of its plate within 100 miles, and *** within distances of 101 to 1,000 miles of its facility. Nonetheless, 7 producers sold over 5 percent of their CTL plate at distances of over 1,000 miles.[3]

Seven of 13 responding importers made the majority of their U.S. sales within 100 miles of their storage facilities. Four importers sold the majority of their CTL plate within distances of 101 to 1,000 miles. One importer sold *** of its CTL plate within 100 miles, and *** within distances of 101 to 1,000 miles of its facility; another one importer sold *** percent of its CTL plate within 100 miles, *** percent within distances of 101 to 1,000 miles of its facility, and *** percent at distances of over 1,000 miles.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Industry

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 (in 2009, in contrast to the period 2004-08), some inventories, and product sold as export and production alternatives.

Industry capacity

Capacity utilization for U.S. producers increased irregularly from 67.2 percent in 2003 to 78.9 percent in 2008, but was only 40.8 percent in January-June 2009 compared to 83.1 percent in January-June 2008.

Alternative markets

Exports of CTL plate increased from 7.0 percent of U.S. producers' total shipments in 2003 to 10.4 percent in 2008; exports accounted for 8.3 percent of total shipments in January-June 2009 compared to 11.0 percent in January-June 2008.

Inventory levels

U.S. producers' inventories as a ratio of their total CTL plate shipments fluctuated between 2006 and 2008, decreasing irregularly from 7.3 percent of total shipments in 2003 to 4.9 percent in 2008. Although substantially reduced in absolute terms, U.S. producers' inventories were equivalent to 6.2 percent of total annualized shipments in June 2009, compared to 5.7 percent in June 2008.

[3] Geographical markets, as well as quantitative measures relating to fungibility and presence in the market, are discussed in the section of the report entitled "Cumulation Considerations" beginning on page IV-9.

Production alternatives

U.S. producers produce slab, sheet, coiled plate, and X-70 and alloy steel plate on the same equipment used to produce CTL plate. U.S. mills reported that switching between production of different products is not costly and depends strictly on customers' orders and demand. U.S. processors are also able to use the same equipment, machinery, and workers in the production of other products, since most cut-to-length lines are used to produce sheet products.

Supply constraints

U.S. producers were asked if they refused, declined, or were unable to supply CTL plate since January 1, 2003 (by placing customers on allocation or "controlled order entry," declining to accept customers or renew existing customers, delivering less than the quantity promised, or failing to meet timely shipment commitments). Four of 15 responding producers reported that they had restrictions of some variety in place.[4] Some companies provided additional comments in their questionnaire responses. Producer *** declared that ***. Producer *** reported that ***. Producer *** reported that ***. Producer *** declared that ***.

Supply of Subject Imports from China

The Commission received no questionnaire responses from Chinese suppliers in these second reviews. In the first reviews in 2003, data from five Chinese producers of CTL plate that responded to the Commission's foreign producer questionnaire suggested that Chinese producers had some ability to respond to changes in demand with low to moderate changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to the low to moderate degree of responsiveness were the existence of some unused capacity**,** some inventories, a small portion of total shipments exported to the United States, and moderate flexibility of shifting strong home market sales to the U.S. market.[5] However, as shown in tables IV-12 and IV-13, production of heavy or "reversing mill" plate in China more than *** in the intervening years, and, as shown in table IV-15, China has shifted from being a net importer to being a net exporter of plate. As demonstrated in table IV-11, China's plate mill capacity ***. However, China's consumption of CTL plate also grew during this period, increasing from *** to *** (table IV-14).

Supply of Subject Imports from Russia

The Commission received two questionnaires responses from Russian suppliers. Based on available information, Russian producers have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of CTL plate to the U.S. market in the event of suspension

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[4] For example, during August 2006 published sources reported that "domestic mills have nearly all been operating at full capacity to meet the market's demand for plate, and most have placed customers on control order entry to parcel out the available steel fairly." A Nucor official reported that Nucor had been able to meet the needs of its customers, but would like to do better, and that its customers' needs had grown beyond its ability to increase its capacity. U.S. producer Jindal reported that demand was so strong, it was "maxed out." Key factors included strong energy and public works demand, tight slab supply, and attractive alternative markets for imports. *Carbon Plate Market - Demand Sparks a Run on Plate*, Metal Center News Online, http://www.metalcenternews.com/2006/August/mcn0608Plate.htm, August 2006.

[5] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Investigations Nos. 731-TA-753-756 (Review)*, USITC Publication 3326, September 2003, pp. II-2-3.

agreements and antidumping duty order are revoked. The main contributing factors to the moderate to high degree of responsiveness are the existence of high levels of unused capacity, the ability to produce other products with the same labor and equipment, and the existence of home and non-U.S. export markets sales.

Industry capacity

Russian producers' reported capacity utilization rates for CTL plate increased irregularly from *** percent in 2003 to *** percent in 2008; it was *** percent in January-June 2008 but only *** percent in January-June 2009. Accordingly, Russian producers have excess capacity with which they could increase CTL plate production.

Alternative markets

Commercial shipments of CTL plate, as a percentage of total shipments, to the Russian home market decreased from *** percent in 2003 to *** percent in 2008. Russian CTL plate producers' exports to the United States, as a percentage of total shipments, increased from *** percent in 2003 to *** percent in 2008. There were *** exports to the United States during January-June 2009, however they accounted for *** percent during January-June 2008. Russian producers' exports of CTL plate to non-U.S. markets, as a percentage of total shipments, decreased irregularly from *** percent in 2003 to *** percent in 2008. These data indicate that Russian producers have the ability at the present time to shift shipments to the United States from alternative markets.

Inventory levels

Available data indicate that Russian CTL plate producers' inventories, as a ration to total shipments, ranged from a low of *** to a high of ***. These data indicate that subject producers do not have the ability to use inventories as a means of increasing shipments of CTL plate to the U.S. market.

Production alternatives

Russian CTL plate producers reported producing specifically excluded CTL plate and other nonsubject products such as CTL alloy steel plate on the same equipment. Russian producer *** reported that ***. The Russian producer *** reported that ***.

Supply constraints

Russian producers and importers of Russian subject product were asked if they refused, declined, or were unable to supply CTL plate since January 1, 2003. The two Russian producers and importers of Russian CTL plate reported that they had *** restrictions during this period.

Supply of Subject Imports from Ukraine

The Commission received one questionnaire response from the Ukrainian suppliers. Based on available information, the Ukrainian producer Azovstal has the ability to respond to changes in demand with moderate to high changes in the quantity of shipments of CTL plate to the U.S. market in the event of suspension agreements and antidumping duty order are revoked. The main contributing factors to the moderate to high degree of responsiveness are the existence of unused capacity, the ability to produce other products with the same labor and equipment, and the existence of home and non-U.S. export markets sales.

Industry capacity

Azovstal's reported capacity utilization rates for CTL plate increased irregularly from *** percent in 2004 to *** percent in 2008;[6] it was *** percent during January-June 2008 but only *** percent during January-June 2009. Accordingly, Azovstal has excess capacity with which it could increase CTL plate production.

Alternative markets

Commercial shipments of CTL plate, as a percentage of total shipments, to the Ukrainian home market increased irregularly from *** percent in 2004 to *** percent in 2008. Azovstal's exports to the United States, as a percentage of total shipments, decreased irregularly from *** percent in 2004 to *** percent in 2008. Azovstal's exports of CTL plate to non-U.S. markets, as a percentage of total shipments, decreased irregularly from *** percent in 2004 to *** percent in 2008. These data indicate that Azovstal has the ability at the present time to shift shipments from alternative markets in response to price changes.

Inventory levels

Available data indicate that Azovstal's inventories, as a percentage ratio to shipments, ranged from a low of *** percent in 2008 to a high of *** percent in 2005. These data indicate that it is *** limited in its ability to use inventories as a means of increasing shipments of CTL plate to the U.S. market.

Production alternatives

Ukrainian CTL plate producer Azovstal reported producing specifically excluded CTL plate and other nonsubject products such as CTL alloy steel plate on the same equipment used to produce the subject merchandise. Azovstal also reported that ***.

Supply constraints

The responding Ukrainian producer and importers of Ukrainian subject product were asked if they refused, declined, or were unable to supply CTL plate since January 1, 2003. The Ukrainian producer and importers of Ukrainian CTL plate reported that they had *** restrictions during this period.

Factors Affecting Supply

Producers, importers, and purchasers were asked if there have been any changes in factors affecting supply (such as changes in availability or prices of energy or labor; transportation conditions; production capacity and/or methods of production; technology; export markets; or alternative production opportunities) that affected the availability of U.S.-produced CTL plate (carbon steel or micro-alloy steel) in the U.S. market since 2003.

[6] Azovstal was unable to report allocated data for 2003.

Ten of 15 responding producers reported changes and 5 reported no changes in factors affecting supply. The producers reporting changes noted that there were increased transportation and fuel costs, increased raw material costs, and raw material shortages in both 2004 and 2008.[7]

Three of 15 responding importers reported changes and 12 firms reported no changes in factors affecting supply. The importers reporting changes identified import availability, as well as shortages in 2004 and the first half of 2008. They also mentioned that the economic collapse of late 2008 that led to reduced CTL plate prices.

Twenty-six of 35 responding purchasers reported changes, 8 reported no changes, and 1 firm was not aware of any changes. While a few firms reported that all of the above factors played a role during January 2003-June 2009, the majority of purchasers that reported changes in factors affecting supply noted specifically that: raw material price increases that were passed directly to consumers;[8] consolidation that resulted in an industry characterized by higher prices and longer lead times, especially for producers of ingot steel and thick slab; allocations in place during 2004 and 2008 reflecting the reduction in capacity; higher CTL plate prices outside the United States (resulting in few imports); and recent reductions in mill capacity to allow service centers to reduce inventories.

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 (even though CTL plate represents a high share of overall costs of certain end products).

Demand Characteristics

U.S. overall CTL plate demand depends upon the demand for a variety of end-use applications. Producers, importers, and purchasers were asked to list the end uses of CTL plate. The most commonly reported uses were construction, infrastructure, metal building systems, heavy industrial production, poles and towers, ship building, tanks, ships, product carrier, snowplow blades, railcars, line pipe, and energy (wind towers). When asked if there has been any changes in the end uses of CTL plate since 2003, four producers, one importer, and one purchaser reported that CTL plate is now also used in the emergence of wind power that "has created a new end use segment that was virtually non-existent prior to 2003."[9] The main end-use markets for CTL plate are presented in table II-3.

Purchasers that distribute or resell CTL plate listed the major types of consumers to which they sell their CTL plate: structural fabricators, light manufacturers, industrial fabricators, tank builders, tank manufacturers, die and mold makers, conveyor manufacturers, HVAC manufacturers, ship building and repair, heavy machinery and equipment construction, crane manufacturers, rock crushers, and farm and road equipment manufacturers. These purchasers were also asked if they compete for sales to their customers with manufacturers or importers from which they purchase CTL plate. About one-third of these purchasers reported that they compete with their customer if the customer is a trading company or a producing mill, or if the customer is another service center with which they do business. Five purchasers reported that they are in competition sometimes with importers that offer the same material to both their customers and their competitors.

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[7] U.S. producer *** reported that ***. U.S. producer *** also reported ***, as did U.S. producer *** although it did not specify the time period.

[8] U.S. purchaser *** reported that ***. U.S. purchaser *** reported that U.S. producer ***. U.S. purchaser *** reported that ***.

[9] *** U.S. producers' questionnaire, *** U.S. importer's questionnaire, and *** U.S. purchasers' questionnaire.

Table II-3
CTL plate: Shipments by market in order of size, 2008[1]

Market	Share of quantity (*percent*)
Steel service centers and distributors[2]	26.8
General construction	9.3
Rail transportation	4.6
Machinery and industrial equipment	3.8
Pipe and tube	1.3
Non-classified shipments	50.9
Other	3.3

[1] Data are for calendar year 2008 and include only classified shipments as reported by AISI reporting companies.
[2] Data are not available from AISI on the end-use markets of these shipments.

Note.–Based on aggregated annual data for coiled and cut-to-length plate, non-classified shipments are primarily for the following applications, in descending order of magnitude: construction and contractors' products; machinery, industrial equipment, and tools; and rail transportation.

Source: American Iron and Steel Institute, Shipments of Steel Products by Market Classification, Carbon Steel, Report AIS16C, 2008; American Iron and Steel Institute - 2008 Annual Statistical Report.

When asked if they anticipate any changes in end uses, two producers and one importer reported that there will be a continued increased demand for poles and towers for wind energy and power transmission.[10] Another producer observed that "the increased use of spiral weld line pipe and the expansion of spiral weld facilities that use coil as feedstock could reduce the demand for CTL plate used to manufacture line pipe." No purchasers reported that they anticipate any changes in end uses.

As discussed above, two common applications for CTL plate are construction and energy development and transmission. The real values of residential, non-residential, and total construction during January 2003-July 2009 are shown in figure II-1. The real value of total construction increased irregularly from January 2003 until March 2006 but then decreased irregularly to lower levels than the beginning of the period. The real value of residential construction followed the same pattern as the total construction. However, the real value of nonresidential construction was relatively unchanged from January 2003 until November 2005, and then increased for the remainder of the period, resulting in higher levels at the end of period.

The number of miles of natural gas pipeline used in new and expansion projects is also an indicator of demand for CTL plate. Figure II-2 shows changes in completed quarterly projects.

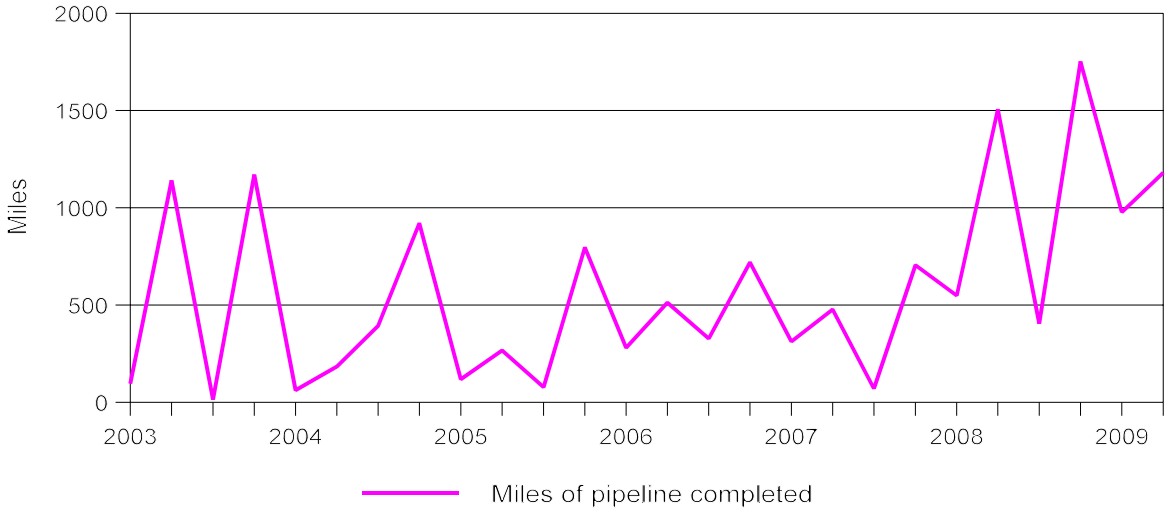
[10] "Annual U.S. wind turbine installations increased from 1,672 to 8,545 megawatts from 2003 to 2008 due to the growing cost competitiveness of wind energy, advances in wind technology, and government policies." *Industry & Trade Summary* - Office of Industries, USITC Publication ITS-02, June 2009, p. iii. While CTL plate producers acknowledged the growth and potential of wind tower construction, hearing witnesses tempered their remarks by noting the small share of plate demand accounted for by wind turbines, as well as the long term nature and credit requirements for future consumption. Hearing transcript, p. 30 (Whiteman) and p. 36 (Insetta).

Figure II-1
Construction spending: Total, residential, and nonresidential construction spending in the United States, seasonally adjusted annual rate, deflated by the producer price index, monthly, January 2003-July 2009

Note: Expenditures on private residential improvements to rental, vacant, and seasonal properties are not included in the construction spending data. Expenditures are deflated by the producer price index for intermediate goods (seasonally adjusted).

Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. http://www.census.gov/const/www/c30index.html#. (retrieved September 16, 2009) and Bureau of Labor Statistics (retrieved September 16, 2009).

Figure II-2
Natural gas pipelines: New and expansion projects, by month, January 2003-June 2009



Source: Energy Information Administration - Office of Oil and Gas.

Business Cycles

Demand for CTL plate tends to fluctuate from period to period and depends on the general business cycle of the CTL plate industry.[11] The vast majority of purchasers reported that there was no specific business cycle to the CTL plate industry. However, a few purchasers reported that the CTL plate industry follows the overall economy (figure II-3) or the construction industry business cycle. Others reported that the CTL plate business cycle is depends directly on the supply/demand fundamentals, raw material costs, and the import/export dynamics.[12] [13] Two purchasers discussed the emergence of wind towers for electricity production as a new market for CTL plate.

Consumption

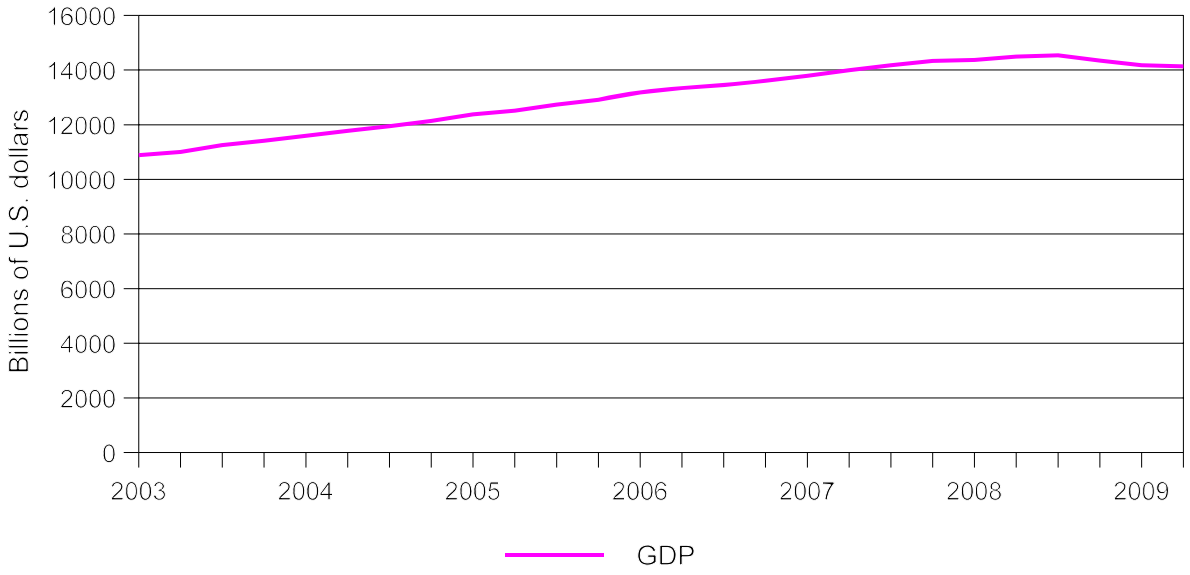
Apparent U.S. consumption increased irregularly from 6.4 million short tons in 2003 to 8.6 million short tons in 2008. However, it was substantially lower in the first half of 2009 (2.2 million short tons) than in the first half of 2008 (4.5 million short tons).

[11] According to hearing testimony by domestic interested parties, the current downturn is more than a downturn in the normal business cycle and is directly caused by the economic collapse in the global steel demand. They indicated that this downturn, combined with the financial collapse, has resulted in a global economic meltdown. Hearing transcript, pp. 72-73 (Blume).

[12] ***.

[13] ***.

Figure II-3
U.S. gross domestic product: Seasonally adjusted at annual rates, quarterly, January 2003-June 2009



Source: Bureau of Economic Analysis, http://www.bea.gov/national/index.htm#gdp, retrieved August 11, 2009.

Demand Trends

Thirteen of 14 producers reported that demand fluctuated. Some of the producers that reported fluctuating demand added that while demand increased from 2003 to the third quarter of 2008, it decreased in late 2008 and first half of 2009. The one producer reporting decreased demand attributed this trend to the recession.

Similarly, 10 of 13 responding importers indicated that demand for CTL plate has fluctuated since 2003, following the overall trend of the economy. Most of these firms attributed the demand upswings to the growth in the mineral and mining sectors that required heavier machinery, high oil prices that resulted in more pipelines being built, rail and ship activity, increased shipments drove, and higher demand in the construction industry. Moreover, one producer and one importer attributed demand fluctuation to the changes in world wide economy, raw material prices, and energy costs.[14] Of the remaining responding importers, three indicated that there was no change in demand without providing additional comments.

Twenty of 35 responding purchasers reported that demand for CTL plate fluctuated since 2003. Six purchasers reported that demand decreased, three firms reported that demand increased, and six firms reported no change in demand. Of the purchasers that reported that demand fluctuated, most of these firms indicated that demand had increased from 2003 to mid-2008, with peak years in 2004-05 and then again in 2008. However, they indicated that demand collapsed in late 2008, resulting with distributor inventories already too high by mid- to late-2008 in a severe downward trend for both demand and price of CTL plate. In addition, one purchaser attributed demand fluctuation to the rise in raw material prices caused by stronger than expected global consumption (starting in 2003), one purchaser attributed demand

[14] *** U.S. producers' questionnaire and *** U.S. importers' questionnaire.

fluctuation to rising energy prices and increased demand for steel products, and one purchaser attributed the demand fluctuation to availability of scrap world-wide and the overall economic conditions.[15]

Purchasers were asked whether their purchasing patterns for CTL plate from domestic, subject, and nonsubject sources had changed since 2003. Thirteen of 33 purchasers reported that their total purchases of CTL plate from domestic mills increased, and 12 stated that their domestic product purchased fluctuated, and 8 reported that it remained the same. Several purchasers that reported increased purchases of domestic CTL plate attributed the increase to better quality, availability, delivery and pricing, lack of reliable foreign sources, and noncompetitive foreign offers. Other purchasers reported that their purchases of domestic CTL plate remained the same because they prefer purchasing all or mostly domestic product.

Five purchasers reported that their total purchases of CTL plate from China decreased, one reported that its purchases increased, three reported that their purchases fluctuated, and two reported that their purchases from China remained the same. Purchasers reporting decreased purchases of CTL plate from China attributed the decrease to factors such as inconsistent paperwork and non-renewal of the suspension agreement. The one purchaser that reported an increase in Chinese CTL plate purchases reported that it had to purchase from China due to lack of availability of CTL plate in the United States.

Seven purchasers reported that their total purchases of CTL plate from Russia decreased, one reported that its purchases increased, three reported that their purchases fluctuated, and four reported that their purchases from Russia remained the same. Purchasers reporting decreased purchases of CTL plate from Russia attributed the decrease to factors such as price, availability, and competitiveness. The one purchaser that reported an increase in Russian CTL plate purchases attributed the increase to its expanding business.

Four purchasers reported that their total purchases of CTL plate from Ukraine decreased, one reported that its purchases increased, six reported that their purchases fluctuated, and three reported that their purchases from Ukraine remained the same. The purchasers that reported decreased purchases of CTL plate from Ukraine attributed the decrease to factors such as the quality of the product. The one purchaser that reported an increase in Ukrainian CTL plate purchases attributed the increase to its expanding business. The purchasers that reported fluctuating purchases of Ukrainian CTL plate attributed this trend to factors such as price, availability, demand, and competitiveness.

Anticipated Demand

Producers, importers, and purchasers were asked how demand for CTL plate is likely to change within the United States in the future. Most producers reported that the current market conditions are expected to remain low,[16] but the CTL plate industry is a cyclical industry and will follow the overall economic trends. A few producers noted that the CTL plate demand will remain low in the next 2-3 years, but it is expected to recover with the help of transportation funding[17] and, eventually, the stimulus

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[15] ***, ***, and *** U.S. purchasers' questionnaire.

[16] There are suggestions that demand is stabilizing, at least in certain sectors: "Nucor Corp., citing a combination of strengthening demand and the need to recoup rising input costs, is attempting to increase transaction prices on carbon steel plate products by $40 per ton. . . U.S. carbon steel plate buyers had been expecting a plate price increase for August for more than a week, based on rising costs and some strengthening in demand. . . While the market "remains challenged," on the demand front, Nucor believes it is stabilizing." Infrastructure and energy markets, along with wind towers and shipbuilding, "are among the plate-consuming sectors showing some renewed strength after nearly a year of downturn." However, Nucor also suggested that non-residential construction, a major end use for CTL plate, has not seen a demand boost, but rather "seems to continue to be weak." *Buyers see $40/T Nucor plate boost taking hold.* AMM.com, http://www.amm.com/2009-08-12__17-08-05.html, August 12, 2009.

[17] On August 10, 2005, President George W. Bush signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU guarantees funding for highways,

(continued...)

spending in the American Recovery and Reinvestment Act of 2009.[18] [19] Similarly, importers reported demand will fluctuate along with the overall market conditions.

Twelve of 33 responding purchasers reported that demand will increase, 11 reported that demand will fluctuate, 7 reported that demand will stay the same, and 3 purchasers reported that demand will decrease in the future. Firms reporting increased future demand provided additional comments: business conditions must improve in 2010 and beyond as there was weak demand in the first six months of 2009; demand will increase to sustainable levels that will allow manufacturing to re-employ laid-off workers, but not to the same demand levels as seen in 2008; and demand will increase as economy recovers and as demand for products incorporating CTL plate increase. Also, most purchasers expecting increased demand anticipated that demand will increase in the fourth quarter of 2009/first quarter of 2010 as infrastructure spending related economic stimulus package will require increased purchases of CTL plate. Purchasers reporting fluctuating demand also provided additional comments: as the economy recovers, demand for CTL plate will increase as well without anticipating any significant change in demand until mid-2011; demand will fluctuate based on market conditions, and the government may stimulate demand by encouraging bridge building/replacement or wind energy over the next 6 to 18 months; U.S. economy and the bank credit current situation will contribute to the cyclical nature of the CTL plate industry; the current market conditions are expected to improve gradually over the next 2-3 years; demand for CTL plate in the energy transmission industry will fluctuate based on demand for energy transmission infrastructure build-out and possible upgrades.[20] [21]

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[17] (...continued)
highway safety, and public transportation totaling $244.1 billion over 2005-09. Highway authorizations under SAFETEA-LU for fiscal year 2009 include $6.6 billion for the Surface Transportation Program, $6.3 billion for the National Highway System, $5.2 billion for the Interstate Maintenance Program, and $4.5 billion for the Bridge Program. U.S. Department of Transportation, Federal Highway Administration Web site. http://www.fhwa.dot.gov/safetealu/ , September 10, 2009.

[18] "About $110 billion has been allocated in the stimulus package as extra spending on infrastructure projects with $38 billion earmarked in the first wave of road, highway, bridge and infrastructure construction. . . The money trickling down from the federal stimulus package into infrastructure projects won't be enough to lift demand for plate and structural steel as much as previously expected by some market watchers, . . . and economists, architects and steel industry executives don't see much steel-related rebuilding until 2011." *Federal stimulus program falls short of boosting plate, beams demand*, Purchasing, http://www.purchasing.com/article/278673-Federal_stimulus_program_falls_short_of_boosting_plate_beams_demand.php, June 18, 2009.

[19] With respect to timing, however, CTL plate industry analysts reported that "infrastructure development projects, the types of things the federal stimulus package was intended to spark, have not yet had significant impact on plate demand." *(AMM) Plate tags rising despite lack of spark from infrastructure stimulus*, MetalBulletin, http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2305819, September 29, 2009.

[20] The financial crisis has reduced demand for wind turbines in the short-term, but "in the long-term, demand will likely rebound due to government policies that support renewable energy, the recovery of the credit markets, and the return to the market of tax equity investors. There are several impediments to further wide scale deployment of wind turbines, but manufacturers are moving ahead with planned investments in U.S. production in the expectation that the market will grow in the long-term." *Industry & Trade Summary* - Office of Industries, USITC Publication ITS-02, June 2009, p. 2.

[21] "There are signs of plate demand strength, but those are limited mostly to the energy market. Plate has seen some increases in demand from wind tower and line pipe businesses, but most say demand otherwise has been lukewarm." *(AMM) Plate tags rising despite lack of spark from infrastructure stimulus*, MetalBuletin, http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2305819, September 29, 2009.

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.[22] Nonetheless, five producers, one importer, and five purchasers reported that there were substitute products for CTL plate. Substitute products mentioned were hot rolled-sheet, alloy plate, reinforced concrete, cast iron, discreet plate, and forged ring.

Cost Share

Depending on the final end use, CTL plate accounts for a wide range of the total cost of the final products in which it is used as an input. Firms reported the following shares of several end products accounted for by CTL plate: 30-95 percent for tanks and railroad tank cars, 80 percent for metal buildings, 12-15 percent for ship building and equipment manufacturing, 15 percent for poles, towers and bridge fabricators, 10-13 percent for track type tractors, wheel loaders, and excavators, 5 percent for snowplow blades, 3 percent for truck trailers, and 2 percent for leaf springs.

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, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on the available information in these second reviews, staff believes that there is a high degree of substitutability between domestically produced CTL plate and CTL plate produced in China, Russia, and Ukraine.

Factors Affecting Purchasing Decisions

Table II-4 summarizes the purchasers' responses concerning the top three factors they reported considering in their purchasing decisions.[23] As indicated in the table, quality was cited most frequently as the primary factor in buying decisions, followed closely by price. Price was the most frequently cited second factor, and availability/reliability of supply was the most cited third factor.

Table II-4
CTL plate: Ranking factors used in purchasing decisions by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	4	4	9
Price	11	16	7
Quality	16	8	5
Other[1]	6	9	14

[1] Other factors include meeting specification requirements, lead time first factor, reliability and delivery for second factor; credit and lead time for third factor.

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

[22] *Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Investigations Nos. 701-TA-388-391 and 731-TA-816 (Reviews)*, USITC Publication 3816, November 2005.

[23] Questionnaires were sent to 60 purchasers and 37 responded.

Twenty-two responding purchasers reported that domestically produced CTL plate "always" meets minimum quality specifications (table II-5). Five responding purchasers reported that the Chinese CTL plate "always" met minimum quality specifications. Three responding purchasers reported that both Russia and Ukraine "always" met minimum quality specifications. The majority of responding purchasers reported that the subject countries "usually" met minimum quality specifications.

Table II-5
CTL plate: Ability to meet minimum quality specifications, by source

Country	Number of firms reporting[1]			
	Always	Usually	Sometimes	Never
United States	22	14	0	0
China	5	11	2	1
Russia	3	12	3	0
Ukraine	3	12	3	0

[1] Purchasers were asked how often domestically produced or imported CTL plate meets minimum quality specifications for their own or their customers' uses.

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

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-6). Thirty-four purchasers rated quality meeting industry standards very important; 33 firms reported availability as well as reliability of supply very important; 32 firms rated product consistency as very important, and 31 firms reported price as very important. In contrast, fourteen firms reported that packaging was not an important factor and 10 firms reported that extension of credit was not an important factor.

Purchasers were asked for a country-by-country comparison on the same 15 factors (table II-7). For U.S.-produced product compared to subject countries' product, most purchasers reported that subject product imported from subject countries was superior (i.e. lower) in terms of price.

For U.S.-produced product compared to Chinese product, most purchasers reported that the U.S. product was superior with regard to product availability, delivery terms, delivery time, minimum quantity requirements, reliability of supply, and technical support. The majority of firms reported that the Chinese product was superior for price and that the U.S. product and the Chinese product were comparable with regard to packaging, quality meets industry standards, extension of credit, product range, and U.S. transportation costs.

Table II-6
CTL plate: Importance of purchase factors, as reported by U.S. purchasers

Factor	Very important	Somewhat	Not important
	Number of firms responding		
Availability	33	4	0
Delivery terms	13	23	0
Delivery time	29	8	0
Discounts offered	9	24	4
Extension of credit	14	13	10
Minimum quantity requirements	8	20	9
Packaging	7	16	14
Price	31	6	0
Product consistency	32	5	0
Product range	11	23	3
Quality exceeds industry standards	19	15	3
Quality meets industry standards	34	3	0
Reliability of supply	33	4	0
Technical support/service	15	21	1
U.S. transportation costs	13	22	2

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

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

Table II-7
CTL plate: Comparisons between U.S.-produced and imported CTL plate as reported by U.S. purchasers

Factor	U.S. vs China			U.S. vs Russia			U.S. vs Ukraine			U.S. vs nonsubject		
	S	C	I	S	C	I	S	C	I	S	C	I
Availability	13	2	0	14	2	0	9	5	0	13	11	1
Delivery terms	14	1	0	13	3	0	9	5	0	8	17	0
Delivery time	14	1	0	15	1	0	9	5	0	16	8	1
Discounts offered	8	7	0	5	10	1	4	9	1	2	19	3
Extension of credit	6	9	0	5	10	1	6	7	1	2	23	0
Price[1]	0	6	9	1	4	11	1	6	7	1	11	13
Minimum quantity requirements	12	3	0	11	5	0	7	7	0	11	14	0
Packaging	3	12	0	3	13	0	2	12	0	1	24	0
Product consistency	8	6	1	10	6	0	6	8	0	6	14	5
Product range	6	8	1	11	4	1	5	9	0	11	12	2
Quality exceeds industry standards	9	6	1	10	7	0	7	8	0	6	15	4
Quality meets industry standards	5	10	1	6	11	0	4	11	0	3	21	1
Reliability of supply	10	5	0	11	5	0	7	7	0	8	16	1
Technical support/service	12	3	0	12	4	0	8	6	0	9	15	1
U.S. transportation costs[1]	6	9	0	8	7	0	7	7	0	10	12	1
Technical support/service	0	0	0	0	0	0	0	0	0	1	0	0

Table continued on the following page.

Table II-7 - *Continued*
CTL plate: Comparisons between U.S.-produced and imported CTL plate as reported by U.S. purchasers

Factor	China vs. Russia			China vs. Ukraine			Russia vs. Ukraine		
	S	C	I	S	C	I	S	C	I
Availability	1	11	0	1	11	0	0	13	1
Delivery terms	1	11	0	1	11	0	0	14	0
Delivery time	1	11	0	1	11	0	1	13	0
Discounts offered	0	12	0	0	12	0	0	14	0
Extension of credit	0	12	0	0	12	0	0	14	0
Price[1]	1	11	0	2	10	0	0	14	0
Minimum quantity requirements	0	12	0	0	11	0	0	14	0
Packaging	0	12	0	0	11	0	0	14	0
Product consistency	2	10	0	2	10	0	1	12	1
Product range	2	10	0	2	10	0	2	12	0
Quality exceeds industry standards	1	11	1	2	10	1	1	13	1
Quality meets industry standards	0	12	1	2	10	1	1	13	1
Reliability of supply	1	11	0	1	11	0	1	13	0
Technical support/service	0	12	0	0	12	0	0	14	0
U.S. transportation costs[1]	0	12	0	0	12	0	0	14	0

[1] A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior", it meant that the price of U.S. product was generally lower than the price of the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. Data shown only for comparisons made by at least 3 purchasers.

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

Similarly, for U.S.-produced product compared to Russian product, most purchasers reported that U.S. product was superior with regard to availability, delivery terms, delivery time, minimum quantity requirements, quality exceeds industry standards, product consistency, reliability of supply, product range, technical support, and U.S. transportation costs. The majority of firms reported that the Russian product was superior in terms of price and that the U.S. product and the Russian product were comparable with regard to discounts offered, extension of credit, packaging, and quality meets industry standards.

For U.S.-produced product compared to Ukrainian product, most purchasers reported that the products were comparable for most factors. The firms reported that the U.S.-product was superior in terms of availability, delivery terms, delivery time, and technical support. A slight majority of reporting firms stated that the Ukrainian product was superior for price (i.e., lower price).

When comparing U.S.-produced product to nonsubject product, most purchasers reported that the U.S. product was superior in terms of availability and delivery time. The majority of firms reported that the nonsubject product was superior for price, and that the U.S. product and the nonsubject product were comparable with regard to extension of credit, packaging, delivery terms, discounts offered, and quality meets industry standards.

When asked if certain grades/types/sizes of CTL plate were available from only a single source, 28 of 34 responding purchasers reported that they are not available from only one source. However, of

the seven firms that reported "yes," two noted that "Weldox" and "Hardox" are only produced in Sweden, and four noted that very heavy plate is domestically available only from Arcelor Mittal.

Purchasers were also asked if they or their customers ever specifically requested product from one country over other possible sources. Seventeen purchasers reported that sometimes or always they order product from a specific country only, usually from the United States.[24] The other 20 producers do not order from specific countries.

Purchasers were also asked if they are make purchasing decisions based on the country of origin of CTL plate. Three purchasers indicated "always," 5 indicated "usually," 13 indicated "sometimes," and 8 purchasers indicated "never."

Asked whether or not they required their suppliers to become certified or pre-qualified with respect to the quality, chemistry, strength, or other performance characteristics of the CTL plate they purchase, 25 of 37 responding purchasers reported that they did. Some purchasers noted ASTM standard mill certifications, ABS certifications, ISO qualification, and CSA, ASM, ASME, or AISI specifications.

When qualifying a new supplier, most purchasers take into consideration the quality of the product, reliability, delivery, and price. Other factors taken into consideration included meeting the standard ASTM specifications or compliance to purchasers' ISO standards; the mill must have a quality program; flatness; lead-time; performance capabilities; chemical analysis; history; and appropriate capacity.

Twelve purchasers provided information on the time necessary to qualify a supplier, which ranged greatly from 10-20 hours to several years. Three other firms reported that qualification times vary. When asked if any new suppliers had failed to obtain certification, 5 of 36 purchasers reported that one or more producers had failed to meet their certification standards. Three firms declined to give certifications each to one U.S. producer and one Romanian producer, one Korean producer, one Italian producer, while two firms reported that Malaysian producers failed to obtain certification. They reported reasons such as failing to qualify a grade, inability to meet physical properties, quality issues (porosity), and insufficient mill test certificates.

When purchasers were asked what characteristics they consider when determining the quality of CTL plate, all 37 purchasers reported characteristics that included meeting or exceeding ASTM/industry standards, surface quality (free of defects such as porosity and hard spots, and free of mill scale), metallurgical chemistry, consistency of dimensions, flatness, edge quality, thickens, and performance (ability to withstand cracking or breaking under pressure).

Buy American Requirements and Preferences

"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

[24] Certain purchasers order or prefer to order from certain European countries, such as Sweden, Germany, and France. One purchaser preferred CTL plate produced in the United States or Canada. Another purchaser named the United States as a preferred country, then Korea, and thirdly Canada.

the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest."[25]

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. Sixteen of 35 responding purchasers reported that buying American product is not an important factor in their firms' purchases. Of the 11 purchasers that reported that they are required by law to buy U.S.-produced product, only 5 purchasers reported a substantial percentage of their total CTL plate purchases were required by law, varying between 15 and 60 percent, with the remaining purchasers reporting less than 5 percent. Of the 13 firms that reported that their customers require American product, 3 firms reported that these purchases represent a majority of their total purchases of CTL plate. Nine purchasers reported other reasons for buying CTL plate produced in the United States. Several firms provided additional comments for purchasing American product: better ability to control inventory and satisfy the needs of the customers; short delivery and lead time; quality and communication; better pricing; availability; cosmetic reasons; government projects that require domestic products due to federal and state regulations; "as stimulus funding hits the economy, a higher percentage will demand "Buy American" primarily for infrastructure projects."[26]

Comparisons of Domestic Products and Subject Imports

In order to determine whether U.S.-produced CTL plate can generally be used in the same applications as imports from China, U.S. producers, importers and purchasers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably (table II-8).

When comparing U.S.-produced product with individual subject product, all 12 producers and 9 of 11 responding importers reported that U.S.-produced CTL plate can "always" or "frequently" be used interchangeably with subject product. The majority of responding purchasers reported that U.S.-produced CTL plate can "always" or "frequently" be used interchangeably with subject product.

Producers and importers were also asked to compare U.S.-produced products with imports from China, Russia and Ukraine in terms of product differences other than price such as quality, availability, product range, and technical support. Again, firms were asked whether these product differences are always, frequently, sometimes, or never significant (table II-9).

Nine of the 12 responding producers reported that differences other than price between CTL plate produced in the United States and subject countries were "never" a significant factor in their firm's sales of the products. All but three responding importers reported that differences were no more than "sometimes" a significant factor in their firm's sales of the products; two importers reported that these differences were "frequently" significant, and one importer and one producer reported that they were always significant. Two producers stated that the very low prices for CTL plate from subject countries more than offset any perceived advantages that domestic producers may have.

[25] *Prestressed Concrete Steel Wire Strand from China, Investigation Nos. 701-TA-464 and 731-TA-1160 (Preliminary),* USITC Publication 4086, July 2009, p. 15.

[26] *** purchasers' questionnaire.

Table II-8
CTL plate: Perceived interchangeability of products produced in the United States and in other countries by country pairs [1]

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. China	11	1	0	0	4	5	2	0	8	9	5	1
U.S. vs. Russia	11	1	0	0	4	5	2	0	7	9	7	0
U.S. vs. Ukraine	11	1	0	0	3	5	2	0	6	10	8	0
Subject country comparisons:												
China vs. Russia	10	1	0	0	3	5	2	0	8	8	1	0
China vs. Ukraine	10	1	0	0	3	5	2	0	8	8	1	0
Russia vs. Ukraine	10	1	0	0	3	4	2	0	9	7	1	0
U.S./subject country vs. nonsubject												
U.S. vs. nonsubject	10	2	0	0	4	6	2	0	11	9	8	0
China vs. nonsubject	9	2	0	0	4	6	2	0	7	9	1	0
Russia vs. nonsubject	10	1	0	0	4	6	2	0	6	9	1	0
Ukraine vs. nonsubject	9	2	0	0	4	6	2	0	6	9	1	0

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

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

Comparisons of Domestic Products and Nonsubject Imports

All 12 responding producers, 10 of 12 responding importers, and 20 of 28 purchasers indicated that CTL plate produced in the United States and nonsubject countries were “always” or “frequently” used interchangeably (table II-8). Eleven of 12 producers and 8 of 12 importers reported that product differences other than price between U.S.-produced and nonsubject CTL plate were no more than “sometimes” significant (table II-9).

Table II-9
CTL plate: Perceived significance of differences other than price between products produced in the United States and in other countries, by country pairs[1]

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. China	1	0	2	9	1	2	4	3
U.S. vs. Russia	1	0	2	9	1	2	4	3
U.S. vs. Ukraine	1	0	2	9	1	2	3	3
Subject country comparisons:								
China vs. Russia	0	0	2	9	1	2	3	3
China vs. Ukraine	0	0	2	9	1	2	3	3
Russia vs. Ukraine	0	0	2	9	1	2	3	3
U.S./subject country vs. nonsubject								
U.S. vs. nonsubject	1	0	3	8	1	3	4	4
China vs. nonsubject	0	0	2	9	1	3	3	4
Russia vs. nonsubject	0	0	2	9	1	3	3	4
Ukraine vs. nonsubject	0	0	3	8	1	3	3	4

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

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never.

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

Comparisons of Subject Imports and Nonsubject Imports

All 11 responding producers, 8 of 10 importers, and 16 of 17 purchasers reported that CTL plate produced in China, Russia, or Ukraine were "always" or "frequently" interchangeable with other subject countries (table II-8). The majority of responding producers, importers, and purchasers reported that CTL plate produced in subject countries and in nonsubject countries were "always or frequently interchangeable. All 11 responding producers and 7 of 10 responding importers indicated that differences other than price between CTL plate produced in subject countries were at most "sometimes" a significant factor (table II-9).

ELASTICITY ESTIMATES

This section discusses elasticity estimates. Parties were requested to provide comments in their posthearing briefs; no parties commented on staff's elasticity estimates.

U.S. Supply Elasticity

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. 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.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The domestic steel industry has restructured since the Commission conducted the original investigations. The petitioners, Geneva Steel and Gulf States Steel, both closed after filing for bankruptcy. Geneva Steel filed for bankruptcy in February 1999 and after emerging from bankruptcy in January 2001 re-entered bankruptcy in January 2002. Its parent company, Geneva Steel Holdings, filed for bankruptcy in September 2002.[1] Gulf States Steel filed for bankruptcy in July 1999 and halted its operations in August 2000.[2] In both cases, the steelmaking equipment was sold to Chinese buyers.[3] Bethlehem, the *** during the original investigations,[4] filed for bankruptcy in October 2001 and was acquired by International Steel Group ("ISG") in May 2003.[5] In addition, plate processor Huntco filed for bankruptcy in February 2002 and liquidated its operating facilities. Service center, Ryerson Tull, restarted one former Huntco facility, an idled temper mill near Nucor's Hickman, AR mill.[6]

IPSCO was not a plate producer during the period examined in the Commission's original investigations.[7] It became a CTL plate producer in November 1997 when it opened a plate mill in Montpelier, IA. In November 2001 IPSCO opened a second plate mill, located in Mobile, AL and also operated cut-to-length lines in Houston, TX, and St. Paul, MN.[8] By the time of the first reviews IPSCO had become the ***.[9] In 2007, SSAB acquired IPSCO. In 2008, the company accounted for nearly *** of U.S. shipments.[10]

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[1] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, table I-5.

[2] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, table I-5.

[3] *Gulf States Steel buyer lines up new tenant*, American Metal Markets, December 10, 2002, found at http://www.amm.com/2002-12-10_01-09-00.html, retrieved September 29, 2009. *Gulf States mill equipment headed to China*, American Metal Markets, August 28, 2003, found at http://www.amm.com/2003-08-28_01-04-00.html, retrieved September 29, 2009. *Nucor loses antitrust appeal in Gulf States suit*, American Metals Markets, June 15, 2007, found at http://www.amm.com/2007-06-15_22-30-19.html, retrieved September 29, 2009. *Geneva Steel*, Utah Rails, updated April 4, 2008, found at http://utahrails.net/industries/geneva-steel.php, retrieved September 29, 2009.

[4] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, Final Staff Report, INV-U-081, November 1997, table III-1.

[5] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, table I-5.

[6] *Former Enron cold-rolling mill will be reborn in China*, American Metal Markets, July 14, 2003, found at http://www.amm.com/2003-03-07-14_01-12-00.html, retrieved September 23, 2009.

[7] At the time of the original investigations, IPSCO did operate a CTL plate processing company, Paper Cal located in St. Paul, MN. *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, table III-3.

[8] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, table I-5. Hearing transcript, p. 18 (Britten).

[9] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review)*, Final Staff Report, INV-AA-108, July 31, 2003, table III-1.

[10] *See* Part 1, table I-9 of this report.

In 2002, U.S. Steel accounted for *** percent of total domestic production.[11] By swapping its plate mill with ISG in exchange for a pickle line, U.S. Steel became a much smaller plate producer.[12] In 2008, it accounted for *** percent of total domestic production. Domestic producer Nucor expanded its CTL plate operations with the acquisition of Corus Tuscaloosa and increased its share of domestic production from *** percent in 2002 to *** percent in 2008.[13]

The domestic CTL plate industry has become increasingly global as multinational corporations entered the U.S. market through numerous acquisitions. International steelmaker Mittal Steel (now ArcelorMittal, the world's largest steelmaker), entered the domestic plate market with its 2005 acquisition of ISG. At the time of the first reviews ISG accounted for the ***. The acquisition of IPSCO by Sweden's SSAB followed in 2007. Finally, Russia-based Evraz acquired Oregon Steel mills in 2007 and Claymont Steel in 2008.[14] According to Evraz, the Claymont Steel acquisition was strategic in that it gave Evraz better access to the market in the eastern United States without the freight costs of shipping cross country.[15] Table III-1 details the changes in company ownership of domestic mills that have occurred during the period for which data have been collected for the current reviews.

Table III-1
CTL plate: U.S. producers' mergers, acquisitions, and capacity changes, 2003-09

Company and location(s)	Date	Action	Comments
Kentucky Electric Steel[1] •Ashland, KY	February 2003	Files for Chapter 11 bankruptcy.	Production is shut down.
U.S. Steel[2] •Gary, IN	November 2003	U.S. Steel swapped its plate mill and heat-treating equipment (Gary, IN) for ISG's pickle line (Indiana Harbor Works, East Chicago, IN).	U.S. Steel largely exits the CTL plate business with this swap. The company continues to produce a small amount of coiled plate at its hot-strip mill which is converted to CTL plate by Feralloy (partly owned by U.S. Steel). ISG (now ArcelorMittal) gained a 160" plate mill operating at a rate of 500,000 tons per year with a capacity of 60,000-70,000 tons per month. The Gary plate mill was idled after the acquisition.

Table continued on next page.

[11] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review)*, Final Staff Report, INV-AA-108, July 31, 2003, table III-1.

[12] U.S. Steel, 2004 Annual Report, pp. 4-5.

[13] Ibid. Nucor's original plate mill in Cofield, NC, was constructed in 2000 and produces plate for manufacturers of heavy equipment, rail cars, ships, barges, refinery tanks, and others. The Tuscaloosa, AL mill produces thinner gauges of coiled and cut-to-length plate used in the pipe and tube, pressure vessel, transportation, and construction industries. Nucor company website, *Nucor Locations*, found at http://www.nucor.com/divs.asp?iwhichone=37, retrieved March 17, 2009.

[14] In 2008, Evraz purchased the Canadian operations of SSAB, the former IPSCO, including a plate mill in Regina, Saskatchewan, and formed what is now Evraz, Inc. NA. Hearing transcript, p. 42 (Thies).

[15] Hearing transcript, p. 43 (Thies).

Table III-1--*Continued*
CTL plate: U.S. producers' mergers, acquisitions, and capacity changes, 2003-09

Company and location(s)	Date	Action	Comments
Kentucky Electric Steel[1] •Ashland, KY	January 2004	A newly formed entity, KES Acquisition Co., purchases the assets of Kentucky Electric and restarts production.	KES Acquisition Co. pays $2.9 million for Kentucky Electric.
Corus Tuscaloosa[2] •Tuscaloosa, AL	July 2004	Acquired by Nucor.	Nucor acquires Corus Tuscaloosa for $90 million.
North Star Steel Co.[1] •Calvert City, KY	November 2004	Acquired by Gerdau Ameristeel.	Gerdau Ameristeel acquires North Star Steel from Cargill Inc. for $266 million.
ISG[2] •Burns Harbor, IN •Coatesville, PA •Conshohocken, PA	April 2005	Acquired by Mittal Steel.	Mittal Steel is created in 2004 by a merger between LMN Holdings and Ispat Inland (a U.S. steel company but not a plate producer). After the $4.5-billion acquisition is approved by ISG's shareholders the U.S. holdings are re-named Mittal Steel USA. Also, the 110" plate mill at Bums Harbor, IN which had been idle since 2000, is re-started.
CitiSteel USA, Inc.[2] •Claymont, DE	June 2005	Acquired by H.I.G. Capital LLC, Miami, FL.	After the acquisition, company name is changed from CitiSteel USA, Inc. to Claymont Steel, Inc.
Mittal Steel[2] •Burns Harbor, IN •Coatesville, PA •Conshohocken, PA	June 2006	Merged with Arcelor to form ArcelorMittal.	Arcelor was created through the merger of three European steel entities: Arbed (Luxembourg), Aceralia (Spain), and Usinor (France) in 2002.
Mittal Steel[2] •Conshohocken, PA	June - September 2006	Motor outage resulted in reduced production.	The Conshohocken mill runs at 20-30 percent of capacity. Production is shifted to Coatesville, PA and Burns Harbor, IN.
Oregon Steel Mills, Inc.[2] •Portland, OR	January 2007	Acquired by Evraz Group SA (Russia).	Evraz acquires Oregon Steel, a plate, tube, and rail manufacturer, for $2.3 billion.
IPSCO[2] •Montpelier, IA •Mobile, AL •St. Paul, MN •Houston, TX	July 2007	Acquired by SSAB.	SSAB acquires IPSCO's operations including plate mills in IA and AL, processing units in TX and MN, pipe mills in the U.S. and plate mills, processing units, and pipe mills in Canada for $7.7 billion.
Jindal United Steel[2] •Baytown, TX	August 2007	JSW Steel Ltd. (India) announced the acquisition of Jindal United Steel (India).	JSW acquires, 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.
ArcelorMittal[2] •Gary, IN	September 2007	Restarted Gary mill.	Mill had been idled since the asset swap between U.S. Steel and ISG in 2003.
ArcelorMittal[2] •Gary, IN •Burns Harbor, IN •Coatesville, PA •Conshohocken, PA	December 2007	Announced plans to boost production of quenched and tempered plate.[3]	The plans call for an increase in production of 50,000 tons.

Table continued on next page.

Table III-1--*Continued*
CTL plate: U.S. producers' mergers, acquisitions, and capacity changes, 2003-09

Company and location(s)	Date	Action	Comments
Claymont Steel, Inc.[2] •Claymont, DE	January 2008	Sold to Evraz.	Evraz acquires Claymont Steel for $565 million.
SSAB[2] •Montpelier, IA •Mobile, AL	April 2008	Announced plans for increased quenched and tempered steel production.[3]	Size of investment is $150-250 million and capacity will be 331,000 tons. Project completion is scheduled for 2012.
Nucor[2] •Cofield, NC	July 2008	Announced plans to install plate heat-treating facility.	Cost of facility estimated at $110 million and capacity is planned to be 120,000 tons. Start date is expected in ***.
***	***	***	***
***	***	***	***
Evraz Inc.[2] •Portland, OR	May 2009	Announced multi-week work stoppage.	The outage began in June and may extend to four weeks.
JSW Steel USA[2] •Baytown, TX	May 2009	Announced possible suspension of plate mill operation.	The mill's capacity is 1.3 million tons and has been running at 10-15 percent of capacity.

[1] A flat bar producer.
[2] A traditional plate producer.
[3] Quench and temper is a heat treatment that imparts greater strength and durability to the steel. SSAB has not yet decided which mill(s) will receive the investment and has stated that the investment is on hold as a result of the recession.

Source: Various company filings with the U.S. Securities and Exchange Commission, press releases, news articles, and ***. Hearing transcript, p. 19 (Britten).

No greenfield CTL plate mills were constructed in the United States during the period examined in these second reviews and no plans for such construction have been reported. Addressing speculation that Severstal is exploring plate production at its Sparrow Point, MD mill, Gregory Mason, chief executive officer of Severstal International said that "We have an excellent substrate for plate with 12-inch slabs from Sparrows Point. I do not think we are interested in installing a plate mill there. What would make more sense would be some type of partnership where we could supply that substrate."[16]

Since 2003, the steel service center industry has also experienced substantial consolidation. Both vendors to the steel service centers (steel mills) and their customers (end users) desire consolidation in the service center industry. Steel mills would prefer to deal with larger distributors. End users with multiple locations prefer dealing with one distributor rather than multiple distributors.[17] Some of the larger service centers processing CTL plate have made acquisitions. For example, Macsteel acquired Alpha Processing, Inc. in 2005. In 2007 Cargill acquired Olympic and Namasco acquired Primary Steel.[18]

[16] *Severstal eyeing plate as rejig switches focus*, American Metal Markets, May 26, 2009, found at http://www.amm.com/2009-05-26_16-08-37.html, retrieved July 1, 2009.

[17] Metals Service Center Institute, found at http://forward.msci.org/articles/0405still.cfm, retrieved July 30, 2009.

[18] *Mergers and Acquisitions*, Metal Center News, found at http://www.metalcenternews.com/2008/September/mcn0809_MergersAcquisitions.pdf, retrieved July 30, 2009.

Background

Information in this section is based on the questionnaire responses of 14 producers that are believed to have accounted for nearly all U.S. production of CTL plate during 2008.

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 2003. Nearly all domestic producers indicated that they had experienced such changes, and their responses are presented in table III-2.[19] Most notable among the changes were the acquisitions reported by domestic mills and processors. Also noteworthy were the recent reductions in production experienced by four mills, including ***.

Table III-2
CTL plate: Changes in the character of U.S. producers' operations since January 1, 2003

* * * * * * *

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.[20] Among the firms that do anticipate such changes, the largest were tentative about the impact of the market on their future operating rates and project plans.

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

* * * * * * *

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

Data on U.S. producer's capacity, production, and capacity utilization for CTL plate are presented in table III-4. Capacity and production fluctuated but increased overall and were highest in 2008.[21] Capacity utilization in January-June 2009, however was less than half the level reported a year earlier.[22]

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[19] One producer reported that it experienced no such changes since 2003, ***, and four producers did not respond. U.S. producer/processor questionnaire responses, section II-2.

[20] 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, section II-3. Olympic, however, is reportedly expanding its operations and has a strategy of opening satellite locations to service small markets. Within four to five years the company "would consider having two (new) major facilities and a number of smaller facilities." *Steel usage set to remain limp in '09: Olympic*, American Metal Markets, February 12, 2009, found at http://www.amm.com/2009-02-12_17-42-39.html, retrieved July 1, 2009.

[21] During the period for which data were collected, ***.

[22] Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate operations during the first and second quarters, and during July and August, of 2008 and 2009. The production of these firms in 2008 totaled *** short tons in the first quarter and was *** short tons in the second

(continued...)

Several mills announced the temporary cessation of production at their facilities in the summer of 2009. SSAB announced that it would extend a number of summer maintenance outages in response to continued weak steel market conditions.[23] In May 2009, Evraz Inc. told its customers that while it would probably operate its mill the first week of June, it expected the mill to be down at least two weeks that month with the possibility that this could stretch to four weeks if orders did not warrant a restart sooner.[24] ***.[25] *** producer, JSW Steel USA, located in Baytown, TX has an annual plate capacity of 1.2 million tons. According to published steel industry sources, the plate mill has been running at only 10 to 15 percent of capacity for the last several months. The company might suspend operations at its rolling mill, citing weak demand for plate.[26]

Table III-4
CTL plate: U.S. producers' capacity, production, and capacity utilization, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Capacity (*short tons*)	9,612,515	9,358,706	9,824,667	10,420,197	10,464,249	10,882,642	5,581,791	5,064,916
Production (*short tons*)	6,464,022	7,129,899	7,337,156	8,515,159	8,463,676	8,583,931	4,636,079	2,064,300
Capacity utilization (*percent*)	67.2	76.2	74.7	81.7	80.9	78.9	83.1	40.8

Note.– *** did not provide capacity and production data for 2003, *** did not provide capacity and production data for January-June 2008, and January-June 2009.

Source: Compiled from data submitted in response to Commission U.S. producer/processor questionnaires.

The majority of firms reported either no changes or only small changes to their capacity between 2003 and 2008. The largest changes in capacity were the result of acquisitions and did not alter total domestic capacity. When U.S. Steel transferred its plate business to ISG in 2003, its capacity decreased by *** but this did not reduce total domestic capacity. In 2004, Nucor's acquisition of Corus Tuscaloosa

[22] (...continued)
quarter. In 2009, production totaled *** short tons in the first quarter and was *** short tons in the second quarter. The production of these firms totaled *** short tons in July 2008 and *** short tons in August 2008. In 2009, reported July production was *** short tons and August production was *** short tons. Domestic interested parties, ArcelorMittal's, Evraz Inc.'s, Evraz Claymont's, Nucor's, and SSAB's posthearing briefs.

[23] *SSAB extends maintenance outages*, American Metal Markets, March 16, 2009, found at http://www.amm.com/2009-03-16_17-04-46.html, retrieved July 1, 2009.

[24] *Evraz Oregon's mill idling not causing panic*, American Metal Markets, May 20, 2009, found at http://www.amm.com/2009-05-20_16-17-53.html, retrieved July 1, 2009.

[25] ***. In July 2009 it was reported that ArcelorMittal was re-starting its Indiana Harbor blast furnace instead of Burns Harbor and asking Burns Harbor employees to make further job concessions. *More demands at Burns Harbor: USW*, American Metal Markets, July 13, 2009, found at http://www.amm.com/2009-07-13_18-12-55.html, retrieved October 1, 2009.

[26] *JSW, Evraz Oregon set plate rolling outages*, American Metal Markets, May 19, 2009, found at http://www.amm.com/2009-05-19_16-43-48.html, retrieved July 1, 2009.

increased its capacity by *** tons.[27] Similarly, in 2005, Mittal Steel's acquisition of ISG increased its CTL plate capacity by ***.[28] The increase in domestic capacity in 2008 can be attributed almost entirely to one firm, ***, that reported an increase of *** tons of capacity that year. This was the result of ***.[29]

Individual firms reported capacity on different bases, with most mills reporting based on 160-168 hours per week, 50-52 weeks per year. One of the *** domestic producers, ***, was an exception and reported based on 144 hours per week, 52 weeks per year. The processors that operate cut-to-length lines reported capacity based on a much broader range of 40-168 hours per week, 51-52 weeks per year.[30]

Constraints on Capacity

The Commission asked domestic producers to report constraints on their capacity to produce CTL plate. The firms provided the information presented in table III-5 regarding their constraints on capacity.[31]

Table III-5
CTL plate: U.S. producers' constraints on capacity

* * * * * * *

Alternative 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. Table III-6 presents the quantity of other products produced on the same production equipment used to produce CTL plate. As shown in the table, the production of CTL plate and other nonsubject products was *** in each year. The production of micro-alloy steel plate and specifically excluded CTL plate represented a smaller portion of total production. Micro-alloy steel plate fluctuated from a low of 3.3 percent of total production in 2003 to a high of 5.5 percent in 2007. The production of specifically excluded CTL plate was *** and never accounted for more than *** percent of total production between 2003 and 2008.

[27] ***. E-mail from ***, August 12, 2009.

[28] ***. E-mail from ***, August 11, 2009.

[29] Domestic interested party, *** posthearing brief, p. ***.

[30] U.S. producer/processor questionnaire responses, section II-9a.

[31] One firm reported that it has no constraints on its capacity to produce CTL plate, ***. Two firms did not respond: ***. U.S. producer/processor questionnaire responses, section II-6.

Table III-6
CTL plate: U.S. producers' production of alternative products on the same equipment and machinery used to produce CTL plate, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
	Quantity (*short tons*)							
Overall capacity	15,723,457	15,843,061	16,994,948	17,451,907	17,511,328	17,962,644	8,828,626	8,131,373
Production of:								
CTL carbon steel plate	5,209,859	5,815,607	6,043,027	7,073,585	6,980,789	7,286,055	3,978,195	1,767,521
Micro-alloy steel plate	367,762	500,262	563,105	729,763	836,479	742,316	398,830	150,984
Subtotal	5,577,621	6,315,869	6,606,132	7,803,348	7,817,268	8,028,371	4,377,025	1,918,505
Specifically excluded CTL plate[1]	***	***	***	***	***	***	***	***
Other nonsubject products[2]	***	***	***	***	***	***	***	***
Total production	11,059,549	11,952,887	13,866,977	15,362,254	15,317,817	15,050,951	7,447,078	3,472,953
Capacity utilization (*percent*)	70.3	75.4	81.6	88.0	87.5	83.8	84.4	42.7

[1] E.g., X-70 CTL plate.
[2] E.g., CTL alloy steel plate, hot-rolled steel sheet, and bar products.

Note.–*** did not provide data for micro-alloy steel plate production but rather included its micro-alloy production in its reported CTL carbon steel plate figures. For this reason, production of micro-alloy steel plate is understated.

Note.–*** did not provide information on their production of alternative products. For this reason the subtotal of CTL carbon steel plate and micro-alloy steel plate production presented here is lower than the production of CTL plate presented in table III-4.

Source: Compiled from data submitted in response to Commission U.S. producer/processor questionnaires, sections II-5 and II-6.

Nucor is reportedly developing new grades and sizes of plate for energy, bridge, barge-building, shipbuilding, and heat-treating markets, among others. According to John Ferriola, the company's chief operating officer, this is work that was undertaken in advance of infrastructure stimulus spending and it is allowing Nucor to secure business that is well beyond its original scope of production. Nucor is also exploring other opportunities in armor plate for the transportation and energy markets.[32]

[32] Nucor's Decatur, AL mill shipped its first order of armor plate during the first quarter of 2009. According to news sources, the 5,000 ton shipment went to the U.S. military to provide protective material for the Humvee military vehicle. *Nucor using downturn to develop new opportunities*, American Metal Markets, April 24, 2009, found at http://www.amm.com/2009-04-24_15-50-27.html, retrieved May 28, 2009.

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

Data on domestic producers' shipments of CTL plate are presented in table III-7. The quantity and value of U.S. shipments increased steadily between 2003 and 2008 but was sharply lower in interim 2009 compared to interim 2008.[33] As a share of total shipments, commercial shipments declined during 2005-08, and export shipments increased. Internal consumption and transfers to related firms, as shares of total shipments remained minimal. Internal consumption was reported by two firms ***.[34]

The average unit value of U.S. shipments increased sharply in 2008, a period characterized by strong demand and increased raw material prices.[35] Two producers that reported average unit values that were consistently above the industry mean may specialize in custom orders.[36]

Domestic producers' export shipments increased in quantity each year from 2003 until 2007 and remained historically high in 2008.[37] As a share of total shipments, exports expanded from 7.0 percent in 2003 to as much as 11.2 percent in 2007.[38]

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[33] According to the Metals Service Center Institute data, downstream U.S. steel plate shipments by its members totaled 2.43 million tons in July 2009, following a 9.5-percent increase from May, although they remained 47.3 percent below the same month in 2008. Metals Activity Report, Steel Service Center Institute (Cleveland, OH), June 2009. Members of the Metals Service Center Institute reported higher total steel shipments in August as they continued to reduce their inventories. *Steel center stocks fall as shipments rise*, American Metal Markets, September 16, 2009, found at http://www.amm.com/2009-09-16_16-31-20.html, retrieved September 17, 2009. Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate operations during July and August 2008 and 2009. The U.S. shipments of these firms totaled *** short tons in July 2008 and *** short tons in August 2008. In 2009, reported July U.S. shipments were *** short tons and August U.S. shipments were *** short tons. Domestic interested parties, ArcelorMittal's, Evraz Inc.'s, Evraz Claymont's, Nucor's, and SSAB's posthearing briefs.

[34] ***. *** U.S. producer/processor questionnaire responses, section II-9a.

[35] In June 2008, Nucor's chief operating officer reported that his company was raising its plate price based on demand, and that the increase did not address scrap costs but was completely demand-driven. *Demand keeping carbon plate on upward trajectory*, MetalBulletin, June 10, 2008, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=1944145, retrieved July 7, 2009. In the same article Evraz Claymont cited the "continued escalation of raw materials and increasing demand" for its plate price increase.

[36] *** and ***." ***, retrieved July 7, 2009; ***, retrieved July 1, 2009.

[37] Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate operations during the first and second quarters of 2008 and 2009. The exports of these firms totaled *** short tons in the first quarter of 2008 and *** short tons in the second quarter of 2008. In 2009, first quarter exports were *** short tons and second quarter exports were *** short tons. Domestic interested parties, ArcelorMittal's, Evraz Inc.'s, Evraz Claymont's, Nucor's, and SSAB's posthearing briefs.

[38] Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate operations during July and August 2008 and 2009. The exports of these firms totaled *** short tons in July 2008 and *** short tons in August 2008. In 2009, reported July exports were *** short tons and August exports totaled *** short tons. Domestic interested parties, ArcelorMittal's, Evraz Inc.'s, Evraz Claymont's, Nucor's, and SSAB's posthearing briefs.

Table III-7
CTL plate: U.S. producers' shipments, by types, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Quantity (*short tons*)								
Commercial shipments	5,882,837	6,422,481	6,625,960	7,474,180	7,286,125	7,579,331	3,992,279	1,925,441
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	5,998,059	6,573,527	6,735,235	7,639,081	7,497,375	7,799,941	4,122,958	1,984,317
Export shipments	450,172	566,669	607,336	796,275	948,275	902,630	509,592	179,288
Total	6,448,231	7,140,196	7,342,571	8,435,356	8,445,650	8,702,571	4,632,550	2,163,605
Value (*$1,000*)								
Commercial shipments	2,069,624	3,874,301	4,638,495	5,551,126	5,562,510	7,614,121	3,664,292	1,442,929
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	2,120,807	3,954,848	4,719,346	5,692,100	5,765,741	7,866,636	3,802,914	1,496,982
Export shipments	185,825	438,474	512,712	664,872	842,197	911,760	506,319	126,919
Total	2,306,632	4,393,322	5,232,058	6,356,972	6,607,938	8,778,396	4,309,233	1,623,901

Table continued on next page.

Table III-7--*Continued*
CTL plate: U.S. producers' shipments, by types, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Unit value (*dollars per short ton*)								
Commercial shipments	$352	$603	$700	$743	$763	$1,005	$918	$749
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	354	602	701	745	769	1,009	922	754
Export shipments	413	774	844	835	888	1,010	994	708
Total	358	615	713	754	782	1,009	930	751
Share of shipment quantity (*percent*)								
Commercial shipments	91.2	89.9	90.2	88.6	86.3	87.1	86.2	89.1
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	93.0	92.1	91.7	90.6	88.8	89.6	89.0	91.7
Export shipments	7.0	7.9	8.3	9.4	11.2	10.4	11.0	8.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.– *** is not included in data for 2003, *** is not included in data for January-June 2008, and January-June 2009.

Source: Compiled from data submitted in response to Commission U.S. producer/processor questionnaires.

In June 2008, in commenting on plate exports, Daniel L. Miksta, vice president and general sales manager at SSAB's Lisle, IL division, noted that while its traditionally been "very hard" to justify the economics of plate exports, he also thinks that today "the economics work" for selling to such strong global markets as the South Korean shipbuilders.[39] Also in June of 2008, Nucor's chief operating officer, John Ferriola, stated that plate exports markets were "really strong because of demand from overseas for infrastructure, and transportation is strong everywhere."[40] During the Commission staff's site visit to ***,

[39] *(AMM) Strong global plate demand ahead, says Ipsco executive*, MetalBulletin, June 10, 2008, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=1943885, retrieved July 7, 2009.

[40] *Demand keeping carbon plate on upward trajectory*, MetalBulletin, June 10, 2008, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=1944145, retrieved July 7, 2009.

company officials explained that exports increased during the period ***. In addition, some of *** exports were not new sales but rather ***.[41]

Producers were asked to name their principal export markets. Of the companies that reported exports all listed *** as their principal export markets. Only one domestic producer, ***, reported exports to other markets, *** but its exports never exceeded *** short tons during 2003-08.[42]

U.S. PRODUCERS' ORDER BOOKS

Table III-8 presents reported quantity of CTL plate entered in reporting firm's "order books" at the close of the specified months. This data was reported by 5 firms[43] representing *** percent of 2008 U.S. shipments. The order books of the reporting firms were fullest in June 2008 and lowest on March 31, 2009. However, such order books increased in the following two quarters by a total of *** short tons. Reported lead times ranged from *** days with the longest lead times reported at the end of June 2008 and the shortest times reported one year later in June 2009.

Table III-8
CTL plate: CTL plate entered into order books, June 30, 2008-September 30, 2009

* * * * * * *

U.S. PRODUCERS' INVENTORIES

Data collected in these reviews on domestic producers' end-of-period inventories of CTL plate are presented in table III-9. Inventories declined in absolute and relative terms between 2003 and 2005, then increased in 2006 and 2007. Over the course of 2008, producer inventories declined sharply in absolute terms and fell to period lows in relative terms. The domestic industry's inventories of CTL plate experienced a decline from their peak in 2007, almost entirely due to *** large inventory draw-downs. Inventories in June 2009 were only half the level reported for June 2008. In June 2008, Evraz Claymont noted that inventories, while low, were still high relative to current orders and sales.[44] ***.[45] Olympic reportedly reduced its inventory by about 11 percent in the first quarter and was targeting a 25-percent reduction in the second quarter of 2009.[46]

[41] About *** percent of *** total sales are reportedly ***. ***.

[42] U.S. producer/processor questionnaire responses, section II-9a.

[43] Firms reporting order book data in response to Commissioner's hearing questions were: ArcelorMittal, Evraz Claymont, Evraz Inc., Nucor, and SSAB.

[44] *Demand keeping carbon plate on upward trajectory*, Metal Bulletin, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=1944145, retrieved July 7, 2009.

[45] ***.

[46] *Olympic post $25.5M loss in 1st quarter; outlook murky*, American Metal Markets, April 29, 2009, found at http://www.amm.com/2009-04-29_17-45-01.html, retrieved May 28, 2009.

Table III-9
CTL plate: U.S. producers' end-of-period inventories, 2003-08, January-June 2008, January-June 2009

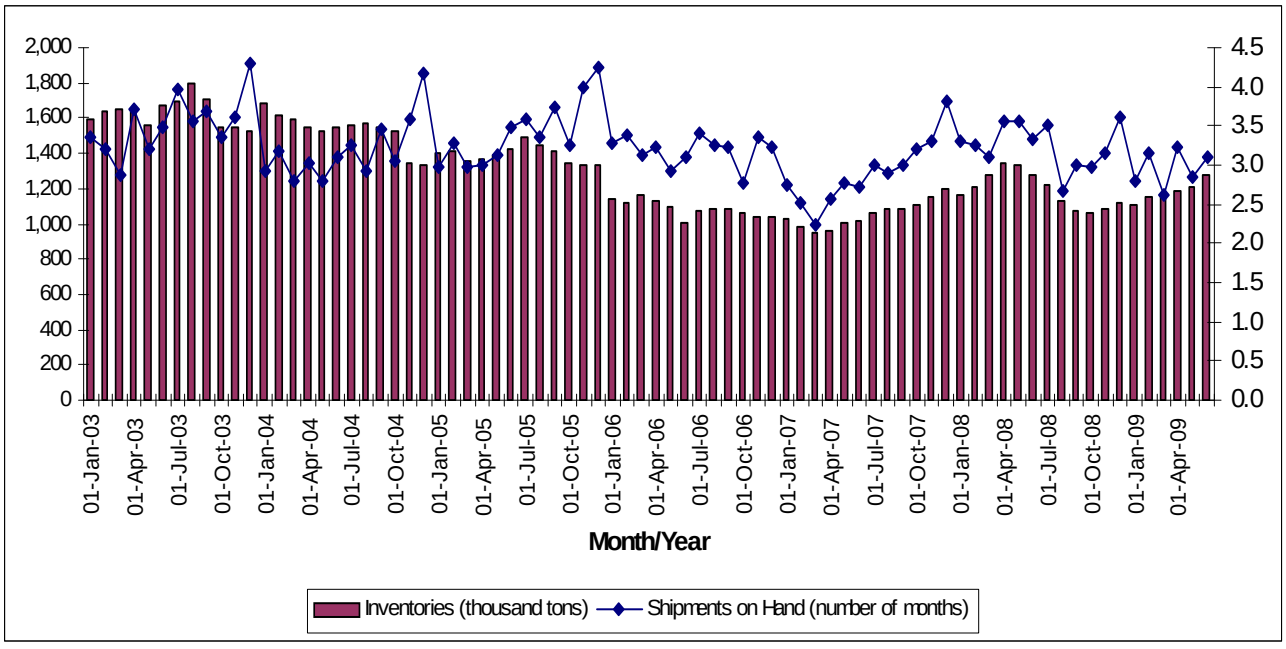
Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Inventories (*short tons*)	472,142	467,155	427,639	535,175	544,133	429,247	527,909	268,774
Ratio of inventories to production (*percent*)	7.3	6.6	5.8	6.3	6.4	5.0	5.7	6.5
Ratio to U.S. shipments (*percent*)	7.9	7.1	6.3	7.0	7.3	5.5	6.4	6.8
Ratio to total shipments (*percent*)	7.3	6.5	5.8	6.3	6.4	4.9	5.7	6.2

Note.–*** reported no inventories during the period of review. *** did not provide data for 2003.

Source: Compiled from data submitted in response to Commission U.S. producer/processor questionnaires.

Figure III-1 illustrates inventories of plate held by U.S. service centers and the number of months of shipments on hand.

Figure III-1
Plate:[1] Inventories held by and shipments made by U.S. service centers, by months, January 2003-July 2009



[1] MSCI data include both CTL and coiled plate. Also, these inventories and shipments include plate from both domestic and foreign sources.

Source: Metals Activity Report, Metals Service Center Institute (Cleveland, OH), July 2009.

U.S. PRODUCERS' IMPORTS AND PURCHASES

Three domestic producers reported importing CTL plate since January 1, 2003 and information on their imports appears in table III-10. *** was the only producer to report imports of subject CTL plate. It imported from Russia and identified *** as the producer of the product, plate that is ***.[47] The other two domestic producers, ***, imported nonsubject CTL plate.

Table III-10
CTL plate: U.S. producers' imports, 2003-08, January-June 2008, January-June 2009

* * * * * * *

Two domestic producers reported purchasing CTL plate since January 1, 2003. *** purchased CTL plate from domestic mills and from resellers of imported product.[48] It explained that it made the purchases ***. It purchased *** from domestic producers.[49] Processor *** explained that it made purchases of CTL plate because it ***. It reported purchasing CTL plate imported from other, nonsubject countries, in ***.[50] In addition, two processors that did not provide the Commission with usable trade data reported such purchases: ***. *** purchased CTL plate each year from 2004 through 2008 that was ***.[51] *** reported *** and small purchases of CTL plate imported from ***. These purchases were made for ***. *** bought CTL plate that was imported from other sources in ***. Finally, it purchased CTL plate ***.[52]

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

The U.S. producers' aggregate employment data for CTL plate are presented in table III-11. The data are understated because one mill (***) and three processors (***) did not report CTL plate related employment.

The number of production-related workers ("PRWs") employed by U.S. CTL plate producers initially declined in 2004. This *** the closure of the Gary, IN plate mill when it was transferred from U.S. Steel to ISG that year.[53] After that initial decline, the number of PRWs, hours worked, and wages

[47] *** U.S. importer questionnaire response, section II-7. The reason given for these imports was that ***. Ibid., section II-6. E-mail from ***, September 29, 2009.

[48] *** could not identify the country of origin of these purchases.

[49] *** U.S. producer/processor questionnaire response, section II-14. ***.

[50] *** U.S. producer/processor questionnaire response, section II-14.

[51] *** U.S. producer/processor questionnaire response, section II-14.

[52] *** U.S. producer/processor questionnaire response, section II-14.

[53] The Gary, IN plate mill was idled after its acquisition by ISG (now ArcelorMittal). *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, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review),* Final Staff Report, November 22, 2006, Inv-DD-159, CTL II1-3. *Pinch-Me Time ISG's Gary Works play sets a bountiful table for platemakers,* American Metal Markets, June 21, 2004, found at http://www.amm.com/2004-06-21_01-10-00.html, retrieved August 18, 2009.

paid, all increased each year thereafter, reaching period highs in 2008.[54] Comparing interim 2009 with interim 2008 however, all of these indices were sharply lower in interim 2009.[55]

CTL plate producers have attributed their reduced production schedules and layoffs to deteriorating market conditions. In November 2008, Evraz Inc. announced that it would lay off 130 workers at its Portland, OR mill. The company cited deteriorating market conditions that forced a reduction in production schedules at the plate, heat-treat, structural tubing and spiral pipe operations. Then in April 2009, Evraz Inc. announced additional layoffs of 225 employees at the mill.[56] As of June, 2009 *** was using short work weeks of *** for about *** employees and voluntary reductions in force; ***. Before the economic downturn about *** full-time equivalent employees were used in its plate mill. Now *** full-time equivalent employees are working there.[57] In addition, ArcelorMittal recently completed a voluntary separation program for salaried employees.[58] Producer, JSW Steel USA, which did not complete a questionnaire, reportedly has "cut jobs by 40 to 50 percent . . .in the last two quarters to bring the work force in line with the capacity utilization of the mills."[59] Domestic CTL plate processor, *** has reduced its employment levels by *** percent since last October.[60] Nucor has a no layoff practice but its CTL plate workers have been working "significantly reduced shifts at significantly reduced pay rates."[61] At SSAB, employee salaries are partially based on production incentives. As SSAB's production has declined since the fourth quarter of 2008 the company has not laid off employees but rather has reduced their work hours.[62]

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[54] Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate employment during the first and second quarters of 2008 and 2009. The PRW hours worked at these mills in the first quarter of 2008 totaled *** thousand and in the second quarter totaled *** thousand. In 2009, reported first quarter hours worked were *** thousand and second quarter hours worked were *** thousand. Domestic interested parties, ArcelorMittal, Evraz Claymont, Evraz Inc., Nucor, and SSAB posthearing briefs.

[55] Five domestic producers, accounting for *** percent of 2008 reported U.S. shipments provided data on their CTL plate operations during July and August 2008 and 2009. The PRW hours worked at these mills in 2008 totaled *** thousand hours in July and *** thousand hours in August. In 2009, reported July hours worked were *** thousand and August hours worked were *** thousand. Domestic interested parties, ArcelorMittal, Evraz Claymont, Evraz Inc., Nucor, and SSAB posthearing briefs.

[56] *Evraz laying off another 225 in Portland*, American Metal Markets, April 1, 2009, found at http://www.amm.com/2009-04-01_16-35-38.html, retrieved July 1, 2009.

[57] ***.

[58] The current economic condition was cited as the reason for this action. Hearing transcript, p. 35 (Insetta).

[59] *JSW's US mills running below 15% capacity*, American Metal Markets, May 14, 2009, found at http://www.amm.com/2009-05-14_15-17-23.html, retrieved May 28, 2009.

[60] ***.

[61] Hearing transcript, p. 23 (Blume). "If current market conditions persist, or if the order is revoked and suspended investigations are terminated, ***. Nucor estimates that ***." Nucor's posthearing brief, pp. 12-13.

[62] Hearing transcript, p. 21 (Britten).

Table III-11
CTL plate: U.S. producers' employment related indicators, 2003-08, January-June 2008, January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Production and related workers (*PRWs*)	4,184	3,498	3,576	3,732	3,853	4,191	4,401	3,716
Hours worked by PRWs (*1,000 hours*)	9,080	7,847	8,113	8,629	8,869	9,488	5,184	3,450
Wages paid to PRWs (*1,000 dollars*)	229,460	219,468	233,643	267,258	281,310	318,344	172,855	100,071
Hourly wages	$25.27	$27.97	$28.80	$30.97	$31.72	$33.55	$33.34	$29.00
Productivity (*short tons produced per 1,000 hours)*	627.7	789.4	793.3	880.2	858.0	820.6	821.9	542.4
Unit labor costs (per short ton)	$40.26	$35.43	$36.30	$35.19	$36.97	$40.89	$40.56	$53.47

Note.– Employment data was not reported by ***.

Source: Compiled from data submitted in response to Commission U.S. producer/processor questionnaires.

The United Steelworkers members constitute the workforce at ArcelorMittal, Kentucky Electric, and U.S. Steel. Their represented CTL plate workers have waiver agreements with their employers under which they have elected to take layoffs rather than remain partially employed when the mill is not producing steel.[63]

[63] Hearing transcript, p. 79 (Conway).

FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

Background

The financial results of nine U.S. producers of CTL plate are presented in this section of the report. All U.S. producers reported their financial results on the basis of generally accepted accounting principles ("GAAP").[64] With the exception of ***, which reported on a fiscal-year basis ending May 31 and March 31, respectively, U.S.-producers reported their full-year financial results on a calendar-year basis.[65] Commercial sales account for the large majority of reported CTL plate revenue with internal consumption and transfers representing relatively small shares. Accordingly, the tables below present a combined revenue total.

As described earlier in Parts I and III, the composition of the U.S. industry has changed since the first review of the order and suspension agreements. As it relates specifically to the financial section of this report, U.S. CTL plate operations now reflect fewer producers and a more concentrated industry; e.g., in the first reviews (full-year 1997-2002, January-March 2003), 13 individual producers reported their financial results with the four largest U.S. producers during that period (***) accounting for *** percent of cumulative sales quantity.[66] In the current reviews, nine U.S. producers reported usable financial results with the four largest U.S. producers (***) accounting for *** percent of cumulative sales quantity.[67]

This section of the report references narrative information accompanying public financial statements as reported by some U.S. producers or their parent companies. It should be noted that this information generally either refers to the company's overall operations or is only specific to the broader business segment which includes reported CTL plate operations.[68]

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[64] While *** submitted questionnaire responses to the Commission, they did not report usable financial results. The CTL plate operations of these companies therefore are not reflected in this section of the report. With respect to its response to the Commission, Evraz is made up of two business units: Evraz (Claymont), which sells primarily into the eastern U.S. region, and Evraz (Oregon) which sells primarily into the western U.S. region. While their CTL plate financial results are combined in this section of the report, narrative responses cited below separately identify Evraz (Claymont) and Evraz (Oregon).

***. E-mail from ***, September 23, 2009.

[65] In response to a request by Commissioner Lane, the posthearing briefs of Arcelor, Evraz, Nucor, and SSAB reported first quarter and second quarter financial results for 2008 and 2009, respectively. Trends and corresponding amounts (values and ratios) related to the quarterly financial information are presented below.

[66] Calculated from first review staff report.

[67] This percentage would be somewhat lower had all U.S. CTL plate producers reported usable financial results. With respect to the financial information presented in this section of the report, staff believes that it reflects the large majority of U.S. CTL plate operations during the period for which data were collected.

In some cases, the underlying CTL plate operations reflected in both the first and second reviews overlap in whole or in part. Additionally, some operations have emerged in the second reviews as much larger participants (***), while the relative importance of other companies has been substantially reduced or eliminated all together.

[68] The companies and corresponding business segments which include reported U.S. CTL plate operations are as follows: AreclorMittal (Flat carbon Americas segment); Evraz (Steel production segment); Gerdau (Mini-mills segment); Nucor (Steel mills segment); SSAB (SSAB North America segment); and U.S. Steel (Flat-rolled segment).

Producers' Operations on CTL Plate

Table III-12 presents the financial results of the U.S. industry's operations on CTL plate. Selected financial information by producer is presented in table III-13.[69] Table III-14 presents a variance analysis of the U.S. producer financial results.[70]

Net Sales Quantity

As shown in table III-12, full-year CTL plate sales quantity was at its lowest level in 2003.[71] As the period progressed, sales quantity increased notably. For the industry as a whole, total sales quantity was 34.6 percent higher in 2008 than in 2003. Of the four largest producers, only *** reported its highest sales quantity in 2007, likely in part as a result of strong *** demand, while *** reported their peak full-year sales quantities in 2008. U.S. producers generally attributed the pattern of higher CTL plate sales quantity during the full-year period to strong demand, the presence of the order,[72] and according to one producer ***.[73]

In contrast with the larger producers, smaller U.S. producers generally reported their highest sales quantities earlier in the period: *** in 2005 and *** in 2006.[74] With the exception of *** was the *** U.S. producer to report its highest full-year sales quantity in 2003. While *** attached no particular significance to the fact that their higher sales quantity occurred earlier in the period,[75] ***.[76]

---

[69] As discussed previously, CTL plate operations vary from company to company in terms of features such as the level of integration, steel production process, and product mix. In addition to intercompany differences, the underlying business units which make up aggregated company-specific responses, in some cases, also differ in terms of production and product mix. For example, Nucor reported that it ". . . operates two plate mills. Nucor completed construction of its first plate mill, located in North Carolina, in 2000 with the competitive advantages of new, more efficient production technology. This mill produces plate for manufacturers of heavy equipment, rail cars, ships, barges, refinery tanks and others. In 2004, Nucor's wholly owned subsidiary Nucor Steel Tuscaloosa, Inc. purchased substantially all the assets of Corus Tuscaloosa. The Tuscaloosa mill has an annual capacity of 1,200,000 tons, and complements our product offering with thinner gauges of coiled and cut-to-length plate used in the pipe and tube, pressure vessel, transportation and construction industries." Nucor 2008 10-K, p. 9 (Operations review).

[70] While on a company-specific basis there were some notable changes in product mix, for the industry as a whole product mix did not change substantially during the period examined. This stability in product mix generally enhances the utility of the variance analysis presented in table III-14. Appendix E outlines the general components of the variance analysis.

[71] The beginning of the review period generally corresponds with the end of the last business cycle. Nucor described 2001-03 as a period of economic downturn, after which its overall operations were "much stronger." Nucor 2008 10-K, pp. 3-4. Similarly, with regard to the beginning of the period, ***. Letter with attachments from *** to auditor, July 14, 2009.

[72] Letter with attachments from *** to auditor, July 14, 2009. E-mail with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 13, 2009.

[73] Letter with attachments from *** to auditor, July 14, 2009.

[74] ***.

[75] ***. E-mail with attachment from *** to auditor, July 13, 2009. ***. E-mail with attachment from *** to auditor, July 13, 2009.

[76] E-mail with attachments from *** to auditor, July 17, 2009.

Table III-12
CTL plate: Results of U.S. producers' operations, calendar and fiscal years 2003-08, January-June 2008, and January-June 2009

Item	Calendar and fiscal year						January-June	
	2003	2004	2005	2006	2007	2008	2008	2009
Quantity (*short tons*)								
Total net sales	5,686,152	6,170,413	6,365,139	7,436,868	7,447,725	7,655,181	4,198,215	1,890,838
Value (*$1,000*)								
Total net sales	2,089,064	3,876,161	4,716,691	5,678,021	5,940,911	7,818,382	3,880,734	1,412,853
Raw material	1,034,805	1,826,576	2,122,036	2,517,783	2,758,525	4,105,290	2,051,721	768,714
Direct labor	252,376	233,248	239,276	268,376	287,703	350,071	173,792	100,875
Other factory costs	753,482	865,020	1,037,990	1,202,619	1,212,155	1,562,993	735,014	596,844
Total cost of goods sold	2,040,663	2,924,844	3,399,302	3,988,778	4,258,383	6,018,354	2,960,527	1,466,433
Gross profit or (loss)	48,401	951,317	1,317,389	1,689,243	1,682,528	1,800,028	920,207	(53,580)
Selling expenses	25,764	22,258	23,239	19,782	20,755	23,170	10,068	9,266
General and administrative expenses	124,950	95,481	101,545	96,615	109,516	120,185	63,518	37,441
Total SG&A expenses	150,714	117,739	124,784	116,397	130,271	143,355	73,586	46,707
Operating income or (loss)	(102,313)	833,578	1,192,605	1,572,846	1,552,257	1,656,673	846,621	(100,287)
Interest expense	56,905	42,749	48,092	61,482	73,764	71,525	36,662	20,305
Other expenses	(65)	(370)	6,471	11,452	14,330	112,685	68,085	765
CDSOA funds received	1,995	4,970	578	7,551	1,145	2,487	0	689
Other income items	19,315	18,044	29,640	38,416	63,118	8,852	2,934	1,450
Net income or (loss)	(137,843)	814,213	1,168,260	1,545,879	1,528,426	1,483,802	744,808	(119,218)
Depr. and amortization (incl. above)	124,835	116,852	101,992	111,408	112,515	129,733	61,407	111,491
Est. cash flow from operations	(13,008)	931,065	1,270,252	1,657,287	1,640,941	1,613,535	806,215	(7,727)
Ratio to net sales (*percent*)								
Raw material	49.5	47.1	45.0	44.3	46.4	52.5	52.9	54.4
Direct labor	12.1	6.0	5.1	4.7	4.8	4.5	4.5	7.1
Other factory costs	36.1	22.3	22.0	21.2	20.4	20.0	18.9	42.2
Total cost of goods sold	97.7	75.5	72.1	70.2	71.7	77.0	76.3	103.8
Gross profit or (loss)	2.3	24.5	27.9	29.8	28.3	23.0	23.7	(3.8)
Total SG&A expenses	7.2	3.0	2.6	2.0	2.2	1.8	1.9	3.3
Operating income or (loss)	(4.9)	21.5	25.3	27.7	26.1	21.2	21.8	(7.1)
Net income or (loss)	(6.6)	21.0	24.8	27.2	25.7	19.0	19.2	(8.4)

Table continued on next page.

Table III-12--*Continued*
CTL plate: Results of U.S. producers' operations, calendar and fiscal years 2003-08, January-June 2008, and January-June 2009

	Calendar and fiscal year						January-June	
	2003	2004	2005	2006	2007	2008	2008	2009
Unit value (*dollars per short ton*)								
Total net sales	367	628	741	763	798	1,021	924	747
Raw material	182	296	333	339	370	536	489	407
Direct labor	44	38	38	36	39	46	41	53
Other factory costs	133	140	163	162	163	204	175	316
Total cost of goods sold	359	474	534	536	572	786	705	776
Gross profit or (loss)	9	154	207	227	226	235	219	(28)
SG&A expenses	27	19	20	16	17	19	18	25
Operating income or (loss)	(18)	135	187	211	208	216	202	(53)
Number of companies reporting								
Data	9	9	9	9	9	9	9	9
Operating losses	5	0	0	0	0	1	0	5
Source: Compiled from data submitted in response to Commission questionnaires.								

Table III-13
CTL plate: Selected financial information of U.S. producers' operations, fiscal and calendar years, 2003-08, January-June 2008, and January-June 2009

* * * * * * *

As discussed previously, the character of U.S. Steel's operations changed during the period with the transfer in 2003 of its Gary plate mill to ISG. ***. With respect to its subsequent CTL plate operations, *** sales quantity generally increased which was attributed to both trade relief and improved economic conditions.[77]

In contrast with the full-year period, interim 2009 sales quantity was 55.0 percent lower compared to interim 2008. This is generally consistent with narrative information accompanying public financial statements which indicates that U.S. producers, with respect to their overall operations, experienced declines in sales quantity in the latter part of 2008 which continued into 2009.[78] Table III-13 shows that all U.S. producers reported lower CTL plate sales quantity in interim 2009 compared to interim 2008.[79]

[77] ***. Letter with attachments from *** to auditor, July 15, 2009.

[78] For example, in its 2008 F-20 ArcelorMittal states that "{s}tarting in September 2008, a steep downturn in the global economy, sparked by uncertainty in credit market and deteriorating consumer confidence, has sharply reduced demand for steel products. This has had, and continues to have, a pronounced negative effect on ArcelorMittal's business and results of operations." ArcelorMittal 2008 F-20, p. 6.

[79] Supplemental financial results reported by Arcelor, Evraz, Nucor, and SSAB for first quarter and second quarter 2008 and 2009 indicate that overall CTL plate sales quantities were highest in first quarter 2008 and lower in subsequent quarters. ***.

Table III-14
CTL plate: Variance analysis of the financial results of U.S. producers' operations, calendar and fiscal years 2003-08, January-June 2008, and January-June 2009

	Calendar and fiscal year						Jan.-June
	2003-08	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Total net sales:							
Price variance	5,005,907	1,609,182	718,206	167,158	254,601	1,711,987	(334,994)
Volume variance	723,411	177,915	122,324	794,172	8,289	165,484	(2,132,887)
Total net sales variance	5,729,318	1,787,097	840,530	961,330	262,890	1,877,471	(2,467,881)
Cost of goods sold:							
Raw material:							
Cost variance	(2,712,148	(703,642)	(237,817)	(38,450)	(237,066)	(1,269,926	155,363
Volume variance	(358,337)	(88,129)	(57,643)	(357,297)	(3,676)	(76,839)	1,127,644
Net raw material variance	(3,070,485	(791,771)	(295,460)	(395,747)	(240,742)	(1,346,765	1,283,007
Direct labor:							
Cost variance	(10,301)	40,622	1,333	11,188	(18,935)	(54,354)	(22,601)
Volume variance	(87,394)	(21,494)	(7,361)	(40,288)	(392)	(8,014)	95,518
Net direct labor variance	(97,695)	19,128	(6,028)	(29,100)	(19,327)	(62,368)	72,917
Other factory costs:							
Cost variance	(548,592)	(47,368)	(145,672)	10,142	(7,780)	(317,073)	(265,800)
Volume variance	(260,919)	(64,170)	(27,298)	(174,771)	(1,756)	(33,765)	403,970
Net other factory cost variance	(809,511)	(111,538)	(172,970)	(164,629)	(9,536)	(350,838)	138,170
Net cost of goods sold:							
Cost variance	(3,271,040	(710,388)	(382,156)	(17,119)	(263,782)	(1,641,354	(133,038)
Volume variance	(706,651)	(173,793)	(92,302)	(572,357)	(5,823)	(118,617)	1,627,132
Total net cost of goods sold	(3,977,691	(884,181)	(474,458)	(589,476)	(269,605)	(1,759,971	1,494,094
Gross profit variance	1,751,627	902,916	366,072	371,854	(6,715)	117,500	(973,787)
SG&A expenses:							
Expense variance	59,549	45,811	(3,329)	29,397	(13,704)	(9,455)	(13,565)
Volume variance	(52,190)	(12,836)	(3,716)	(21,010)	(170)	(3,629)	40,444
Total SG&A variance	7,359	32,975	(7,045)	8,387	(13,874)	(13,084)	26,879
Operating income variance	1,758,986	935,891	359,027	380,241	(20,589)	104,416	(946,908)
Summarized as:							
Price variance	5,005,907	1,609,182	718,206	167,158	254,601	1,711,987	(334,994)
Net cost/expense variance	(3,211,491	(664,577)	(385,485)	12,278	(277,486)	(1,650,809	(146,603)
Net volume variance	(35,429)	(8,713)	26,306	200,805	2,296	43,238	(465,311)

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

Net Sales Value

The variance analysis in table III-14 shows that, while sales volume (quantity) variances were positive throughout the full-year period, overall increases in revenue between 2003 and 2008 were primarily due to positive price variances (i.e., higher average unit sales values). With a few exceptions, this pattern was also true on a company-specific basis, as the majority of U.S. producers reported progressively higher average unit sales values between 2003 and 2008 (see table III-13).

In most cases, U.S. producers attributed higher average unit CTL plate sales values during the full-year period to improved market conditions and the pass through of higher input costs such as raw materials.[80] ***, whose average unit sales values increased notably at the end of the period, was the *** company to indicate that variations in product mix played an important role in terms of explaining its higher average unit sales values.[81]

While the product mix of most companies did not change substantially, the range of average unit sales values shown in table III-13 generally indicates that product mix varies from company to company. When asked to describe key differences in their CTL plate and related marketing, however, U.S. producers for the most part stated that they did not consider their product mix, channels of distribution, and/or customer base to be particularly unique as compared to other U.S. producers.[82]

Like sales quantity, U.S. producers generally reported lower average unit CTL plate sales values in interim 2009 compared to interim 2008. Narrative information in public financial statements indicates that declines in average unit CTL plate sales values likely began in the second half of 2008.[83] [84]

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[80] E-mail with attachments from *** to auditor, July 14, 2009. E-mail with attachments from *** to auditor, July 17, 2009. E-mail with attachment from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 15, 2009.

[81] ***. Letter with attachments from *** to auditor, July 14, 2009.

[82] E-mail with attachment from *** to auditor, July 13, 2009. E-mail with attachments from *** to auditor, July 17, 2009. Letter with attachments from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 14, 2009.
***. E-mail with attachment from *** to auditor, July 13, 2009. ***. Letter with attachments from *** to auditor, July 14, 2009.

[83] For example in its 2008 F-20 ArcelorMittal states that "{a}fter rising during 2007 and through the summer of 2008, steel prices in global markets fell sharply beginning in the late summer 2008 as a result of collapsing demand and the resulting excess capacity in the industry." ArcelorMittal 2008 F-20, p. 7.

[84] Supplemental financial results reported by Arcelor, Evraz, Nucor, and SSAB for first quarter and second quarter 2008 and 2009 indicate that total CTL plate sales peaked in the second quarter 2008, as did average per-ton CTL plate sales value. ***.

Cost of Goods Sold

Table III-12 shows that higher average unit sales values were accompanied by increasing average unit cost of goods sold (COGS) throughout the full-year period. When considering the components of COGS, the variance analysis (table III-14) indicates that the majority of the absolute increase in COGS between 2003 and 2008 was the result of negative cost variances caused by higher average unit raw material and other factory costs.[85] Average unit direct labor costs, in contrast, moved within a relatively narrow range throughout most of the period which resulted in a mix of generally small negative and positive cost variances. For all three cost categories, higher sales quantities also contributed to higher absolute costs, as shown in the volume variance components of the variance analysis.[86]

Raw Material

Raw material costs accounted for 62.8 percent of cumulative COGS. As shown in table III-13, although most U.S. producers reported similar trends in terms of the direction of change in average unit raw material costs, the level and magnitude of change varied from company to company. The reason for this, in large part, is due to differences in primary raw material inputs which represent scrap (***),[87] coke, iron ore, and flux (***), steel slab (***), and coiled plate (***).[88] However, regardless of the form of raw material input, U.S. producers all reported increases in average unit raw material costs during the full-year period.[89]

In at least one case, the notable increase in company-specific average unit raw material costs shown in table III-13 was not directly related to higher raw material costs. ***.[90]

Table III-12 shows that overall average unit raw material costs were lower in interim 2009 than in interim 2008. This pattern was true for most U.S. producers with *** being the *** large volume producer to report higher average unit raw material cost in interim 2009 compared to interim 2008 (see table III-13). According to ***, the observed increase is in large part due to changes in raw material cost classification ***.[91] ***.[92]

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[85] With respect to input costs and its operations in general, ArcelorMittal stated in its 2008 F-20 that ". . . steel production requires substantial amounts of raw materials and energy, including iron ore, coking coal and coke, scrap, electricity and natural gas. In recent years, and particularly in 2006, 2007, and through the first half of 2008, there was a sharp rise in the prices of a number of commodities essential for the process of steel-making. In particular, the annual benchmark price of iron ore rose 65 percent in 2008 due, among other things, to the dynamics of supply (concentration in the mining industry) and demand (including the surge in Chinese demand). Spot prices of iron ore have decreased sharply as a result of the global economic downturn and lower steel demand, and at year-end 2008 were 57 percent lower than they were in June 2008. The prices of coking coal, zinc and nickel, as well as scrap, have also decreased substantially during the last few months." Ibid.

[86] Supplemental financial results reported by Arcelor, Evraz, Nucor, and SSAB for first quarter and second quarter 2008 and 2009 indicate that per-ton COGS were highest in the first quarter 2009. ***.

[87] ***.

[88] E-mail with attachments from *** to auditor, July 14, 2009. E-mail with attachments from *** to auditor, July 17, 2009. E-mail with attachment from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009. E-mail with attachment from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 15, 2009.

[89] ***. E-mail with attachments from *** to auditor, July 14, 2009.

[90] E-mail with attachment from *** to auditor, July 13, 2009.

[91] ***. Letter with attachments from *** to investigator, July 31, 2009.

[92] E-mail with attachment from *** to auditor, July 30, 2009.

Other Factory Costs

The second largest component of COGS is other factory costs which accounted for 30.0 percent of COGS on a cumulative basis. Because it represents a relatively broad category, the underlying components of other factory costs vary from company to company depending on manufacturing processes, as well as decisions regarding cost classification.[93] As shown in table III-12, overall average unit other factory costs increased throughout the period and reached its highest level in interim 2009.

While most companies reported progressively higher average unit other factory costs during the full-year period, some company-specific increases were notable.[94] ***.[95]

Lower CTL plate sales quantity and corresponding production were accompanied by a large increase in average unit other factory costs in interim 2009 compared to interim 2008. As shown in table III-13, while all U.S. producers reported lower sales quantity in interim 2009, company-specific variations in the magnitude of increase in average unit other factory costs appear to reflect, at least in part, differences in cost structures and corresponding share of fixed costs.[96] [97]

***.[98]

***.

Of the large volume producers, ***. Notwithstanding an overall cost structure which is largely variable,[99] according to Nucor, ***.[100]

Direct Labor

The final and smallest component of COGS is direct labor which on a cumulative basis accounted for 7.2 percent of COGS. Average unit direct labor moved within a relatively narrow range and, as with other factory costs, reached its highest level in interim 2009. Like raw material and other factory costs, manufacturing differences and cost classification, at least in part, account for the variations in company-specific average unit direct labor shown in table III-13. For example ***.[101] In contrast, ***.[102]

As shown in table III-13, ***.[103]

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[93] USITC auditor prehearing notes. E-mail with attachments from *** to auditor, July 14, 2009. E-mail with attachments from *** to auditor, July 17, 2009. Letter with attachments from *** to auditor, July 14, 2009. E-mail with attachment from *** to auditor, July 30, 2009. E-mail with attachment from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 15, 2009.

[94] ***. E-mail with attachments from *** to auditor, July 17, 2009. ***. E-mail with attachments from *** to auditor, July 14, 2009. ***. E-mail from *** to auditor, August 4, 2009.

[95] Letter with attachments from *** to auditor, July 14, 2009.

[96] ***. E-mail with attachments from *** to auditor, July 31, 2009.

[97] ***. Letter with attachments from *** to investigator, July 31, 2009.

[98] Letter with attachments from *** to investigator, July 31, 2009.

[99] Nucor first quarter 10-Q, p. 21.

[100] Letter from *** to auditor, July 31, 2009.

[101] E-mail with attachment from *** to auditor, July 13, 2009.

[102] Letter with attachments from *** to auditor, July 13, 2009.

[103] Letter with attachments from *** to auditor, July 15, 2009.

With several exceptions, U.S. producers reported higher average unit direct labor cost in interim 2009 compared to interim 2008.[104] Of the larger volume producers and like the pattern of average unit other factory costs noted above, ***.[105]

Financial Results

Over half of the U.S. producers reported operating losses in 2003. Table III-12 shows that full-year financial results subsequently improved with absolute gross profits and operating income reaching their highest levels in 2008. In contrast, gross profit margins and operating profit margins were highest in 2006. In general, the timing of peak company-specific profitability (see table III-13) was variable with the only common feature, ***, being that U.S. producers reported their highest profitability (in absolute terms and as a percent of sales) between 2006 and 2008.

Most companies attributed the general improvement in profitability to a combination of improved economic conditions and the presence of the order; i.e., the same general reasons cited above with respect to higher sales quantity and higher average unit sales value. The abrupt decline in profitability in interim 2009 was in turn generally attributed to a substantial decline in demand.[106] [107] As originally reported to the Commission, ***.[108] ***.[109]

With respect to the smaller-volume producers, *** reported higher relative profitability in interim 2009 compared to interim 2008. CMC stated that this pattern ***.[110]

As revised for the posthearing report, supplemental information provided by the U.S. producers generally indicates that the direct impact on the industry's reported operating results of charges classified by the industry as non-recurring was relatively large in interim 2009.[111]

Research and Development Expenses, Capital Expenditures, Assets, and Return on Investment

Table III-15 presents data on company-specific research and development ("R&D") expenses, capital expenditures, total assets, and return on investment ("ROI").

[104] ***.

[105] Letter with attachments from *** to investigator, July 31, 2009.

[106] E-mail with attachments from *** to auditor, July 14, 2009. Letter with attachments from *** to auditor, July 14, 2009. E-mail with attachment from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 13, 2009. Letter with attachments from *** to auditor, July 14, 2009.

[107] Supplemental financial results reported by Arcelor, Evraz, Nucor, and SSAB for first quarter and second quarter 2008 and 2009 indicate that operating income (on an absolute basis and as percent of sales) was highest in the second quarter 2008, while operating losses of increasing magnitude were reported in the first two quarters of 2009. ***.

[108] Letter with attachments from *** to investigator, July 31, 2009.

[109] ***.

[110] E-mail with attachments from *** to auditor, July 31, 2009.

[111] ***. Letter with attachments from *** to auditor, July 13, 2009. ***. Letter with attachments from *** to investigator, August 4, 2009. ***. Letter with attachments from *** to investigator, July 31, 2009. ***.

Table III-15
CTL plate: Value of research and development expenses, capital expenditures, total assets, and return on investment of U.S. producers, calendar and fiscal years 2003-08, January-June 2008, and January-June 2009

	Calendar and fiscal year						January-June	
	2003	2004	2005	2006	2007	2008	2008	2009
R&D expenses (*$1,000*)								
* * * * * * *								
Total R&D expenses	5,320	3,139	2,277	2,643	3,367	4,231	1,848	2,685
Capital expenditures (*$1,000*)								
* * * * * * *								
Total capital expenditures	35,127	31,078	82,374	109,443	151,739	125,765	63,558	47,032
Total assets (*$1,000*)								
* * * * * * *								
Total assets	2,473,494	2,901,351	2,897,044	2,990,336	3,154,961	3,699,818	(1)	(1)
Return on investment[2] (*percent*)								
* * * * * * *								
Average return on investment	(4.1)	28.7	41.2	52.6	49.2	44.8	(2)	(2)

[1] Asset information was not collected for the interim period.

[2] Return on investment, as presented in this table, is the ratio of annual operating income to total assets. Interim return on investment is not presented in this table.

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

As shown in table III-15, capital expenditures increased in 2005, peaked in 2007, and then declined somewhat in 2008. While the industry's overall capital expenditures were lower in interim 2009 compared to interim 2008, the decline would have been notably larger in the absence of ***.

While the distribution of capital expenditures largely tracks the share of cumulative sales (i.e., the four largest producers in terms of cumulative sales quantity accounted for *** percent of total capital expenditures), *** accounted for *** percent. In contrast, ***,[112] ***,[113] and ***.[114] ***[115] of cumulative capital expenditures while the rest of the smaller U.S. producers (***) accounted for shares ranging from *** percent to *** percent.

With regard to the full-year period, ***.[116]

Consistent with the deterioration in financial conditions at the end of the period, the majority of U.S. producers reported lower capital expenditures in interim 2009. As noted above, the level of ***,

[112] ***. Letter with attachments from *** to auditor, July 13, 2009.

[113] ***. Letter with attachments from *** to investigator, July 31, 2009. ***. Letter with attachments from *** to auditor, July 14, 2009.

[114] ***. E-mail with attachments from *** to auditor, July 14, 2009. ***.

[115] ***. E-mail with attachments from *** to auditor, July 17, 2009.

[116] Letter with attachments from *** to auditor, July 14, 2009.

reportedly reflecting ***. According to SSAB, ***.[117] With regard to the relative decline in its capital expenditures in interim 2009 compared to interim 2008, as shown in table III-15, ArcelorMittal stated that ***.[118] Similarly, Evraz (Oregon) stated that ***.[119] According to Nucor, ***.[120]

[117] Letter with attachments from *** to investigator, July 31, 2009.

[118] Letter with attachments from Kelley Drye on behalf of *** to investigator, July 31, 2009.

[119] E-mail with attachment from *** to auditor, July 30, 2009.

[120] Letter from *** to auditor, July 31, 2009.

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

U.S. IMPORTS

The Commission sent questionnaires to 39 firms believed to have imported CTL plate since 2003. It received usable data from 16 of the firms.[1] Based on official Commerce statistics for imports of CTL plate, importers' questionnaire data accounted for 43.9 percent of total U.S. imports during 2008 and 42.3 percent of total subject imports in 2008. Import data in this report are derived from official Commerce statistics for CTL plate that have been adjusted to exclude grade X-70 steel plate and to include (as nonsubject merchandise) micro-alloy steel plate.[2]

As shown in table IV-1, total subject imports were at their lowest level in 2003 (the second and final year of the U.S. safeguard action on steel), then fluctuated greatly before ending the period at their highest level in 2008. Initially, imports from China and Russia decreased in 2004, then increased in 2005 while imports from Ukraine increased in 2004 and decreased in 2005. From 2006 forward all subject imports experienced increases and decreases in the same years. Imports of CTL plate from China were largest at the beginning of the period in 2003 and thereafter were consistently the smallest source of subject imports. Imports from Russia moved sporadically but were greatest in 2008. Ukraine was the largest subject source of CTL plate imports in every year except 2003.[3]

Between 2003 and 2008, the share of total U.S. imports held by subject imports fluctuated widely from a low of 3.7 percent in 2003 to a high of 31.5 percent in 2008. The unit values of imported CTL plate from subject and nonsubject sources followed the same general trends. All unit values were lowest in 2003 and highest in 2008 when they climbed above one thousand dollars per short ton. The ratio of subject U.S. imports of CTL plate from the three subject countries to U.S. production of CTL plate was 0.2 percent in 2003 and reached a peak of 3.1 percent in 2008.

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[1] Three firms did not respond to the Commission's questionnaire and 20 firms indicated that they did not import CTL plate from any source since January 2003.

[2] Micro-alloy steel plate imports, regardless of country of origin, are treated as nonsubject merchandise. Commerce has issued a final determination that imports of CTL plate produced by the Chinese manufacturer Tianjin or imported by Toyota Tsusho, with boron at concentrations of 0.0008 percent or more, is within the product scope. *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 40565, August 12, 2009. Staff has made no further adjustments to U.S. import data, however, because the effective date of Commerce's determination is after the period for which data were collected. *See* Part I of this report for additional details.

[3] The Commission asked importers if they had arranged for the importation of CTL plate from China, Russia, or Ukraine for delivery after June 30, 2009. No responding importers have made such arrangements.

Table IV-1
CTL plate: U.S. imports, by sources, 2003-08, January-June 2008, and January-June 2009

Source	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Quantity (*short tons*)								
China	6,036	1,393	2,836	4,113	3,453	4,360	869	789
Russia	3,742	714	3,001	69,960	37,793	84,992	24,810	8,066
Ukraine	4,724	129,159	89,275	122,420	57,700	173,945	34,528	16,128
Subtotal subject	14,502	131,265	95,113	196,494	98,947	263,298	60,206	24,983
All other sources	380,951	512,579	705,800	1,152,553	934,974	572,094	297,075	203,650
Total	395,453	643,845	800,913	1,349,047	1,033,921	835,392	357,281	228,633
Value (*1,000 dollars*)[1]								
China	2,428	1,488	1,719	3,191	3,214	5,714	1,379	1,698
Russia	1,239	602	1,766	42,572	25,236	95,098	18,555	7,452
Ukraine	1,709	73,854	64,765	81,432	40,885	182,276	32,023	17,190
Subtotal subject	5,375	75,943	68,250	127,195	69,335	283,089	51,957	26,340
All other sources	181,282	338,335	522,619	779,697	712,338	642,330	283,150	210,980
Total	186,658	414,278	590,868	906,892	781,673	925,418	335,107	237,320
Unit value (*dollars per short ton*)								
China	402	$1,068	606	776	931	1,311	1,587	2,153
Russia	331	843	588	609	668	1,119	748	924
Ukraine	362	572	725	665	709	1,048	927	1,066
Subtotal subject	371	579	718	647	701	1,075	863	1,054
All other sources	476	660	740	676	762	1,123	953	1,036
Average	472	643	738	672	756	1,108	938	1,038

Table continued on next page.

Table IV-1--*Continued*
CTL plate: U.S. imports, by sources, 2003-08, January-June 2008, and January-June 2009

Source	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Share of quantity (*percent*)								
China	1.5	0.2	0.4	0.3	0.3	0.5	0.2	0.3
Russia	0.9	0.1	0.4	5.2	3.7	10.2	6.9	3.5
Ukraine	1.2	20.1	11.1	9.1	5.6	20.8	9.7	7.1
Subtotal subject	3.7	20.4	11.9	14.6	9.6	31.5	16.9	10.9
All other sources	96.3	79.6	88.1	85.4	90.4	68.5	83.1	89.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (*percent*)								
China	1.3	0.4	0.3	0.4	0.4	0.6	0.4	0.7
Russia	0.7	0.1	0.3	4.7	3.2	10.3	5.5	3.1
Ukraine	0.9	17.8	11.0	9.0	5.2	19.7	9.6	7.2
Subtotal subject	2.9	18.3	11.6	14.0	8.9	30.6	15.5	11.1
Other sources	97.1	81.7	88.4	86.0	91.1	69.4	84.5	88.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ratio of import quantity to U.S. production (*percent*)								
China	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Russia	0.1	0.0	0.0	0.8	0.4	1.0	0.5	0.4
Ukraine	0.1	1.8	1.2	1.4	0.7	2.0	0.7	0.8
Subtotal	0.2	1.8	1.3	2.3	1.2	3.1	1.3	1.2
All other sources	5.9	7.2	9.6	13.5	11.0	6.7	6.4	9.9
Total	6.1	9.0	10.9	15.8	12.2	9.7	7.7	11.1

[1] Landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics under 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, and 7212.50.0000.

During the period for which data were collected, imports of CTL plate entered the United States from a variety of sources other than the three countries subject to these reviews. The leading nonsubject suppliers are shown in table IV-2. The leading source of nonsubject CTL plate imports during every year of the period was Canada. Thailand was the second largest source of nonsubject CTL plate but its exports to the United States were less than half the size of Canada's, except in 2006 and 2007. South Africa, formerly a subject source, was the sixth largest nonsubject source of CTL plate between 2003 and 2008. Three of the eleven largest nonsubject sources (Belgium, Germany, and Romania) were subject to orders until 2007. The Commission reached negative determinations during its second reviews of the antidumping and countervailing duty order covering imports of CTL plate from Belgium, and of the

antidumping duty orders covering imports of CTL plate from Germany and Romania.[4] Following revocation of the orders, imports from these three countries decreased in 2008.

Table IV-2
CTL plate: U.S. imports from leading nonsubject sources, 2003-08, January-June 2008, January-June 2009

Source	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
	Quantity (*short tons*)							
Canada	182,650	154,902	211,245	243,381	245,762	259,414	154,522	60,208
Thailand	2,646	17,038	120,102	228,176	229,139	94,742	27,998	11,618
Korea[1]	12,070	36,323	83,512	211,245	96,509	56,939	28,898	14,680
Malaysia	0	7,789	71,812	168,041	121,481	3,417	10	25,755
Romania[2]	69,552	112,393	49,813	0	48,311	20,467	10,232	0
South Africa[3]	16,086	17,646	27,588	45,401	23,556	13,689	12,669	4,401
Australia	7,831	3,518	9,091	72,439	36,132	9,107	6,569	4,946
Czech Republic	40,866	36,166	18,919	18,259	1,390	473	462	0
Germany[2]	4,842	26,335	5,563	22,982	24,232	23,985	11,428	10,237
Japan[1]	7,962	11,167	13,178	15,992	18,338	16,816	7,473	7,714
Belgium[2]	9,696	13,097	13,994	14,130	14,341	7,764	3,038	2,043
Subtotal	354,202	436,373	624,817	1,040,047	859,190	506,813	263,299	141,602
All other	22,749	68,207	60,408	92,523	68,856	51,892	26,379	61,828
Micro-alloy	4,000	8,000	20,576	19,983	6,928	13,389	7,397	220
Total	380,951	512,579	705,800	1,152,553	934,974	572,094	297,075	203,650

Table continued on next page.

[4] *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, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-587, 612, and 614-618 (Second Review),* USITC Publication 3899, Volume I, January 2007, Determination.

Table IV-2--*Continued*
CTL plate: U.S. imports from leading nonsubject sources, 2003-08, January-June 2008, January-June 2009

Source	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
	Value (*1,000 dollars*)[4]							
Canada	73,016	93,808	162,836	185,591	172,634	260,421	132,443	43,846
Thailand	813	9,932	68,872	120,853	144,442	99,624	20,895	12,664
Korea[1]	4,608	24,674	57,694	140,269	76,440	59,973	25,362	13,955
Malaysia	0	5,004	41,240	84,048	74,807	3,862	9	24,403
Romania[2]	20,706	59,942	31,292	0	35,887	20,406	7,265	0
South Africa[3]	5,564	9,848	20,926	32,350	20,656	12,771	11,537	3,922
Australia	2,621	1,978	5,769	45,820	24,975	8,077	4,726	4,587
Czech Republic	13,181	17,931	9,546	11,945	1,362	344	320	0
Germany[2]	7,320	16,573	9,001	27,954	35,897	41,481	17,262	20,209
Japan[1]	12,343	13,504	15,516	17,991	26,496	26,207	10,697	15,419
Belgium[2]	7,709	9,964	13,520	13,282	11,921	11,690	4,287	3,323
Subtotal	147,880	263,158	436,211	680,105	625,517	544,857	234,803	142,329
All other	30,103	65,976	70,197	85,070	80,186	80,342	39,786	68,290
Micro-alloy	3,300	9,200	16,210	14,522	6,635	17,131	8,561	362
Total	181,282	338,335	522,619	779,697	712,338	642,330	283,150	210,980

Table continued on next page.

Table IV-2--*Continued*
CTL plate: U.S. imports from leading nonsubject sources, 2003-08, January-June 2008, January-June 2009

Source	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
	Unit value (*per short ton*)							
Canada	$400	$606	$771	$763	$702	$1,004	$857	$728
Thailand	307	583	573	530	630	1,052	746	1,090
Korea[1]	382	679	691	664	792	1,053	878	951
Malaysia	([5])	642	574	500	616	1,130	859	948
Romania[2]	298	533	628	([5])	743	997	710	([5])
South Africa[3]	346	558	759	713	877	933	911	891
Australia	335	562	635	633	691	887	720	927
Czech Republic	323	496	505	654	980	728	692	([5])
Germany[2]	1,512	629	1,618	1,216	1,481	1,729	1,510	1,974
Japan[1]	1,550	1,209	1,177	1,125	1,445	1,558	1,432	1,999
Belgium[2]	795	761	966	940	831	1,506	1,411	1,627
Average	418	603	698	654	728	1,075	892	1,005
All other	1,323	967	1,162	919	1,165	1,548	1,508	1,105
Micro-alloy	825	1,150	788	727	958	1,280	1,157	1,645
Average	476	660	740	676	762	1,123	953	1,036

[1] Subject to order since 2000.
[2] Order revoked in 2007.
[3] Order revoked in 2002.
[4] Landed, duty-paid.
[5] Not applicable.

Source: Compiled from official Commerce statistics under 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, and 7212.50.0000.

The Commission collected separate information on imports of micro-alloy steel CTL plate from all sources. The imports of micro-alloy steel CTL plate reported by responding importers are presented in table IV-3. Of the subject countries, China was the largest source of micro-alloy imports and there were none reported from Ukraine. Micro-alloy CTL plate is a nonsubject import regardless of the source. However, as described in Part I of this report, Commerce recently completed an antidumping circumvention inquiry regarding imports of micro-alloy CTL plate produced by one firm in China and imported by one firm into the United States. *** provided import data to the Commission.

Table IV-3
CTL micro-alloy plate: U.S. imports, by sources, 2003-08, January-June 2008, and January-June 2009

* * * * * * *

Importers were asked to indicate whether their firm had experienced any office or warehouse openings, office or warehouse closings, relocations, expansions, acquisitions, consolidations, prolonged shutdowns or importation curtailments, revised labor agreements, and any other changes in their CTL plate import operations since 2003. Nearly half of responding importers indicated that they had experienced such changes since 2003, and their responses are presented in table IV-4.[5] Most notable among the changes were the acquisitions reported by six importers and the expansions carried out by three importers since 2003.

Table IV-4
CTL plate: Changes in the character of U.S. importers' operations since January 1, 2003

* * * * * * *

The Commission also asked importers to report anticipated changes in the character of their operations relating to the importation of CTL plate. Fourteen importers reported that they do not anticipate any operational changes,[6] and one importer did not answer.[7] Only *** reported that it anticipates such changes. Specifically, it is expanding its operations with ***.

U.S. IMPORTERS' INVENTORIES

Data relating to U.S. importer's inventories of CTL plate are presented in table IV-5. As the data illustrate, inventories of subject imports fluctuated during 2003 through 2007. Importers reported no end-of-period inventories of imports from China from 2004-05 and relatively small inventories during the other years of the period. In 2008, inventories of CTL plate imports from each of the three subject countries reached their peak. From 2007 to 2008, inventories of imports from Russia increased by *** percent while inventories of imports from Ukraine increased by *** percent. Combined inventories of imports from the subject countries were higher in January-June 2009 compared to such inventories in January-June 2008 (largely as a result of inventories of CTL plate from *** held by ***). Inventories of imports from all other sources reached their peak in 2006 but as a ratio to imports and to U.S. shipments of imports they were greatest in January-June 2009.

[5] Three importers *** reported that they experienced no such changes since 2003, and six importers did not respond. U.S. importer questionnaire responses, section II-2.

[6] Importers reporting that they do not anticipate any changes in their operations were: ***. U.S. importer questionnaire responses, section II-3.

[7] ***.

Table IV-5
CTL plate: U.S. importers' end-of-period inventories of imports, by source, 2003-08, January-June 2008, and January-June 2009

Item	Calendar year						January - June	
	2003	2004	2005	2006	2007	2008	2008	2009
Imports from China:								
Inventories (*short tons*)	***	***	***	***	***	***	***	***
Ratio to imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***	***	***	***	***	***
Imports from Russia:								
Inventories (*short tons*)	***	***	***	***	***	***	***	***
Ratio to imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***	***	***	***	***	***
Imports from Ukraine:								
Inventories (*short tons*)	***	***	***	***	***	***	***	***
Ratio to imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***	***	***	***	***	***
Subtotal:								
Inventories (*short tons*)	***	***	***	***	***	***	***	***
Ratio to imports	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***	***	***	***	***	***
Imports from all other sources:								
Inventories (*short tons*)	***	***	***	***	***	***	***	***
Ratio to imports (*percent*)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***	***	***	***	***	***
Imports from all sources:								
Inventories (*short tons*)	8,272	18,846	17,784	53,034	28,586	52,704	24,747	38,569
Ratio to imports (*percent*)	3.2	3.7	3.5	6.7	5.1	14.4	8.2	82.4
Ratio to U.S. shipments of imports (*percent*)	3.3	3.8	3.5	7.0	4.9	15.4	8.2	49.1

[1] Importers reported *** during January-June 2009.

Note.–Data for January - June 2008 and January - June 2009 have been annualized.

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

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Channels of distribution and fungibility (interchangeability) are discussed in Part II of this report. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-6 shows U.S. shipments by plate thickness in terms of share of quantity in 2008. U.S. producers' U.S. shipments were concentrated in the thinnest category, less than or equal to 1 inch. The overwhelming majority of U.S. importers' limited U.S. shipments of CTL plate from China were in the ***. Such shipments of imports from Russia were closely divided between ***. Finally, shipments of imports from Ukraine were greatest in ***. Five domestic producers reported shipments of CTL plate in the thickest category, plate greater than 3 inches.[8]

Table IV-7 shows U.S. shipments by product type in terms of share of quantity in 2008. Carbon structural steel plate accounted for the largest share of shipments for ***. Imports from China were concentrated in the *** category. These imports appear to be HSLA CTL plate.[9] There were *** shipments of *** reported from *** but ***.

[8] ***. U.S. producer/processor questionnaire responses, section II-12.

[9] Importers that reported imports of CTL plate in the *** category were: ***. *** U.S. importer questionnaire responses, section II-10. Pricing data collected in these investigations for CTL plate imported from China was predominantly for product number ***. ***.

Table IV-6
CTL plate: U.S. producers' and U.S. importers' shipments, by plate thickness, 2008

Item	2008
	Share of quantity (*in percent*)
U.S. producers' U.S. shipments:	
≤1.00"	69.6
> 1.00" but ≤ 3.00"	27.5
> 3.00"	2.9
Total	100.0
U.S. importers' U.S. shipments of CTL plate from China:	
≤1.00"	***
> 1.00" but ≤ 3.00"	***
> 3.00"	***
Total	100.0
U.S. importers' U.S. shipments from Russia:	
≤1.00"	***
> 1.00" but ≤ 3.00"	***
> 3.00"	***
Total	100.0
U.S. importers' U.S. shipments from Ukraine:	
≤1.00"	***
> 1.00" but ≤ 3.00"	***
> 3.00"	***
Total	100.0
U.S. importers' U.S. shipments from all other sources:	
≤1.00"	***
> 1.00" but ≤ 3.00"	***
> 3.00"	***
Total	100.0
U.S. importers' U.S. shipments from all sources:	
≤1.00"	64.3
> 1.00" but ≤ 3.00"	24.1
> 3.00"	11.6
Total	100.0

Source: Compiled from data submitted in response to Commission U.S. producer/processor and U.S. importer questionnaires.

Table IV-7
CTL plate: U.S. producers' and U.S. importers' shipments, by product, 2008

Item	2008
	Share of quantity (*in percent*)
U.S. producers' U.S. shipments:	
Hot-rolled wide flat bar	9.2
Carbon structural steel plate	70.6
All other cut-to-length plate	20.1
Total	100.0
U.S. importers' U.S. shipments from China:	
Hot-rolled wide flat bar	***
Carbon structural steel plate	***
All other cut-to-length plate	***
Total	100.0
U.S. importers' U.S. shipments from Russia:	
Hot-rolled wide flat bar	***
Carbon structural steel plate	***
All other cut-to-length plate	***
Total	100.0
U.S. importers' U.S. shipments from Ukraine:	
Hot-rolled wide flat bar	***
Carbon structural steel plate	***
All other cut-to-length plate	***
Total	100.0
U.S. importers' U.S. shipments from all other sources:	
Hot-rolled wide flat bar	***
Carbon structural steel plate	***
All other cut-to-length plate	***
Total	100.0
U.S. importers' U.S. shipments from all sources:	
Hot-rolled wide flat bar	7.5
Carbon structural steel plate	79.6
All other cut-to-length plate	12.8
Total	100.0

Source: Compiled from data submitted in response to Commission U.S. producer/processor and U.S. importer questionnaires.

Geographic Markets

As noted previously, CTL plate produced in the United States is shipped nationwide. Information summarizing ports of entry of CTL plate imported from the subject countries in 2008 is presented in table IV-8. Additional information on geographic markets may be found in Part II of this report.

During the period 2003 through 2008 imports from China entered the United States predominantly through the three ports listed in table IV-8. The share of shipments from China that entered through each of the three ports was relatively close and totaled 67.7 percent of all such imports. In contrast, imports from Russia and Ukraine entered the United States overwhelmingly through Houston-Galveston, TX, which accounted for 63.8 percent of imports from Russia and 61.1 percent of imports from Ukraine. At the time of the original investigations,[10] specifically between January 1994 and March 1997, subject imports from all sources shared the same two largest ports; Houston, TX and New Orleans, LA, although only imports from China were also entering through Los Angeles, CA, the fourth largest port of entry for such imports.[11]

Table IV-8
CTL plate: U.S. imports from subject countries, by Customs district, 2003-08

Source	Leading districts		
	Largest	Second largest	Third largest
China	Los Angeles, CA	Houston-Galveston, TX	New Orleans, LA
Russia	Houston-Galveston, TX	New Orleans, LA	Philadelphia, PA
Ukraine	Houston-Galveston, TX	New Orleans, LA	Philadelphia, PA

Source: Compiled from official statistics of Commerce for HTS 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, and 7212.50.0000.

Presence in the Market

Table IV-9 presents data on the monthly entries of U.S. imports of CTL plate, by source, during 2003-08, and January-June 2009. CTL plate produced in China, Russia, and Ukraine was generally present in most months during 2006-08. Imports from China have been present in every month during the first half of 2009 while imports from Russia and Ukraine entered the United States at the beginning of the year only. Imports from all other sources combined were present throughout the period.

[10] Information on ports of entry was not included in the record of the first reviews.

[11] Between January 1994 and March 1997, of all CTL plate imports from China, 27.0 percent entered through Houston, TX and 24.6 percent entered through New Orleans, LA. Similarly, of all subject imports from Ukraine, 49.7 percent entered through Houston, TX and 27.0 percent entered through New Orleans, LA. Imports from Russia entered predominantly through New Orleans, LA, 47.7 percent, and secondarily through Houston, TX, 26.1 percent. *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final),* USITC Publication 3076, December 1997, table IV-2.

Table IV-9
CTL plate: U.S. imports, monthly entries into the United States, by sources, 2003-08, January-June 2009

Source	Calendar year						Jan.-June
	2003	2004	2005	2006	2007	2008	2009
China	6	11	12	12	12	12	6
Russia	5	4	4	11	8	11	1
Ukraine	4	6	8	10	9	12	2
All others	12	12	12	12	12	12	6

Source: Compiled from official statistics of Commerce for HTS 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, and 7212.50.0000.

THE SUBJECT FOREIGN INDUSTRIES

Actual and Anticipated Changes in Capacity

Information on the production capacity for CTL plate in China, Russia, and Ukraine is presented in table IV-10. As shown in the table, China has the largest CTL plate capacity of the three subject countries. However, China's 2007 capacity of *** short tons is understated compared to published reversing mill production of *** short tons in 2007.[12] A *** lists China's 2008 reversing mill plate capacity as *** short tons and plate in coil capacity as *** short tons.[13] In addition, the capacity information for Russia may be understated, particularly for Magnitogorsk.[14]

Table IV-10
CTL plate: Production capacity in China, Russia, and Ukraine, 2007

* * * * * * *

Since 2007, CTL plate producers in China and Russia have added capacity. Available information on plate production in China indicates that multiple Chinese reversing mills have made recent changes to their plate capacity, with more changes expected in 2010, as shown in table IV-11.

[12] ***. *** recognized this discrepancy in its data, noting that ***. Domestic interested parties, ArcelorMittal's and Nucor's joint prehearing brief, exh. 2, citing an ***.

[13] ***, domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief, exh. 1a. The domestic interested parties submit that this report should be used as the best estimate of Chinese CTL plate capacity because its coverage is superior to *** coverage for this measure. Domestic interested party, ArcelorMittal's, posthearing brief, p. 41, domestic interested parties, Evraz Claymont, Evraz Inc, and SSAB's, posthearing report, p. 13, and domestic interested party, Nucor's posthearing brief, pp. 19-20.

[14] The *** data includes 2008 reversing mill capacity figures for Russian producers, Magnitogorsk (*** short tons), and Severstal (*** short tons) that are smaller than the CTL plate capacity reported in questionnaire responses by Magnitogorsk (*** short tons) and Severstal (*** short tons). ***, and Magnitogorsk's and Severstal's foreign producer questionnaire responses, section II-16c.

Table IV-11
CTL plate: Recent and proposed changes in China's potential plate mill capacity, 2008-10

* * * * * * *

Another source, *** completed a Chinese capacity study that concluded that China will add over *** short tons of reversing mill plate capacity in 2009 and *** short tons in 2010.[15] However, *** notes that producers in China are expected to revise expansion plans in light of current economic conditions. As a result, the supply of plate within the region (East and South East Asia) is also expected to grow more slowly than before the economic downturn.[16]

***. Wuyang provided a questionnaire response during the first review of the current antidumping duty order covering imports from China. Wuyang plans to raise its plate-rolling capacity by as much as 39 percent to 3.2 million tons a year by 2010 through upgrades. The plate rolling mill upgrade, to 5,000 mm from 4,200 mm, will boost capacity for heavy plate to between 1.8 million and 2.2 million tons a year from more than 1.3 million tons currently.[17] Laiwu, China's 10th largest steelmaker, is preparing to commission a new plate mill. The company successfully tested its new 1.8 million tons-per-year heavy and wide plate mill in January, according to a government web site.[18] In addition, *** reports that ***. Also, ***.[19]

The CTL plate operations of Russian producers *** since the first reviews. Severstal reported that it *** of capacity in 2008.[20] Magnitogorsk ***.[21] In 2009 Russian producer *** is expected to ***. This project will include ***.[22] Finally, as of September 2008, it was reported that Russian producer *** was planning to ***.[23]

Table IV-12 presents information on global steel plate production, not limited to CTL plate, published by World Steel Dynamics. Data are available through 2007 only and data for that year are estimates. As shown in the table, production in each of the subject countries increased from 2003-07. China experienced the largest growth in production, 184.3 percent.

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[15] *** included as exh. 1A to domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief, p. 56, exh. 1A.

[16] ***.

[17] *Wuyang Iron & Steel to lift plate capacity up to 39%,* American Metal Markets, September 4, 2008, found at http://www.amm.com/2008-09-04_16-58-16.html, retrieved July 1, 2009. ***.

[18] *Two Chinese steelmakers geared for plate mill start,* American Metal Markets, January 20, 2009, found at http://www.amm.com/2009-01-20_16-28-47.html, retrieved July 1, 2009.

[19] ***.

[20] Severstal's foreign producer/exporter questionnaire response, section II-2.

[21] Magnitogorsk's foreign producer/exporter questionnaire response, section II-3.

[22] ***, included as exh. 1c in domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief.

[23] ***, included as exh. 1c in domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief.

Table IV-12
Plate: Subject countries' plate production, 2003-07

Country	2003	2004	2005	2006	2007[1]
	Production (*short tons*)				
China[2]					
Heavy[2]	26,619,000	30,766,000	35,110,000	42,618,000	54,465,000
Medium[2]	16,566,000	26,753,000	40,862,000	50,053,000	68,321,000
Total[2]	43,185,000	57,519,000	75,972,000	92,671,000	122,786,000
Russia					
Heavy	6,172,900	6,580,700	6,635,800	7,098,800	7,231,100
Medium	-	-	-	-	-
Total	6,172,900	6,580,700	6,635,800	7,098,800	7,231,100
Ukraine					
Heavy	4,188,700	5,070,600	5,059,600	5,346,200	5,588,700
Medium	-	-	-	-	-
Total	4,188,700	5,070,600	5,059,600	5,346,200	5,588,700
All subject sources					
Heavy	36,980,600	42,417,300	46,805,400	55,063,000	67,284,800
Medium	16,566,000	26,753,000	40,862,000	50,053,000	68,321,000
Total	53,546,600	69,170,300	87,667,400	105,116,000	135,605,800

[1] Data for 2007 are estimates.
[2] Chinese production of "heavy" plate is believed to represent reversing mill plate production, while "medium" plate is believed to represent strip mill products in plate gauges.

Note.–2007 is the latest year available for data from all countries.
Note.–Original data were published in metric tons which are converted to short tons using a conversion factor of 1.1023.

Source: *Global Steel Mill Product Matrix,* Core Report-F, World Steel Dynamics, March 2009, 3-152-155, and 3-180-181.

Table IV-13 presents information on steel plate production in China, Russia, and Ukraine published by ***. Data for 2007 and 2008 are estimates. As shown in the table, production in the subject countries ***.

Table IV-13
Reversing mill plate: Subject countries' plate production, 2003-08

* * * * * * *

China's production of steel plate increased steadily with the largest gain in ***. China is expected to produce *** percent less plate in 2009 than in 2008. According to ***. *** explains that ***."[24]

Table IV-14 presents information on reversing mill steel plate consumption in China, Russia, and Ukraine. Data for 2007 and 2008 are estimates. Reversing mill data does not account for CTL plate cut from coiled plate.

Table IV-14
Reversing mill plate: Subject countries' plate consumption, 2003-08

* * * * * * *

As shown in table IV-14, consumption of steel plate in China *** while consumption in Russia and Ukraine ***. China's consumption of steel plate *** with the ***. *** forecasts that ***.[25] The World Steel Association reached a similar conclusion and forecasts that China's steel demand is likely to fall five percent in 2009.[26] According to ***.[27] However, the report noted that ***.[28]

Exports, Imports, and Net Trade Balance

Data concerning net trade balance reported for each subject country is presented in table IV-15. These data show that, on an aggregate basis, the three subject countries were net exporters during 2003-07. Ukraine was the largest subject country exporter during 2003-05 and China was the largest subject country exporter during 2006-07. Ukraine was a substantial net exporter during each year of the period. China began the period as a net importer but by 2006 was the largest subject exporter.

The Government of China has taken steps recently to boost steel exports, including plate. These measures include the removal of export taxes effective December 1, 2008,[29] the abolition of the steel export licensing system covering plate, effective January 1, 2009,[30] and the imposition of nine percent export rebates on exports of plate, effective June 9, 2009.[31] Russia began the period as a net exporter but by 2006 had become a net importer.[32] According to a recent *** report ***.[33]

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[24] ***.

[25] ***.

[26] *China Steel output to grow despite falling demand*, The Age, August 2, 2009, found at http://www.news.theage.au/breaking-news-world/china-steel-output-to-grow-despite-falling.html, retrieved August 4, 2009.

[27] ***.

[28] ***.

[29] Domestic interested party, U.S. Steel's, posthearing brief, exh. 3 citing *China removes most steel export taxes from 1 December*, Steel Business Briefing, November 14, 2008, found at Dow Jones Factiva.

[30] Domestic interested party, U.S. Steel's, posthearing brief, exh. 4 citing *China abolishes steel export licensing system*, Steel Business Briefing, January 6, 2009, found at Dow Jones Factiva .

[31] Domestic interested party, U.S. Steel's, posthearing brief, exh. 5 citing *China net steel imports climb as exports continue to fall*, Steel Business Briefing, June 12, 2009, found at Dow Jones Factiva.

[32] Severstal explained that "In today's Russia, tight domestic supply, coupled with the continued growth of domestic consumption, has resulted in a shortage of steel within Russia, as shown by rising imports." Severstal's response to the Commission's notice of institution, September 22, 2008, p. 18.

[33] ***. Severstal's response to the Commission's notice of institution, September 22, 2008, exh. 9 ***.

Table IV-15
CTL plate: Subject country exports, imports, and net trade balances, 2003-07

Source	Calendar year				
	2003	2004	2005	2006	2007[1]
	Export quantity (*short tons*)				
China	1,240,100	1,814,400	2,030,400	5,639,400	10,330,000
Russia	1,717,400	1,470,500	1,358,000	1,261,000	1,530,000
Ukraine	3,766,600	4,630,800	4,930,600	4,393,800	4,673,800
Total subject	6,724,100	7,915,700	8,319,000	11,294,200	16,533,800
	Import quantity (*short tons*)				
China	3,212,100	2,196,900	1,237,900	1,216,900	1,456,100
Russia	815,700	837,750	763,890	1,310,600	1,621,500
Ukraine	24,251	30,864	54,013	145,500	375,880
Total subject	4,052,051	3,065,514	2,055,803	2,673,000	3,453,480
	Trade balance (*short tons*)				
China	(1,972,000)	(382,500)	792,500	4,422,500	8,873,900
Russia	901,700	632,750	594,110	(49,600)	(91,500)
Ukraine	3,742,349	4,599,936	4,876,587	4,248,300	4,297,920
Total subject	2,672,049	4,850,186	6,263,197	8,621,200	13,080,320

[1] Data for 2007 are estimates.

Note.–2007 is the latest year available for data from all countries.

Source: *Global Steel Mill Product Matrix,* Core Report-F, World Steel Dynamics, March 2009, pp. 3-152-155, and 3-180-181.

Tariff or Non-Tariff Barriers to Trade

The Commission asked producers of CTL plate in the subject countries to identify tariff or non-tariff barriers to trade (for example, antidumping or countervailing duty findings or remedies, tariffs, quotas, or regulatory barriers) concerning their exports of CTL plate to countries other than the United States. The Commission also asked the subject foreign producers to identify ongoing investigations in countries other than the United States that could result in tariff or non-tariff barriers to trade for their exports of CTL plate. All responding producers reported barriers to trade.

In their response to the Commission's notice of institution, the domestic interested parties described barriers to the importation of CTL plate from China in other countries. They stated that Canada has an antidumping duty order on such goods and that in 2003 Australia imposed duties on hot-rolled steel plate from China.[34]

[34] Domestic interested parties' response to the notice of institution, September 22, 2008, p. 14 citing the World Trade Organization, G/ADP/N/119/AUS, found at http://www.wto.org. Australian Customs Dumping Notice No. 2004/12, *Certain Hot Rolled Steel Plate Exported to Australia From China, Indonesia, Japan, and The Republic of*
(continued...)

Russian producer, Severstal, reported that ***. According to Severstal, ***. Severstal's ***. In addition, ***.[35] There has been ***.[36] The ***.[37] In addition, there are ***. According to Severstal, ***.[38] Most recently, in 2008, Canada terminated an antidumping duty order on hot-rolled carbon steel plate.[39]

Russian producer, Magnitogorsk, reported that ***.[40] According to Magnitogorsk, ***.[41]

In response to the Commission's questionnaire, Ukrainian producer, Azovstal, reported that ***.[42] Its exports of ***. Its exports of ***. Azovstal's ***. Finally, ***.[43] Most recently, ***.[44]

Since the questionnaires were issued, Canada initiated a preliminary antidumping investigation concerning hot-rolled carbon steel plate and high-strength low-alloy steel plate[45] from Ukraine. The Canadian International Trade Tribunal made an affirmative determination on September 4, 2009.[46]

According to news reports, Turkey recently increased import taxes on certain steel products from Russia, Ukraine, and China. The import duty on hot-rolled wide strip and plate was increased from 5 percent to 13 percent while the import duty on cold-rolled plate and sheet was increased from 6 percent to 14 percent.[47]

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[34] (...continued)
Korea, April 1, 2004, found at http://www.customs.gov.au/webdata/resources/notices/acdn04112.pdf, retrieved September 30, 2009. *Notice, Certain Hot-Rolled Steel Plate*, Canada Border Services Agency, April 10, 2008, found at http://www.cbsa-asfc.gc.ca/sima-Imsi/ri-re/ad1139-1304/ad1130-1304-notice–avis–eng.pdf, retrieved October 1, 2009.

[35] Severstal's foreign producer/exporter questionnaire response, section II-12.

[36] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 20.

[37] Severstal's foreign producer/exporter questionnaire response, section II-12a.

[38] Severstal did not identify these countries. Severstal's response to the Commission's notice of institution, September 22, 2008, pp. 14-15.

[39] *Canadian International Trade Tribunal Issues Orders, Hot-rolled carbon steel plate from China, South Africa, and Russia*, January 9, 2008, found at http://www.citt-tcce.gc.ca/press/rr2h001_e.asp, retrieved August 11, 2009.

[40] Magnitogorsk's foreign producer/exporter questionnaire response, section II-12.

[41] Ibid.

[42] The domestic interested parties have stated that to the best of their knowledge, import restrictions on subject exports from Ukraine are still in effect in Russia, the Czech Republic, Turkey, and Hungary. Domestic interested parties' response to the notice of institution, September 22, 2008, p. 14.

[43] Azovstal's foreign producer/exporter questionnaire response, section II-12a.

[44] Ibid., section II-12b.

[45] The scope of the Canadian investigation is: hot-rolled carbon steel plate and high-strength low-alloy steel plate not further manufactured than hot-rolled, heat-treated or not, in cut lengths in widths from 24 inches (610 mm) to 152 inches (3,860 mm) inclusive and in thicknesses from 0.187 inch (4.75 mm) up to and including 3.0 inches (76.0 mm) inclusive; excluding universal mill plate, plate for use in the manufacture of pipe and plate having a rolled, raised figure at intervals on the surface (known as floor plate). *Hot-Rolled Carbon Steel Plate and High-Strength Low-Alloy Steel Plate, Preliminary Injury Inquiry No. PL-2009-002*, Notice of Commencement of Preliminary Injury Inquiry, Canadian International Trade Tribunal, July 6, 2009.

[46] *Hot-Rolled Carbon Steel Plate and High-Strength Low-Alloy Steel Plate, Preliminary Injury Inquiry No. PL-2009-002*, Determination, Canadian International Trade Tribunal, September 4, 2009.

[47] *Turkey raises strip product import taxes to 13-15%*, Metal Bulletin, January 5, 2009, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2076870, retrieved July 1, 2009.

THE INDUSTRY IN CHINA

Overview

Twelve firms, accounting for approximately two-thirds of Chinese CTL plate production and about 90 percent of such exports to the United States, provided data in response to the Commission's questionnaire in the original investigations.[48] Five firms, accounting for 93 percent of U.S. CTL plate imports from China during 2002, provided data in response to the Commission's questionnaire in the first reviews.[49] In the current reviews, no responses to the Commission's questionnaire were received from producers of CTL plate in China. As a result, the data in this section of the report are based on information collected in the original investigations, the first reviews, and published information.

The general structure of the CTL plate industry in China, in terms of leading producers, has not changed dramatically since the original investigations. The domestic interested parties identified 12 firms in their response to the notice of institution and all but two of those firms had been previously identified as CTL plate producers.[50]

There is a trend toward consolidation of steel producers underway in China. The Government of China is reportedly trying to streamline its numerous mills by arranging mergers among state-owned producers and shutting down small, private mills.[51] To this end, a merger of two state-owned mills in 2008 created the world's fifth-largest steelmaker by output, Hebei Iron and Steel Group, which replaced Baosteel Group as China's biggest producer.[52] In addition, China's northern city of Tianjin plans to merge its four state-owned steel mills into a group with annual capacity of about 23 million tons.[53] In May, the Government of China allegedly called on banks to curb loans to steel makers to persuade them to reduce production and to cut off loans to mills with outdated technology.[54]

Table IV-16 presents comparative information available from the original investigations and first reviews.

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[48] Anshan; Anyang Iron & Steel (Group) Co., Ltd.; Baoshan; Chongqing Iron & Steel Co.; Jinan Iron & Steel Group Corp.; Kunming Iron & Steel Corp.; Nanjing Iron & Steel Works; Shanghai Pudong Iron & Steel (Group) Co., Ltd.; Shaoguan Iron & Steel Corp., Ltd.; Taiyun Iron & Steel Co.; Tianjin Tiandun Co., Ltd.; and Wuhan Iron & Steel Co. *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, p. VII-1.

[49] Anshan; Baoshan; Shanghai Sangang Steel Co., Ltd.; Wuhan Iron & Steel Co.; and Wuyang. *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. IV-4.

[50] Angang New Steel Co., Ltd; Anshan; Baoshan; Beijing Shougang Xingang Co., Ltd.; Chongqing Iron & Steel Co.; Hunan Valin Xiangtan Iron & Steel Co., Ltd.; Jinan Iron & Steel Group; Nanjing Iron & Steel Group Co.; Shanghai Pudong Iron & Steel Co. Group; Taiyuan Iron & Steel (Group) Co., Ltd.; Wuhan Iron & Steel Co.; Wuyang. Domestic interested parties' response to the Commission's notice of institution, September 22, 2008, exh. VII. ***.

[51] McDonald, Joe, *China tightening control over steel industry*, Breitbart.com, found at http://www.breitbart.com/print.php?id=cp_h4i0610s5&show_article=1, retrieved July 27, 2009.

[52] Ibid.

[53] *Tianjin plans 23m-ton steel group*, China Daily online, found at http://www.chinadaily.com.cn/bizchina/2009-04/13/content_7672029.htm, retrieved July 14, 2009.

[54] *China Steel output to grow despite falling demand*, The Age, August 2, 2009, found at http://www.news.theage.au/breaking-news-world/china-steel-output-to-grow-despite-falling.html, retrieved August 4, 2009.

Table IV-16
CTL plate: Comparison of select Chinese industry data, 1996, and 2002

Item	1996	2002
Capacity (*short tons*)	***	4,845,428
Production (*short tons*)	***	4,273,556
Capacity utilization (*percent*)	***	88.2
Exports/shipments (*percent*)	***	***
Inventories/shipments (*percent*)	***	***

Note.- - Data for 1996 were provided by Anshan; Anyang Iron & Steel (Group) Co., Ltd.; Baoshan; Chongqing Iron & Steel Co.; Jinan Iron & Steel Group Corp.; Kunming Iron & Steel Corp.; Nanjing Iron & Steel Works; Shanghai Pudong Iron & Steel (Group) Co., Ltd.; Shaoguan Iron & Steel Corp. Ltd; Taiyun Iron & Steel Co.; Tianjin Tiandun Co., Ltd; and Wuhan Iron & Steel Co.; data for 2002 were provided by Anshan; Baoshan; Shanghai Sangang Steel Co., Ltd.; Wuhan Iron & Steel Co.; and Wuyang.

Source: *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, p. VII-1, table VII-1, and *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, tables IV-3 and IV-4.

CTL Plate Operations

Based on information provided during the first reviews, CTL plate accounted for between *** and *** percent of total sales for reporting Chinese mills in their most recent fiscal years at that time. Several mills reported producing plate products "other than CTL plate" on the same equipment used to produce CTL plate, including alloy, low-alloy, shipbuilding, high-grade structural, and pressure vessel plate.

As of 2007, published available capacity of mills in China was *** short tons at *** reversing plate mills, and *** short tons at a ***.[55] A *** provides higher figures for China's capacity. It lists China's 2008 reversing mill plate capacity as *** short tons and plate in coil capacity as *** short tons per year.[56] The vice chairman of the China Iron & Steel Association has stated that "China's domestic steel industry will suffer from serious overcapacity this year."[57] In its response to the Commission's notice of institution, Severstal argued that shortages of some raw materials, especially coking coal, are constraining the production of crude steel, especially in China.[58]

At the time of the first reviews, the primary Chinese CTL plate export markets were ***.[59] Korea has traditionally been the top buyer of Chinese plate according to American Metal Markets but demand there has "collapsed with the country hit hard by the global economy crisis."[60] The Chinese government eliminated export duties on plate starting December 1, 2008. The government reportedly made the

[55] ***.

[56] ***, domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief, exh. 1a.

[57] *China steel mart set for oversupply in '09*, American Metal Markets, February 20, 2009, found at http://www.amm.com/2009-02-20_19-11-24.html, retrieved July 1, 2009.

[58] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 13.

[59] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review)*, Final Staff Report, INV-AA-108, July 31, 2003, p. IV-5.

[60] Lian, Ruby, *China's plate exporters bow out of market*, American Metal Markets, February 26, 2009, found at http://www.amm.com/2009-02-26_00-49-00.html, retrieved February 26, 2009.

change to help boost the Chinese steel industry during a severe slowdown in its economy.[61] *** forecasts ***.[62]

Responding Chinese producers in the first reviews projected that their capacity would increase by 520,769 short tons in 2003 while their production would decline by 270,516 short tons. Forecasts for 2004 were that capacity and production would increase by 7,702 short tons and 63,162 short tons, respectively.[63] Published information indicates that China's production of steel plate (manufactured on reversing mills) increased in 2003 by *** percent (*** short tons) and in 2004 by ***percent (*** short tons).[64] This trend in production continued until *** when China experienced a *** percent decrease in production. However, *** forecasts that China's production will ***.[65]

THE INDUSTRY IN RUSSIA

Overview

Four firms, accounting for *** percent of Russian production of CTL plate, provided data in response to the Commission's questionnaire in the original investigations: Severstal, Nosta, Novolipetsk Iron & Steel Co. ("Novolipetsk"), and Magnitogorsk.[66] Three firms, accounting for *** percent of imports during 2002, provided data in response to the Commission's questionnaire in the first reviews: Severstal, Nosta, and Magnitogorsk.[67]

The structure of the CTL plate industry in Russia has changed little since the original suspension agreement, with four firms identified in the response to the institution notice by domestic interested parties.[68] In its response to the Commission's notice of institution, Severstal identified seven Russian CTL plate producers in addition to itself: Magnitogorsk, JSC NTMK (Evraz), Nosta, Novolipetsk, JSC Mechel ("Mechel"), JSC Volgograd Steel Works ("Volgograd"), and Asha Iron & Steel Works.[69] In their response to the Commission's notice of institution, the domestic interested parties identified an additional Russian CTL plate producer, JSC Orsk-Khalilovsk Iron & Steel Works.[70]

Severstal estimates that total Russian production of CTL plate (including plate used internally for downstream products) is *** short tons.[71] Severstal estimates that in 2008 it accounted for *** percent of total production of CTL plate in Russia and *** percent of total exports to the United States of CTL plate

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[61] *China confirms hot coil, plate duties nixed,* American Metal Markets, November 14, 2008, found at http://www.amm.com/2008-11-14_15-29-15.html, retrieved July 1, 2009.

[62] ***.

[63] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review),* USITC Publication 3626, September 2003, table IV-4.

[64] ***.

[65] Ibid.

[66] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Final),* Final Staff Report, INV-U-081, November 14, 1997, p. IV-5.

[67] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review),* Final Staff Report, INV-AA-108, July 31, 2003, p. IV-11.

[68] JSC Orsk-Khalilovsk Iron & Steel Works, Magnitogorsk, Novolipetsk, and Severstal. Domestic interested parties' response to the notice of institution, September 22, 2008, exh. VII.

[69] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 11.

[70] Evraz Claymont's, Evraz Inc.'s, and SSAB's joint response to the Commission's notice of institution, September 22, 2008, exh. VII.

[71] Ibid. p. 12.

from Russia.[72] Magnitogorsk estimates that it accounted for *** percent of total production of CTL plate in Russia in 2008.[73] Magnitogorsk estimates that it accounted for *** percent of total exports to the United States of CTL plate from Russia in 2008.[74] Furthermore, the company reportedly had ***.[75]

Non-responding producer, Novolipetsk owns Danish heavy plate producer Dansteel, and supplies Dansteel with the mill's slab feed. Dansteel has a 550,000 tons per year capacity and as of February 2009 was operating at 70 percent capacity utilization.[76] In February of this year Novolipetsk restarted its 1.7 million-tons-per-year number 4 blast furnace at its mill in Lipetsk, Russia. The furnace had been idled in November 2008 for maintenance.[77]

Urals Steel, formerly known as Nosta, which did not provide a questionnaire, belongs to Metalloinvest and as of 2006 had plans to add a 1.2 million tons per year, 5m-wide plate mill, a 600,000 tons per year large diameter pipe mill, and a new blast oxygen furnace shop by 2009, according to a 2006 Steel Business Briefing report. The same report indicated that Russian producer NLMK had plans to add a 5m-wide plate mill by 2011.[78]

Responses to the Commission's questionnaire were received from two producers. Accordingly, the data presented on Russian production of CTL plate for the current reviews are for Severstal and Magnitogorsk, which combined represent approximately *** percent of total CTL plate production in Russia. Table IV-17 presents comparative information available from the original investigations, first reviews, and these reviews.

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[72] Severstal's foreign producer/exporter questionnaire response, section II-16c. In its response to the Commission's notice of institution it estimated that it accounted for *** percent of total production of CTL plate in Russia, based on a total Russian production figure of *** short tons and Severstal's production of *** short tons. Severstal's response to the Commission's notice of institution, September 22, 2008, p. 12.

[73] Magnitogorsk's foreign producer/exporter questionnaire response, section II-16c. In its response to the notice of institution it estimated that its share of the production output of steel products sold domestically was about *** percent. Magnitogorsk's response to the Commission's notice of institution, September 22, 2008, p. 3.

[74] Magnitogorsk's foreign producer/exporter questionnaire response, section II-16c.

[75] Magnitogorsk's response to the Commission's notice of institution, September 22, 2008, p. 3.

[76] *Heavy plate producer Dansteel freezes expansion plans*, American Metal Markets, February 9, 2009, found at http://www.amm.com/2009-02-09_06-56-00.html, retrieved July 1, 2009.

[77] *NLMK restarts No. 5 furnace after 5 months*, American Metals Markets, May 8, 2009, found at http://www.amm.com/2009-05-08_14-28-32.html, retrieved May 28, 2009.

[78] Severstal's response to the Commission's notice of institution, September 22, 2008, exh. 11 (Steel Business Briefing, Issue 23, October 12, 2006, page 6).

Table IV-17
CTL plate: Comparison of select Russian industry data, 1996, 2002, and 2008

Item	1996	2002	2008
Capacity (*short tons*)	***	4,261,392	***
Production (*short tons*)	***	2,293,373	***
Capacity utilization (*percent*)	***	53.8	***
Exports/shipments (*percent*)	***	***	***
Inventories/shipments (*percent*)	***	***	***

Note.--Data for 1996 were provided by Severstal, Nosta, Magnitogorsk, and Novolipetsk; data for 2002 were provided by JSC Severstal; JSC Nosta; and JSC Magnitogorsk Iron and Steel Works; data for 2008 were provided by Severstal and Magnitogorsk.

Source: *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, Final Staff Report, INV-U-081, November 1997, table VII-2; *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review),* Final Staff Report, INV-AA-108, July 31, 2003, table IV-6; and foreign producer/exporter questionnaire responses.

CTL plate represented *** percent of Severstal's total sales during the original investigations, *** percent during the first reviews, and *** percent in the most recent fiscal year. Magnitogorsk's CTL plate sales were *** percent of its total sales during the original investigations, *** percent of its total sales during the first reviews, and *** percent in the most recent fiscal year.[79] [80]

CTL Plate Operations

Data provided by Severstal and Magnitogorsk concerning their CTL plate operations in Russia during calendar years 2003-08, January-June 2008, and January-June 2009 are presented in table IV-18.

Table IV-18
CTL plate: Data for producers in Russia, 2003-08, January-June 2008, and January-June 2009

* * * * * * *

The combined capacity to produce CTL plate in Russia fluctuated, but increased overall from 2003 to 2008. The CTL plate producers in Russia reported *** during 2003-08. The variations in Russia's reported capacity were the result of *** for Severstal and the *** by Magnitogorsk.[81] Severstal's capacity fluctuated from a high of *** tons in *** to a low of *** tons in ***. Magnitogorsk's capacity fluctuated between a high of *** tons in *** to a low of *** tons in ***.[82]

[79] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final),* Final Staff Report, INV-U-081, November 1997, p. IV-4; *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review),* Final Staff Report, INV-AA-108, July 31, 2003, p. IV-11; *** foreign producer/exporter questionnaire responses.

[80] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 19.

[81] *** foreign producer/exporter questionnaire responses, section II-16c.

[82] *** foreign producer/exporter questionnaire responses, section II-16c.

Severstal and Magnitogorsk reported their CTL plate capacity based on operating *** hours per week, *** weeks per year.[83] The combined capacity utilization rates remained *** percent during the period for which data were collected but *** individual capacity utilization rate was much higher. In its response to the Commission's notice of institution, Severstal explained that it is operating close to *** percent capacity and is ***. It suggested that the other Russian CTL plate producers are in a similar situation.[84] However, the capacity utilization of Magnitogorsk *** during the period for which data were collected.[85] Severstal reports that the Russian mills have orders in the domestic and export markets in excess of their capacities.[86]

In response to a Commission question on capacity constraints, Severstal reported ***.[87] Magnitogorsk reported ***.[88]

Severstal and Magnitogorsk produce ***. Severstal *** but explained that ***.[89] From 2003 through 2008, Severstal produced ***. In each year, Severstal's production of ***. Its production of ***.[90]

Magnitogorsk ***. According to Magnitogorsk, ***.[91] Between 2003 and 2008, the vast majority of Magnitogorsk's production was dedicated to *** while ***. From 2003 until 2005, production of *** was largest, but then from 2006 until 2008, production of *** exceeded production of ***.

Severstal reported the following changes to the character of its operations since 2003: ***.[92] The company indicated that it ***.[93]

Magnitogorsk indicated that it ***,[94] but that it ***.[95] According to Magnitogorsk, it has pursued a production policy of ***. To this end, Magnitogorsk has ***. It considers its ***. In *** Magnitogorsk ***.[96] The 2009 capacity of the ***. The ***.[97]

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[83] Ibid.

[84] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 4.

[85] *** foreign producer/exporter questionnaire response, section II-16c.

[86] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 16.

[87] Severstal's foreign producer/exporter questionnaire response, section II-7.

[88] Magnitogorsk's foreign producer/exporter questionnaire response, section II-7.

[89] Magnitogorsk's and Severstal's foreign producer/exporter questionnaire responses, section II-8.

[90] Severstal's foreign producer/exporter questionnaire response, section II-16a.

[91] Magnitogorsk's foreign producer/exporter questionnaire response, section II-8.

[92] Severstal's foreign producer/exporter questionnaire response, section II-2.

[93] Severstal's foreign producer/exporter questionnaire response, section II-3.

[94] Magnitogorsk's foreign producer/exporter questionnaire response, section II-2.

[95] Magnitogorsk's foreign producer/exporter questionnaire response, section II-3.

[96] Magnitogorsk has reportedly already signed for two separate credit facilities from state-backed Sberbank worth a total of $430 million to ensure the mill's completion. It now hopes to secure a $110 billion general purpose credit facility from the same bank to help pay various raw materials costs and other debts. *MMK looking for third Sberbank loan*, American Metal Markets, February 25, 2009, found at http://www.amm.com/2009-02-25_05-50-00.html, retrieved February 26, 2009.

[97] Magnitogorsk's foreign producer/exporter questionnaire response, section II-3. This ***. According to Magnitogorsk, these are all ***. These steel products are reportedly ***. Magnitogorsk reported that ***. Instead, the company ***. Magnitogorsk stresses that its ***, with over *** percent of Magnitogorsk's CTL plate being shipped to ***. In addition, Magnitogorsk exports CTL plate to ***. Magnitogorsk's response to the Commission's notice of institution, September 22, 2008, pp. 3-4.

The responding Russian producers have ***.[98] Severstal and Magnitogorsk both indicated that neither they nor any related firm ***.[99] Since 2003, neither Russian producer has ***.[100] In addition, ***.[101]

Total shipments of CTL plate produced by Russian producers initially decreased after 2003 and began to increase in 2006 before peaking in 2007. Total shipments in January-June 2009 were *** as large as total shipments in January-June 2008. The largest change occurred in the category of *** which experienced a large and steady increase in every full year of the period. Home market shipments constituted the *** Russian producers' shipments in every year.[102]

Severstal reports that much of its CTL plate production is dedicated to downstream production because it has a large diameter pipe mill that uses plate.[103] Severstal is the sole supplier of plate to Izhora pipe mill, Severstal's subsidiary. The Izhora pipe mill has a long-term agreement with GAZPROM to supply the "Nord Stream" project.[104] Severstal anticipates growth in pipe and tube demand for oil and gas production projects and has already participated as a supplier of hot-rolled plate to two major projects: "Nord Stream" and "Eastern-Siberia-Pacific Ocean." According to Severstal, Nord Stream will be one of the longest sub-sea pipelines in the world, a 1200-kilometer long off-shore natural gas pipeline stretching through the Baltic Sea from Russia to Germany. In the spring of 2009, the Nord Stream project was still pending approval from Sweden and it must obtain permits from Russia, Finland, Denmark, and Germany.[105] The oil pipeline system, Eastern Siberia-Pacific Ocean is designed to supply Russia and Asian Pacific markets and is undergoing a feasibility study.[106] Russia's plans to build gas pipelines to China have been indefinitely delayed due to pricing issues according to Gazprom.[107]

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[98] Magnitogorsk's and Severstal's foreign producer/exporter questionnaire responses, section I-4.

[99] Ibid., section I-5.

[100] Ibid., section II-10.

[101] Ibid., section II-11.

[102] After the late 1990s Severstal reportedly turned from export oriented production to its domestic market customers and has positioned itself to take advantage of increased steel demand in Russia. It has focused its long-term strategy on high-margin value-added and niche products. Its domestic strategy is focused on the segmentation of Severstal's customers by reference to steel consuming industries. According to Severstal, industry sectors of strategic importance in the Russian domestic market include pipe manufacturing, the automotive industry, metal ware, the fuel and energy industry, heavy machinery, shipbuilding, and white goods manufacturing. The company explains that while some of these industries (e.g. white goods) do not use significant amounts of plate, they are lucrative. Severstal points out that its hot-rolled capacity is used for value-added products used in these markets. Severstal's response to the Commission's notice of institution, September 22, 2008, p. 16.

[103] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 12.

[104] Ibid., p. 23.

[105] *Nord Stream waits for Swedish decision on environment*, Business, March 10, 2009, included as exh. 19 in domestic interested parties, Evraz Claymont's, Evraz Inc.'s, and SSAB's, joint prehearing brief. Domestic interested parties, ArcelorMittal's and Nucor's, joint prehearing brief, pp. 80-81.

[106] Severstal's response to the Commission's notice of institution, September 22, 2008, pp. 22-23. Severstal provided information on Russian pipeline projects and their steel demand through 2012. The information provided is that the production requirements for 12,060 km of gas pipelines will be 10,666,000 tons and for 19,460 km of oil pipelines will be 14,406,000 tons. Severstal's response to the Commission's notice of institution, September 22, 2008, exh. 9 ("new large pipeline projects in 2007-10'').

[107] *Gazprom says pipeline to China delayed due to pricing*, LNGpedia (Reuters), June 17, 2009, included as exh. 11 to domestic interested parties, Evraz Claymont's, Evraz Inc.'s, and SSAB's, joint prehearing brief.

Magnitogorsk explained that its sales policy in recent years has been to *** and explained that ***.[108]

Exports increased steadily during the period and reached their peak in ***. At the beginning of the period, in 2003, *** was the largest market for Russia's CTL plate exports but exports to this region then declined steadily in the following ***. In interim 2009, however, Russia's exports to *** such exports in interim 2008, consistent with reports that ***.

Severstal's principal European Union export markets are ***,[109] its principal Asian export markets are ***,[110] ***, and *** and its principal other export markets include ***.[111] Severstal reports that it exports to *** and that no single country accounts for a predominant share of its export market.[112]

Magnitogorsk's principal European Union export markets are ***, and its principal Asian export markets are ***, and its principal other export markets include ***.[113] Magnitogorsk reported that ***. However, since 2003, ***[114]

During the first reviews, the Russian mills (Severstal, JSC Nosta, and Magnitogorsk) reportedly ***.[115] At that time, the responding Russian mills indicated that their primary export markets were ***.[116] In the current reviews this list has changed to exclude *** and to include multiple other export destination countries.

Severstal argues that exports of Russian-origin CTL plate are likely to decrease because of (1) very high capacity utilization at Russian mills, which is close to *** percent; (2) strong home market demand that has resulted from stable economic development and the rapid increase in Russia's Gross Domestic Product; (3) Russian investment in downstream products (such as pipe); (4) the weak U.S. dollar exchange ratio; and (5) increased ocean freight rates.[117]

Product Mix

Table IV-19 presents data on Russian CTL plate producers' share of shipments by plate thickness during 2008. In that year, the *** were of plate that was *** in thickness. Plate in thicknesses *** was the second largest category, and plate that was *** in thickness was ***.

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[108] Magnitogorsk's response to the Commission's notice of institution, September 22, 2008, pp. 3-4.

[109] Severstal has ***, Severstal's response to the Commission's notice of institution, September 22, 2008, p. 20.

[110] Ibid. ***.

[111] Severstal's foreign producer/exporter questionnaire response, section II-16c.

[112] Severstal's response to the Commission's notice of institution, September 22, 2008, pp. 5 and 20. Severstal's foreign producer/exporter questionnaire response, section II-13. Severstal reported that it *** and ***. According to Severstal, CTL plate demand has been very strong in the global market and demand outside of the United States has increased, particularly in the developing countries of the Middle East, Asia, and South America. Severstal's sales to *** are reportedly due to ***.

[113] Magnitogorsk's foreign producer/exporter questionnaire response, section II-16c.

[114] Ibid., section II-13.

[115] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review),* Final Staff Report, INV-AA-108, July 31, 2003, p. IV-11.

[116] Ibid.

[117] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 15.

Table IV-19
CTL plate: Russian producers' shipments, by plate thickness, 2008

* * * * * * *

Table IV-20 presents data on Russian CTL plate producers' share of shipment by plate product during 2008. The Russian producers reported shipping ***. Their shipments to all markets were *** in the category of ***.

Table IV-20
CTL plate: Russian producers' shipments, by market, and by product, 2008

* * * * * * *

Severstal reported that its has continued to increase the share of high value-added products in, and has added new products to, its existing product range in response to customer demand. In recent years, the production of pre-painted galvanized material, high strength low alloy steel ("HSLA"), interstitial free steel ("IF-steel") for the automotive industry, and a new alloyed steel grade for pipe strips for oil and gas pipelines (as per API 5L) and many other sophisticated materials have been launched.[118]

THE INDUSTRY IN UKRAINE

Overview

Two firms, accounting for over 75 percent of Ukrainian production of CTL plate and virtually all exports, provided data in response to the Commission's questionnaire in the original investigations.[119] In the first reviews the Commission received one response from a firm accounting for *** percent of U.S. imports of CTL plate from Ukraine during *** and *** imports during ***: Azovstal.[120] In response to the Commission's notice of institution of these reviews, two Ukrainian producers, Azovstal and Ilyich, responded and stated that they would participate in the reviews.[121] Both the responding Ukrainian producers and the domestic interested parties identified three CTL plate producers in Ukraine, Azovstal, Ilyich, and Alchevsk.[122] The Commission received one response to its questionnaire in the current reviews from Azovstal. Table IV-21 presents comparative information available from the original investigations, the first reviews, and these reviews.

Table IV-21
CTL plate: Comparison of select Ukrainian industry data, 1996, 2002, and 2008

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[118] Severstal's response to the Commission's notice of institution, September 22, 2008, p. 17.

[119] Azovstal and Ilyich. *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final),* USITC Publication 3076, December 1997, p. VII-3.

[120] *Cut-to-Length Carbon Steel Plate, Inv. Nos. 731-TA-753-756 (Review),* Final Staff Report, INV-AA-108, July 31, 2003, p. IV-19.

[121] Azovstal's and Ilyich's joint response to the Commission's notice of institution, September 22, 2008, p. 1. On August 18, 2009, Ilyich informed the Commission that "given a recent corporate reorganization and associated difficulties, the Company cannot respond to the Commission's questionnaires..." Letter from ***, August 18, 2009.

[122] Domestic interested parties' response to the Commission's notice of institution, September 22, 2008, exh. VII; Azovstal's and Ilyich's joint response to the Commission's notice of institution, September 22, 2008, p. 5.

In its response to the Commission's notice of institution, Azovstal reported that Ukranian production of CTL plate in 2007 totaled *** of which Ilyich accounted for *** percent and Azovstal accounted for *** percent.[123]

Sources indicate Ilyich has scaled back heavy plate production to concentrate on semis as the market looks weaker for the second quarter of 2009.[124] There were reports in February 2009 that Ilyich was switching its focus onto spot market slabs sales and away from plate production.[125] Ilyich is reputed to be one of the most gas-intensive steel mills in Ukraine and as a result will benefit from anticipated lower gas prices. The price of natural gas supplies for Ukranian steel and iron ore producers is set to halve this year after prices were pegged to those of oil.[126]

CTL Plate Operations

Data provided by Ilyich concerning its CTL plate operations in Ukraine is limited to information supplied in response to the Commission's notice of institution. According to Ilyich, 2007 CTL plate production in Ukraine totaled *** short tons and Ilyich produced *** short tons, an estimated *** percent of total production.[127] Also in 2007, Ilyich exported *** metric tons (***) of CTL plate to the United States with a value of $***. This quantity is estimated to account for *** percent of the total Ukrainian CTL plate exports to the United States in that year.[128]

Data provided by Azovstal concerning its CTL plate operations in Ukraine during calendar years 2003-08 and January-June 2008 and January-June 2009 are presented in table IV-22. Azovstal's capacity to produce CTL plate in Ukraine *** percent but the company reported ***. Azovstal reported its overall production capacity for 2003 and explained that ***.

Therefore, the apparent ***. Its capacity also fluctuated with a high in *** of *** tons and a low of *** tons in ***.[129]

Azovstal indicated that it reported CTL plate capacity based on a calculation of its rolling mill capacity using a detailed formula. The firm reported ***.[130] Azovstal's capacity utilization rate remained *** percent in any full year but reached a peak of *** percent during ***, a time of strong global demand. Ukraine's deputy minister of industrial policy has predicted a 19 percent fall, possibly lower, in the country's total steel output year-on-year in 2009.[131]

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[123] Azovstal and Ilyich's joint letter in response to the Commission's request for additional information, October 6, 2008, p. 2.

[124] *Slow demand pushes CIS heavy plate offers down $25*, MetalBulletin, February 23, 2009, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2107497, retrieved July 1, 2009.

[125] *Demand dip pushes CIS slab offers down $20 per tonne*, MetalBulletin, February 23, 2009, found at http://www.metalbulletin.com/PrintArticle.aspx?ArticleID=2107671, retrieved July 1, 2009.

[126] *Gas price for Ukranian steel industry set to halve in 2009*, MetalBulletin, February 19, 2009, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2105111, retrieved July 1, 2009.

[127] Azovstal and Ilyich's joint letter in response to the Commission's request for additional information, October 6, 2008, p. 2.

[128] Azovstal's and Ilyich's joint response to the Commission's notice of institution, September 22, 2008, p. 7.

[129] Azovstal's foreign producer/exporter questionnaire response, sections II-6a and II-6e.

[130] Ibid., section II-7.

[131] *Ukranian steel output will fall 19% in '09, minister predicts*, MetalBulletin, March 12, 2009, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2124427, retrieved July 1, 2009.

Table IV-22
CTL plate: Data for producers in Ukraine, 2003-08, January-June 2008, and January-June 2009

* * * * * * *

CTL plate represented *** percent of Azovstal's total sales during the first reviews and *** percent in the most recent fiscal year.[132] It explained that ***.[133] As a result, the company seeks to first produce more ***.[134] Azovstal produces ***, and ***. Production of subject CTL plate accounted for the ***.[135] Its production of *** fluctuated greatly between 2004 and 2008. The largest annual quantity of *** was manufactured during 2008 while just a third of that quantity was manufactured the year before.[136] In the first half of 2009, Azovstal has produced ***.[137]

The company also produces *** but it did not provide data for these products separately, but rather included them with reported *** based on a standard definition (BS EN 10020:2000 "Definition and Classification of Steel Grades") that includes what the Commission has defined as micro-alloy plate within alloy plate.[138]

The company indicated that it ***.[139] Azovstal reported that it has *** plans to add, expand, curtail, or shut down production capacity and/or production of CTL plate in Ukraine in the foreseeable future. Furthermore, it ***.[140]

Azovstal ***.[141] Azovstal indicated that neither it nor any related firm ***.[142] Since 2003, Azovstal has ***.[143] In addition, ***.[144]

Total shipments of CTL plate produced by Ukranian producer, Azovstal, initially decreased from *** then reached a period high in ***. Total shipments in January-June 2009 were *** percent lower compared to total shipments in January-June 2008. The largest variations occurred in the quantities of CTL plate shipped to *** and exported to ***. Home market shipments were *** in 2006-08.[145] Internal consumption was never ***.

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[132] Azovstal's foreign producer/exporter questionnaire response, section II-9.

[133] Azovstal's foreign producer/exporter questionnaire response, section II-8.

[134] Ibid., preamble, p. 2.

[135] Data for 2003 was not provided and is reportedly not available because of a change in data systems undertaken in 2004. Ibid., section II-16e.

[136] Ibid., section II-21a.

[137] Ibid., section II-21b.

[138] Ibid., section II-16a.

[139] Ibid., sections II-2, II-3.

[140] Ibid., section II-3.

[141] ***, Azovstal's foreign producer/exporter questionnaire response, section I-4.

[142] Ibid., section I-5.

[143] Ibid., section II-10.

[144] Ibid., section II-11.

[145] Steel producers are reportedly hoping that a $16.4 million loan from the International Monetary Fund will boost construction of railways, bridges, hotels, and a new stadium for the Euro 2012 football tournament. *Spotlight: Ukraine metals revival threatened by IMF complications*, MetalBulletin, February 25, 2009, found at http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2114381, retrieved July 1, 2009. The same article noted that "domestic demand makes up a traditionally minor proportion of demand for Ukranian metal, with the export market providing the most orders."

Exports fluctuated during the period and reached their peak in ***. *** were the largest destination for export from Azovstal in ***. Azovstal reported that it ***.[146] However, there is a change in the markets that it identified as its principal export markets. Only *** was identified as a principal export market during the first reviews and the current reviews. During the first reviews the following were identified as Azovstal's principal export markets: ***. Today, Azovstal listed as its principal European Union export markets ***, it principal Asian export markets are *** and its principal other export markets include ***.[147]

Product Mix

Table IV-23 presents data on Ukrainian CTL plate producer, Azovstal's product mix during 2008. During 2008, Azovstal produced CTL plate in *** but plate with a thickness of *** accounted for the bulk, *** percent, of the companys' shipments that year.[148] CTL plate with a thickness between *** was the second largest category while CTL plate of *** accounted for only *** percent of total 2008 shipments.[149]

Table IV-23
CTL plate: Ukranian producers' shipments by plate thickness, 2008

* * * * * * *

Table IV-24 presents data on Azovstal's 2008 shipments by market and by product. The company reported ***. During 2008 the share of its total shipments to its home market, the United States and other export markets was predominantly comprised of ***.[150] However, these *** because Azovstal noted in its questionnaire response that "***."[151]

Table IV-24
CTL plate: Ukranian producers' shipments, by market, and by product, 2008

* * * * * * *

[146] Azovstal's foreign producer/exporter questionnaire response, section II-13.

[147] Azovstal's foreign producer/exporter questionnaire response, section II-16e.

[148] Ibid., section II-18.

[149] Ibid., section II-18.

[150] Azovstal's foreign producer/exporter questionnaire response, section II-18.

[151] Azovstal's foreign producer/exporter questionnaire response, section II-6a.

GLOBAL MARKET

Production

Global production of reversing mill plate has grown considerably since 1997 with especially strong growth during 2003-08. According to one published source,[152] global production of reversing mill plate increased by *** percent between 1997 and 2002, and by *** percent between 2003 and 2008. Production varied widely by region with an overall decline during 1997-2002 in the Americas and Europe while increasing everywhere else. During 2003-08, all regions experienced growth. During both periods, the greatest driver of global production growth was China, which more than doubled its production during 2003-08. Data compiled by *** on historical, current, and forecasted global production of reversing mill plate appear in tables IV-25 through IV-27.[153]

Table IV-25
Reversing mill plate: Global and regional production of reversing mill plate, 1997-2002

* * * * * * *

Table IV-26
Reversing mill plate: Global and regional production of reversing mill plate, 2003-08

* * * * * * *

Table IV-27
Reversing mill plate: Forecast of global and regional production of reversing mill plate, 2008-13

* * * * * * *

Consumption

Data compiled by *** on historical, current, and forecasted global consumption of reversing mill plate are presented in tables IV-28 through IV-30.[154] Worldwide consumption of reversing mill plate increased by *** percent between 1997 and 2002, despite reductions in consumption in North America that were accounted for by consumption declines in the United States. Worldwide consumption increased by *** percent between 2003 and 2008, paced by a more than *** of consumption in China.

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[152] ***.

[153] Production data compiled by *** are for reversing mill plate and are believed to account for a large share of global CTL plate production. Such data do not include plate cut from coils produced on hot-strip mills or on "Steckel" mills, as such mills are not dedicated to plate production. *** data includes both carbon and non-carbon steel; accordingly, the production totals reported for reversing mill plate production are somewhat overstated.

[154] Likewise, consumption data compiled by *** are for reversing mill plate and are believed to account for the large majority of global CTL plate consumption, although such data do not include plate cut from coils produced on a strip mill or Steckel mill plate. *** data do not distinguish between carbon and non-carbon steel; accordingly, the consumption totals reported for reversing mill plate are somewhat overstated.

Table IV-28
Reversing mill plate: Global and regional consumption of reversing mill plate, 1997-2002

* * * * * * *

Table IV-29
Reversing mill plate: Global and regional consumption of reversing mill plate, 2003-08

* * * * * * *

Table IV-30
Reversing mill plate: Forecast of global and regional consumption of reversing mill plate, 2008-13

* * * * * * *

Prices

Published price data are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without the consent of their publisher. These data, however, are collected based on different product categories, timing, and commercial considerations, and thereby 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 for sales in the U.S. market from different sources and collected directly from U.S. producers and U.S. importers via the Commission's questionnaires according to precise product definitions.

As reported by MEPS, world prices for hot-rolled plate increased irregularly between January 2003 and January 2005, increasing from $296 per short ton to $686 per short ton during that time. After January 2005, prices declined for the rest of that year to $588 per short ton in December. Prices began to recover in 2006, increasing from $590 per short ton in January to $687 in December. During 2007, prices increased almost continuously from $678 per short ton to $759 per short ton in December. Prices experienced continuous increases for the first half of 2008 from $768 per short ton in January to a peak of $1,186 per short ton in July. Thereafter, prices decreased precipitously, falling from $1,179 per short ton in August 2008 to $549 per short ton in May 2009. ***.[155] [156]

As presented in tables IV-31 and IV-32, country- and region-specific monthly transaction prices for hot-rolled plate are also compiled by MEPS and World Steel Dynamics,[157] and show monthly price fluctuations across major producing countries. Across all markets, however, prices swept upwards through the first half of 2008 and into the second half, before declining rapidly through the early months of 2009, then starting to stabilize in the summer of 2009 for most regions.

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[155] Original data are published in metric tons, and were converted to short tons using the following conversion factor: 1 metric ton = 1.1023 short tons. MEPS, *World Carbon Steel Product Prices*, found at http://www.meps.co.uk/World%20Carbon%20Price.htm, retrieved September 24, 2009. This pricing series is available to the public and its use is unrestricted; as of September 24, 2009, public price data up to May 2009 were available.

[156] Prices are an arithmetic average of the low transaction values identified in the EU, Asia, and North America, converted into U.S. dollars.

[157] MEPS, *International Steel Review*, January 2008 - September 2009, and World Steel Dynamics, *Steel Benchmarker: Price History*, http://www.steelbenchmarker.com/files/history.pdf, retrieved September 25, 2009.

Table IV-31
Hot-rolled plate: Negotiated transaction prices (ex-mill) for prime hot-rolled plate, by selected country or region and by month, January 2008-September 2009

* * * * * * *

Table IV-32
Hot-rolled plate: Transaction prices, by selected country or region, and by month, January 2008-September 2009

Period	United States (fob mill)	China (ex-works)	Western Europe (ex-works)	World export price (fob port of export)
		2008 (*U.S. dollars per short ton*)		
January	830	537	833	743
February	885	594	914	813
March	949	637	961	904
April	1,080	678	1,032	987
May	1,262	713	1,125	1,097
June	1,324	722	1,200	1,119
July	1,439	721	1,213	1,135
August	1,434	661	1,139	1,050
September	1,356	604	1,090	996
October	1,293	414	874	761
November	1,067	383	769	522
December	919	396	761	497
		2009 (*U.S. dollars per short ton*)		
January	825	431	779	533
February	756	406	729	533
March	675	374	586	484
April	593	361	500	469
May	558	376	563	439
June	533	394	523	481
July	595	427	([1])	496
August	619	425	([1])	509
September	632	397	([1])	512

[1] Data are unavailable.

Note.–World Steel Dynamics defines hot-rolled plate as having the following dimensions: 24mm x 2400mm x 6000mm except for the United States where plate has the dimensions: 1" x 96" x 240".
Note.–Transaction prices reflect the most recent actual transaction price adjusted to eliminate any surcharges for transaction quantities in the range of 551 - 2,205 short tons. World Steel Dynamics releases prices semi-monthly. Only the second issued monthly price is given unless it is unavailable in which case the first issued monthly price is given.
Transaction references in different areas are as follows:
United States - East of the Mississippi
Western Europe - France and Germany
World export market - Atlantic and Pacific Basins

Source: Compiled from data published by World Steel Dynamics, *Steel Benchmarker: Price History*, http://www.steelbenchmarker.com/files/history.pdf, retrieved September 25, 2009.

In addition, *** compiles country- and region-specific monthly prices for steel plate, presented in table IV-33. Based on ***'s published monthly prices for steel plate, during most of 2003, U.S. prices were lower than all other regions except the Far East. In September, U.S. prices exceeded those in Western Europe, Japan, and Far East. U.S. prices continued to climb in relation to other regions and exceeded all regions except the UK at the beginning of 2004. During the latter half of 2004, U.S. prices were higher than in all other regions. During 2005, U.S. prices remained higher than in most other regions with the exception of Germany and the UK; prices in those two countries sometimes exceeded the U.S. price during 2005. During most of 2006, U.S. prices exceeded prices in other regions except for the UK in May and August. From November 2006 - April 2008, prices in Germany and the UK exceeded U.S. prices. Beginning in May 2008 and continuing until September 2008, U.S. prices increased and generally exceeded prices in the rest of the world. September 2008 marked the beginning of a global price decrease that continued through early 2009. During June-July 2009, prices began to stabilize in most regions, increased in August 2009, and in September 2009 in most regions either increased or stabilized with the exception of China and the Far East. Industry sources differ on the reason for these price movements and their significance. One source states that demand in the plate market has strengthened during the last few months.[158] Another source believes that price increases in the United States due to increased scrap costs ended in July but demand is beginning to increase; that demand in China is poor; that in Japan one major producer increased prices in September, and that in Western Europe, government stimulus packages in various countries are starting to generate increased plate demand.[159]

Table IV-33
Plate: Prices for steel plate, by country or by region, and by month, January 2003-September 2009

* * * * * * *

Additional Global Supply and Demand Factors

Demand

The economic downturn that began in the third quarter of 2008 continues to impact CTL plate demand. The current economic weakness is global in scope with the combined impacts of recession, credit crunch, and lack of consumer confidence.[160] The major plate-consuming industries -- construction, energy (pipelines for oil and gas), shipbuilding, and transportation, must be able to obtain financing for their projects but the current credit crunch has reportedly dried up funding resulting in a decrease in plate consumption.[161] Industry sources report that many projects have been canceled due to the lack of

[158] ***.

[159] MEPS International Steel Review, September 2009 edition.

[160] The World Bank, "World Bank Updates Global Economic Forecasts," http://web.worldbank.org/, March 31, 2009, retrieved July 27, 2009.

[161] American Metal Market, "Low steel demand to hit output through '09: Fitch," http://www.amm.com/2009-07-06__16-35-23.html, July 6, 2009, retrieved August 3, 2009.

financing.[162] There are various industry opinions on current steel demand with some sources claiming an increase in steel demand while others believe that steel demand is weak except for the automotive sector.[163] Information on global consumption by plate-consuming industries is presented in table IV-34.

Table IV-34
Plate: Actual and forecasted global consumption by selected end-use industry segment, 2003-13

* * * * * * *

Producers, importers, and purchasers were asked how demand for CTL plate outside the United States has changed since January 2003. Nine producers, seven importers, and ten purchasers reported that demand outside the United States fluctuated, citing similar factors that affected U.S. demand (increased demand until mid- to late-2008, and then decreased demand due to global recession). Several firms alluded to China's prominence both as a consumer and a producer of CTL plate, along with high-growth countries such as India. Two producers, two importers, and four purchasers reported that demand outside the United States increased. One producer reported that demand outside the United States decreased, and two importers and seven purchasers reported that demand remained the same.

According to the domestic interested parties, U.S. and global CTL plate demand is currently weak and will remain so for the reasonably foreseeable future,[164] and the U.S. industry is "suffering through the worst steel market in decades."[165]

Supply

Producers have cut production sharply since 2008, attempting to match the decrease in demand. As shown in table IV-27, production is projected to decline during 2008-09 and is not expected to recover until 2011. However, the production cutbacks during 2008 and the first half of 2009 were insufficient to stop the decline in prices. Exacerbating the supply situation was the high level of inventories. Although inventories decreased in absolute terms, they were still high as a ratio to shipments. North American service centers had about four months' worth of inventories while Europe's inventories were equivalent to six months' sales. These levels were considered well above normal.[166] The high inventory levels resulted in service centers selling off inventory instead of purchasing new plate for sales, which helped put downward pressure on prices.[167]

However, the extent of sales from inventory during the last several months suggests that destocking may be coming to an end soon.[168] Data from Metals Service Centers Institute for the United States show that plate shipments increased for two consecutive months in June and July 2009 (although June and July shipment quantities are still below those even of March 2009) before decreasing in August

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[162] American Metal Market, "Carbon plate said on course for price uptick," http://www.amm.com/2009-07-31__17-38-58.html, July 31, 2009, retrieved August 3, 2009.

[163] American Metal Market, "Hot band tags forge higher; China still defying trend,"September 16, 2009, http://www.amm.com/2009-09-16__14-45-29.html, retrieved September 17, 2009.

[164] ArcelorMittal's posthearing brief, p. 5, SSAB's and Evraz's posthearing brief, pp. 29-34, and U.S. Steel's posthearing brief, p. 6.

[165] Nucor's posthearing brief, p. 12.

[166] ***.

[167] Ibid.

[168] ***.

2009. Plate inventories decreased steadily during January-July; service centers had about four months' worth of inventories in January decreasing to three months' worth in July and August.[169]

Recent mill furnace restart announcements may also indicate increased steel supply albeit not necessarily increased CTL plate supply. ArcelorMittal restarted its furnace in East Chicago, IN, in July 2009 and announced plans to restart its Cleveland, OH, furnace in September.[170] In August 2009, U.S. Steel announced plans to restart one of three furnaces (all are currently idled) at its Great Lakes Works in Michigan but the restart was delayed due to technical issues.[171] Furnace restarts have also been announced in other countries; a selection of these announcements are presented in table IV-35.

Table IV-35
Selected blast furnace restarts, by country, 2009

Country	Company	Restart date
Russia	Evraz (West Siberia)	June
Russia	Magnitogorsk	September
Russia	Mechel (Chelyabinsk)	April
Ukraine	Ilyich	November
Austria	Voestalpine (Linz)	September
Belgium	ArcelorMittal (Ghent)	August
Brazil	Gerdau (Açominas)	July
Brazil	Usimas (Ipatinga)	July
France	ArcelorMittal (Florange)	Third quarter
Holland	Corus (IJmuiden)	June
Italy	Ilva (Taranto)	September or October
Japan	Nippon Steel (Oita)	August
Korea	Posco (Gwangyang)	July
Spain	ArcelorMittal (Gijón)	September
Taiwan	China Steel Corp.	August
United Kingdom	Corus (Port Talbot)	October

Source: Compiled from articles published in American Metal Market, Metal Bulletin, and a press release by Mechel.

Capacity

As shown in table IV-36, worldwide, in 2008, the majority of reversing mill plate capacity resided in East and South East Asia - *** percent, by ***'s estimate, compared to *** percent in Western Europe. The Commonwealth of Independent States (CIS) accounted for a further *** percent.

[169] Metals Service Centers Institute, *Metals Activity Report, Monthly Shipments and Inventory*, January-August 2009.

[170] American Metal Market, "ArcelorMittal fires up Ind. furnace; more said on way," July 29, 2009, http://www.amm.com/2009-07-29__17-17-52.html, retrieved September 22, 2009 and "ArcelorMittal restarting second Cleveland blast furnace," September 11, 2009, http://www.amm.com/2009-09-11__18-16-08.html , retrieved September 22, 2009.

[171] American Metal Market, "Furnace problem delays USS' Great Lakes restart," August 13, 2009, http://www.amm.com/2009-08-13__17-15-51.html, retrieved September 17, 2009.

Table IV-36
Reversing plate mills: Capacity, by region, 2008

* * * * * * *

Safeguard Measures

While there are currently no safeguard measures in place for CTL plate, several countries implemented or maintained safeguard measures during the period examined, 2003-08. The tabulation below presents data on the products covered, countries, and implementation and termination dates for these safeguard measures.[172]

Country	Products covered	Safeguard type	Implementation date	Termination date
European Union	Subject products: Carbon steel plate. Non-subject products: Hot-rolled and cold-rolled sheet, and strip. Alloy steel flat-rolled products. Alloy steel fittings and flanges.	Definitive– Initial tariff quotas are based on the average annual import volume over the prior 3 years plus 10 percent. The quota level is to increase by 5 percent in each subsequent year beginning Sept. 29, 2002. Tariff rates for above-quota imports range from 14.1 percent to 26.0 percent depending on product category.	Sept. 29, 2002	Dec. 5, 2003
Hungary	Subject products: Carbon steel plate. Non-subject products: Carbon sheet, bar, rod, sections, pipe, tube, hollow profiles, wire-cloth, grill netting, and fencing.	Tariff rate quota increases by 2.5 percent in each successive 6-months period. Tariff rates for above-quota imports set between 15-25 percent, depending on product category, and declines by 5 percent in each successive 6-months period.	Provisional: June 3, 2002 Definitive: Apr. 2, 2003	May 1, 2004
United States	Subject products: Carbon steel plate. Non-subject products: clad plate, slab, hot-rolled sheet, cold-rolled sheet, coated sheet, hot-rolled bar and light shapes, cold-finished bar, reinforcing bar, certain welded pipe and tube, fittings and flanges, stainless steel bar, stainless steel rod, and stainless steel wire.	Tariff rate of 30 percent in the first year, 24 percent in the second year, and 18 percent in the third year.	March 20, 2002	December 4, 2003

[172] Data were obtained from the World Trade Organization.

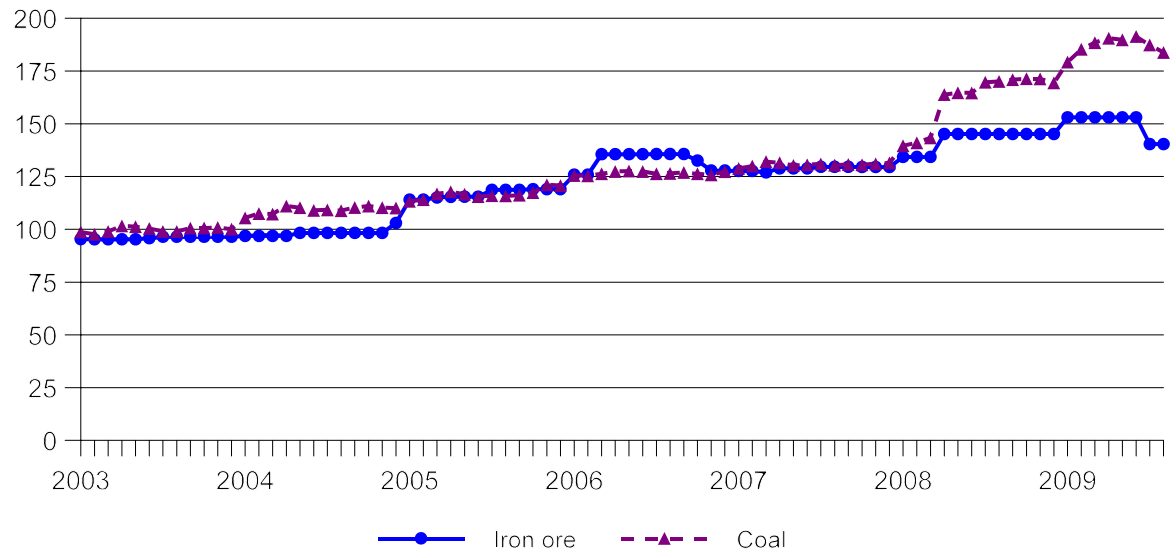
PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials constitute a substantial portion of the final cost of CTL plate. The key costs in producing CTL plate are raw materials such as iron ore, coal, and steel scrap, along with energy and labor costs. The price of iron ore and coal remained relative stable during 2003-07 and began to increase in 2008 (figure V-1). However, prices of iron and steel scrap[1] increased between 2003 and 2004, fluctuated at higher levels before rising steeply, then declining sharply, in 2008, and partially recovering in 2009 (figure V-2). In addition, the prices of blast furnace coke, natural gas, and electricity generally rose between 2003 and 2008, with noticeable increases for each in 2008 and declines in 2009 (table V-1).

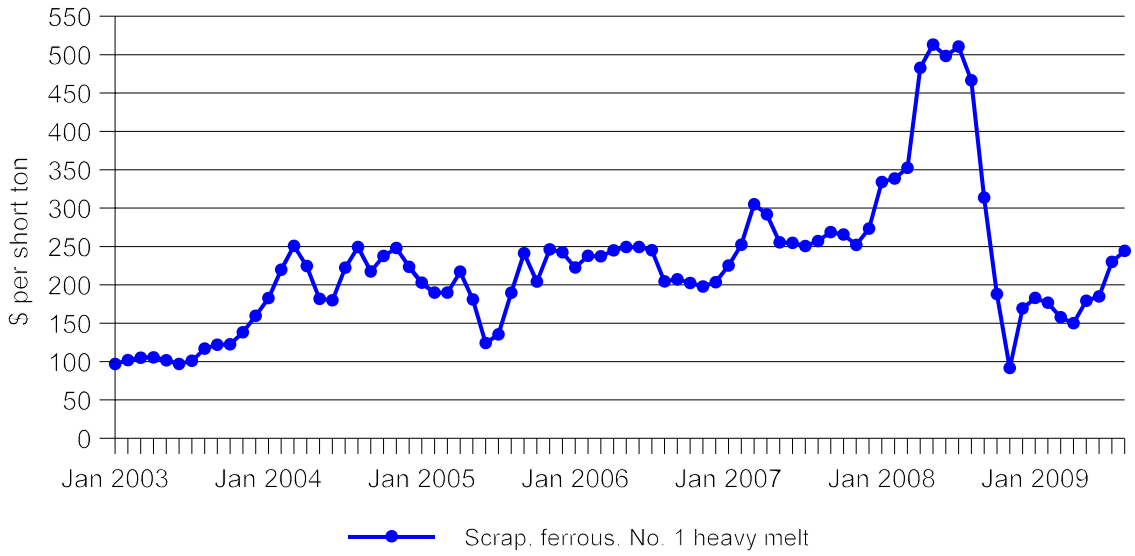
Figure V-1
Material costs: Producer price indexes of iron ore and coal by months, January 2003-August 2009 (May-August 2009 = predicted prices)



Source: U.S. Bureau of Labor Statistics, http://data.bls.gov/cgi-bin/srgate, September 16, 2009.

[1] U.S. integrated plate facilities (such as ArcelorMittal's) are self-sufficient in iron ore and make most of their own coke. Other plate facilities, such as SSAB's and Nucor's, use scrap as their primary raw material.

Figure V-2
Material costs: Consumer prices of iron and steel scrap by months, January 2003-August 2009



Source: American Metals Market, http://www.amm.com/pricing/, September 21, 2009.

Table V-1
Energy costs: U.S. natural gas, electricity, and coke prices, 2003-09

Item	2003	2004	2005	2006	2007	2008	2009 projected/estimated	
U.S. natural gas industrial price[1]	$5.89	$6.53	$8.56	$7.87	$7.65	$9.58	$4.90 - projected	
Electricity industrial price[2]	5.1¢	5.3¢	5.6¢	6.2¢	6.4¢	7.2¢	7.0¢ -projected	
Blast furnace coke prices[3] [4]	$95.00	$198.00	$244.00	$172.00	$214.00	$513.00	Jan-Mar -estimated $100.47	Apr-Jun -estimated $96.60

[1] Price to industrial users per thousand cubic feet.
[2] Price to industrial users per kilowatt-hour.
[3] Price to industrial users per short ton.
[4] Prices are estimated average prices on the spot market and may not represent prices actually paid by U.S. steel companies. U.S. companies who purchase coke do so primarily under contracts (possibly long-term) with their suppliers.

Sources: U.S. Energy Information Administration, http://www.eia.doe.gov; U.S. Department of Energy; Short-Term Energy Outlook (September 9, 2009); U.S. Department of Commerce; American Coke and Coal Chemicals Institute.

When asked to discuss changes in raw material costs since January 2003, most responding firms indicated that fluctuations in these costs have affected prices, reporting, for example, that extreme scrap price volatility "has placed a great burden on managing sales"[2] of CTL plate since 2003 and has been "unprecedented in recent years with 2008 proving the most dramatic."[3] Raw material prices also reportedly decreased recently less than finished good prices "on a percentage and absolute basis."[4] The majority of U.S. producers and importers reported that CTL plate prices follow the raw material prices trend closely. In particular, as discussed in greater detail in Part II, several U.S. producers and purchasers reported the use of surcharges to pass on raw material costs, generally beginning in 2004. Some responding firms reported that raw materials price volatility will remain present in the CTL plate industry and will perpetuate the uncertainty about future costs.[5]

U.S. Inland Transportation Costs

Five of 6 responding producers and 8 of 16 responding importers indicated that their firm generally arranges for transportation to the customers' locations. U.S. producers estimated their U.S. inland transportation costs were between 1.5 and 5.0 percent, while importers estimated that their transportation costs ranged between zero (when selling direct discharge to truck) and 10.0 percent.

Transportation Costs to the U.S. Market

Transportation costs of CTL plate from China, Russia, and Ukraine to the U.S. market are estimated to be 8.5 percent, 9.4 percent, and 7.3 percent respectively of the 2008 customs value. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value. Freight costs, as measured by the Baltic Dry Index, increased noticeably through the summer of 2008, then decreased sharply through the end of the year and have remained at lower levels in 2009 (figure V-3).

[2] *** questionnaire.

[3] *** U.S. producers' questionnaire.

[4] Ibid.

[5] *** U.S. producers' questionnaire and *** U.S. importers' questionnaire.

Figure V-3
Transportation costs: Baltic Dry Index, April 2006-August 2009

Source: http://stockcharts.com/h-sc/ui, retrieved August 10, 2009.

PRICING PRACTICES

Pricing Methods

Seven of 15 responding producers indicated that they determined prices on a transaction-by-transaction basis, 2 firms indicated that they use price lists, and 6 producers reported using combination of methods. Eleven of 15 responding importers reported that they determine prices on a transaction-by-transaction basis, 1 firm uses set price lists, and three use contracts (2 in conjunction with transaction-by-transaction negotiation).

The majority of U.S. producers (9 of 15) and U.S. importers (10 of 13) quote prices on an f.o.b. basis.[6] Of the remaining responding producers and importers, 3 producers and 1 importer usually quote prices on a delivered basis, and 3 producers and 2 importers quote prices using both methods.

CTL plate is commonly sold on a spot and, to a lesser extent, short- and long-term contract basis. Fourteen of 15 producers sell the majority of their product on a spot basis. Five producers reported that they sell CTL plate on long-term contracts (the share of total sales varies between 3 and 15 percent). Ten other producers reported that they sell CTL plate on short-term contracts (the share of total sales varies between 5 and 52 percent). Of the responding importers, 11 firms sell subject product only on a spot sale basis, while 2 firms sell the majority of their CTL plate on a spot basis; 2 firms reported only short-term contracts, and 1 firm reported selling on a spot, long- and short-term contracts.

Five producers reported long-term contracts that varied between 3 and 36 months. Only one importer reported long-term contracts of 3 years. Ten producers and 4 importers reported similar short-term contract characteristics: contracts varied between 3 and 12 months.

The majority of producers' and importers' short-term contracts can be renegotiated. Eight responding producers and the four responding importers reported that both prices and quantities are initially fixed, and one producer reported that only quantity is fixed during a short-term contract period.

[6] Producers generally quote f.o.b. warehouse or f.o.b. plant. Importers usually quote f.o.b. port of entry.

Sales Terms and Discounts

Discount policies vary widely among U.S. producers and importers of CTL plate. Questionnaire responses indicate that producers are more likely to provide discounts than importers. Five of 13 producers reported one or more discount policies, while the remaining 8 reported no discount policy. Among the producers reporting discount policies, quantity discounts and total annual volume discounts were both reported by two producers. Thirteen of 15 importers reported having no discount policy, while 1 reported quantity discounts and 1 reported both quantity and annual total volume discounts.

PRICE DATA

U.S. producers and importers of CTL plate were asked to provide quarterly data for the total quantity and f.o.b. (U.S. point of shipment) value of four selected products that were shipped to unrelated customers in the U.S. market from January 2003 through June 2009. The products for which pricing data were requested were as follows:

> ***Product 1***.**-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.250" thick.**
>
> ***Product 2***.**-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.3125" thick.**
>
> ***Product 3***.**-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.375" through 2.00" in thickness.**
>
> ***Product 4***.**-- Hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edges, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.5" through 1.5" in thickness.**

Eight U.S. producers and 3 importers provided price data. By quantity, pricing data provided by responding firms accounted for approximately 15.1 percent of U.S. producers' commercial shipments during January 2003-June 2009, 55.3 percent of reported U.S. commercial shipments of imports from China, 44.7 percent of reported U.S. commercial shipments of imports from Russia, and 9.1 percent of such shipments from Ukraine.[7] Price data are presented in tables V-2 to V-5 and figure V-4.

[7] Out of the 85 quarters of possible price comparisons, 3 included particularly low or high prices. Staff reviewed these data and, in each instance, the prices and quantities were verified by the responding importers.

Table V-2
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 1, and margins of underselling/(overselling), January 2003-June 2009

Period	United States		Russia			Ukraine		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	per short ton	*short tons*	*per short ton*	*short tons*	*percent*	*per short ton*	*short tons*	*percent*
2003:								
January-March	$378	14,222	-	0	-	-	0	-
April-June	367	19,902	-	0	-	-	0	-
July-September	368	20,932	-	0	-	-	0	-
October-December	398	13,797	-	0	-	-	0	-
2004:								
January-March	560	19,358	-	0	-	-	0	-
April-June	759	17,959	***	***	***	-	0	-
July-September	857	16,814	-	0	-	-	0	-
October-December	841	13,268	-	0	-	-	0	-
2005:								
January-March	797	17,423	***	***	***	-	0	-
April-June	755	17,682	-	0	-	-	0	-
July-September	762	18,673	-	0	-	-	0	-
October-December	798	17,845	***	***	***	-	0	-
2006:								
January-March	742	25,863	***	***	***	-	0	-
April-June	800	25,550	***	***	***	-	0	-
July-September	818	23,130	***	***	***	***	***	***
October-December	782	17,894	***	***	***	-	0	-
2007:								
January-March	718	26,173	***	***	***	***	***	***
April-June	766	21,929	***	***	***	-	0	-
July-September	748	18,521	***	***	***	-	0	-
October-December	737	16,953	***	***	***	-	0	-
2008:								
January-March	804	20,715	***	***	***	-	0	-
April-June	1,092	20,311	***	***	***	-	0	-
July-September	1,289	17,787	***	***	***		0	-
October-December	***	***	***	***	***		0	-
2009:								
January-March	724	11,735	***	***	***		0	-
April-June	632	2,659	***	***	***		0	-

Product 1 – Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.250" thick.

Note.--Margins are calculated from unrounded data.

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

Table V-3
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 2, and margins of underselling/(overselling), January 2003-June 2009

Period	United States		Russia			Ukraine		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	per short ton	*short tons*	*per short ton*	*short tons*	*percent*	*per short ton*	*short tons*	*percent*
2003:								
January-March	$376	2,492	-	0	-	-	0	-
April-June	373	3,493	-	0	-	-	0	-
July-September	383	3,340	-	0	-	-	0	-
October-December	401	2,291	-	0	-	-	0	-
2004:								
January-March	526	5,252	-	0	-	-	0	-
April-June	728	5,049	-	0	-	-	0	-
July-September	811	4,676	-	0	-	***	***	***
October-December	782	2,862	-	0	-	-	0	-
2005:								
January-March	840	3,029	-	0	-	***	***	***
April-June	751	3,498	-	0	-	-	0	-
July-September	735	3,608	-	0	-	-	0	-
October-December	763	2,656	-	0	-	-	0	-
2006:								
January-March	749	4,611	-	0	-	-	0	-
April-June	789	4,172	***	***	***	-	0	-
July-September	786	5,092	***	***	***	-	0	-
October-December	775	4,329	***	***	***	-	0	-
2007:								
January-March	751	3,521	***	***	***	***	***	***
April-June	799	3,645	***	***	***	-	0	-
July-September	762	4,023	-	0	-	-	0	-
October-December	718	3,124	-	0	-	-	0	-
2008:								
January-March	800	3,431	-	0	-	-	0	-
April-June	1,101	3,700	-	0	-	-	0	-
July-September	1,191	5,084	-	0	-	-	0	-
October-December	***	***	-	0	-	-	0	-
2009:								
January-March	918	2,632	-	0	-	-	0	-
April-June	650	756	-	0	-	***	***	***

Product 2 – Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.3125" thick.

Note.--Margins are calculated from unrounded data.

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

Table V-4
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 3, and margins of underselling/(overselling), January 2003-June 2009

Period	United States		China			Russia		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	per short ton	*short tons*	*per short ton*	*short tons*	*percent*	*per short ton*	*short tons*	*percent*
2003:								
January-March	$310	146,101	-	0	-	-	0	-
April-June	303	164,096	-	0	-	-	0	-
July-September	310	183,712	-	0	-	-	0	-
October-December	***	***	-	0	-	-	0	-
2004:								
January-March	431	195,692	-	0	-	-	0	-
April-June	569	194,801	-	0	-	-	0	-
July-September	664	200,207	-	0	-	-	0	-
October-December	722	145,244	-	0	-	***	***	***
2005:								
January-March	***	***	-	0	-	-	0	-
April-June	708	147,795	-	0	-	-	0	-
July-September	643	169,042	-	0	-	-	0	-
October-December	692	170,157	-	0	-	***	***	***
2006:								
January-March	692	201,773	-	0	-	***	***	***
April-June	703	227,280	-	0	-	***	***	***
July-September	718	202,049	-	0	-	***	***	***
October-December	705	158,873	-	0	-	***	***	***
2007:								
January-March	687	158,859	-	0	-	***	***	***
April-June	723	174,237	-	0	-	***	***	***
July-September	706	197,342	-	0	-	***	***	***
October-December	691	186,138	-	0	-	***	***	***
2008:								
January-March	726	249,397	-	0	-	***	***	***
April-June	1,047	236,026	-	0	-	***	***	***
July-September	1,285	223,110	-	0	-	***	***	***
October-December	1,134	103,969	***	***	***	***	***	***
2009:								
January-March	715	100,898	-	0	-	***	***	***
April-June	533	66,110	-	0	-	***	***	***

Table continued on following page.

Table V-4-- *Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 3, and margins of underselling/(overselling), January 2003-June 2009

	United States		Ukraine		
	Price	Quantity	Price	Quantity	Margin
Period	*per short ton*	*short tons*	*per short ton*	*short tons*	*percent*
2003:					
January-March	$310	146,101	-	0	-
April-June	303	164,096	-	0	-
July-September	310	183,712	-	0	-
October-December	***	***	-	0	-
2004:					
January-March	431	195,692	-	0	-
April-June	569	194,801	-	0	-
July-September	664	200,207	***	***	***
October-December	722	145,244	***	***	***
2005:					
January-March	***	***	***	***	***
April-June	708	147,795	***	***	***
July-September	643	169,042	***	***	***
October-December	692	170,157	***	***	***
2006:					
January-March	692	201,773	-	0	-
April-June	703	227,280	***	***	***
July-September	718	202,049	***	***	***
October-December	705	158,873	***	***	***
2007:					
January-March	687	158,859	***	***	***
April-June	723	174,237	-	0	-
July-September	706	197,342	-	0	-
October-December	691	186,138	-	0	-
2008:					
January-March	726	249,397	-	0	-
April-June	1,047	236,026	-	0	-
July-September	1,285	223,110	***	***	***
October-December	1,134	103,969	***	***	***
2009:					
January-March	715	100,898	***	***	***
April-June	533	66,110	***	***	***

Product 3 – Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.375" through 2.00" in thickness.

Note.--Margins are calculated from unrounded data.

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

Table V-5
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 4, and margins of underselling/(overselling), January 2003-June 2009

	United States		China			Russia		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
Period	*per short ton*	*short tons*	*per short ton*	*short tons*	*percent*	*per short ton*	*short tons*	*percent*
2003:								
January-March	$332	57,012	-	0	-	-	0	-
April-June	333	69,594	-	0	-	-	0	-
July-September	331	61,233	-	0	-	-	0	-
October-December	330	63,526	-	0	-	-	0	-
2004:								
January-March	446	74,862	-	0	-	-	0	-
April-June	576	76,902	-	0	-	-	0	-
July-September	683	83,164	-	0	-	-	0	-
October-December	760	75,251	-	0	-	-	0	-
2005:								
January-March	775	68,549	***	***	***	-	0	-
April-June	756	51,927	***	***	***	-	0	-
July-September	720	40,296	***	***	***	-	0	-
October-December	728	41,603		0		-	0	-
2006:								
January-March	743	63,391	***	***	***	***	***	***
April-June	760	69,905	***	***	***	***	***	***
July-September	769	55,963	***	***	***	***	***	***
October-December	759	48,799	***	***	***	***	***	***
2007:								
January-March	746	44,120	-	0	-	***	***	***
April-June	775	52,930	-	0	-	***	***	***
July-September	773	56,604	-	0	-	***	***	***
October-December	751	55,475	-	0	-	-	0	-
2008:								
January-March	***	***	-	0	-	***	***	***
April-June	1,025	71,012	-	0	-	***	***	***
July-September	1,301	67,907	-	0	-	***	***	***
October-December	1,218	48,307	***	***	***	***	***	***
2009:								
January-March	833	25,286	-	0	-	***	***	***
April-June	626	23,940	-	0	-	-	0	-

Table continued on following page.

Table V-5-- *Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities for product 4, and margins of underselling/(overselling), January 2003-June 2009

	United States		Ukraine		
	Price	Quantity	Price	Quantity	Margin
Period	*per short ton*	*short tons*	*per short ton*	*short tons*	*percent*
2003:					
January-March	$332	57,012	-	0	-
April-June	333	69,594	-	0	-
July-September	331	61,233	-	0	-
October-December	330	63,526	-	0	-
2004:					
January-March	446	74,862	-	0	-
April-June	576	76,902	-	0	-
July-September	683	83,164	***	***	***
October-December	760	75,251	***	***	***
2005:					
January-March	775	68,549	***	***	***
April-June	756	51,927	-	0	-
July-September	720	40,296	-	0	-
October-December	728	41,603	-	0	-
2006:					
January-March	743	63,391	-	0	-
April-June	760	69,905	-	0	-
July-September	769	55,963	-	0	-
October-December	759	48,799	***	***	***
2007:					
January-March	746	44,120	***	***	***
April-June	775	52,930	-	0	-
July-September	773	56,604	-	0	-
October-December	751	55,475	-	0	-
2008:					
January-March	***	***	-	0	-
April-June	1,025	71,012	-	0	-
July-September	1,301	67,907	-	0	-
October-December	1,218	48,307	***	***	***
2009:					
January-March	833	25,286	-	0	-
April-June	626	23,940	***	***	***

Product 4 – Hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edges, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.5" through 1.5" in thickness.

Note.--Margins are calculated from unrounded data.

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

Figure V-4
CTL plate: Weighted-average f.o.b. prices and quantities of products 1-4, by country, January 2003-June 2009

* * * * * * *

Price Trends

Overall, prices for both U.S.-produced and imported CTL plate fluctuated during the period January 2003-June 2009.[8] Specifically, there were two major increases in 2004 and 2008, followed by a steep decline in the final three quarters of the period examined. Table V-6 presents a summary of price trends, by country.

Table V-6
CTL plate: Summary of weighted-average f.o.b. prices for products 1-5, by country

Country	Number of quarters	Highest price	Lowest price	Percentage increase (decrease) in price[1]
		Per short ton	*Per short ton*	*Percent*
	Product 1			
United States	26	$1,289	$367	67.1
China	-	-	-	-
Russia	***	***	***	***
Ukraine	***	***	***	***
	Product 2			
United States	26	1,191	373	72.5
China	-	-	-	-
Russia	***	***	***	***
Ukraine	***	***	***	***
	Product 3			
United States	26	1,285	303	72.1
China	***	***	***	***
Russia	***	***	***	***
Ukraine	***	***	***	***
	Product 4			
United States	26	1,301	330	88.7
China	***	***	***	***
Russia	***	***	***	***
Ukraine	***	***	***	***

[1] Percentage change from the first quarter in which price data were available to the last quarter in which price data were available.

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

[8] In September 2009, "prices have inched higher in the past few weeks, with carbon coiled and cut-to-length plate now around $660 per ton, up 3.1 percent from $640 per ton. Sources said prices have risen due to increases in scrap prices and a tightness of supply in the market." *(AMM) Plate tags rising despite lack of spark from infrastructure stimulus*, MetalBuletin, http://www.metalbulletin.com//PrintArticle.aspx?ArticleID=2305819, September 29, 2009.

Weighted-average prices for domestic CTL plate increased substantially in 2004, fluctuated within a narrow band until first quarter of 2008, started to increase again in the second quarter of 2008, then peaked around the third quarter of 2008. By the end of the period, however, prices had returned to levels similar to 2004 prices. Prices for imports from China, Russia, and Ukraine followed a similar pattern to the U.S. prices.

Purchasers were asked if there has been a change in the price of domestically produced and Chinese-origin CTL plate since 2003. Eleven of 21 responding purchasers reported that U.S.-produced CTL plate has changed relative to the price of CTL plate from China; 9 firms reported that prices have changed by the same amount; and 1 firm reported no change in price. Of the purchasers reporting change in prices of domestically produced and Chinese CTL plate, 2 purchasers also reported that domestic CTL plate is lower priced than Chinese CTL plate, and 7 purchasers reported that domestic CTL plate is priced higher than Chinese CTL plate.

Purchasers were also asked if there has been a change in the price of domestically produced and Russian-origin CTL plate since 2003. Ten of 23 responding purchasers reported that U.S.-produced CTL plate has changed relative to the price of CTL plate from Russia; 11 firms reported that prices have changed by the same amount; and 2 firms reported no change in price. Of the purchasers reporting change in prices of domestically produced and Russian CTL plate, 3 purchasers also reported that domestic CTL plate is lower priced than Russian CTL plate, and 4 purchasers reported that domestic CTL plate is priced higher than Russian CTL plate.

Purchasers were also asked if there has been a change in the price of domestically produced and Ukrainian-origin CTL plate since 2003. Eight of 20 responding purchasers reported that U.S.-produced CTL plate has changed relative to the price of CTL plate from Ukraine; 10 firms reported that prices have changed by the same amount; and 2 firms reported no change in price. Of the purchasers reporting change in prices of domestically produced and Ukrainian CTL plate, 3 purchasers also reported that domestic CTL plate is lower priced than Ukrainian CTL plate, and 3 purchasers reported that domestic CTL plate is priced higher than Ukrainian CTL plate.

When purchasers were asked if there was a price leader in the CTL plate industry, 27 of the purchasers reported “yes,” with nearly all purchasers citing more than one U.S. producer. U.S. purchasers most frequently identified ArcelorMittal, Nucor, and SSAB as price leaders. Most purchasers reported that these firms exhibited price leadership by being the first to announce changes in price.

Price Comparisons

As shown in table V-7, there were 85 instances where prices for domestic CTL plate and imported CTL plate from China, Russia, and Ukraine could be compared. U.S.-produced CTL plate products were priced higher than imports from China, Russia, and Ukraine in 42 of the 85 possible comparisons.

Table V-7
CTL plate: Instances of underselling/overselling and the range and average of margins, January 2003-June 2009

Item	Underselling			Overselling		
	Number of instances	Range (*percent*)	Average margin (*percent*)	Number of instances	Range (*percent*)	Average margin (*percent*)
Product 1[1]	5	0.0-24.8	11.6	13	0.6-59.2	13.8
Product 2	6	4.5-29.6	18.0	3	1.9-24.6	12.5
Product 3	14	1.1-19.1	7.3	17	5.0-60.7	19.5
Product 4	17	0.9-72.4	12.9	10	0.5-33.0	10.8
Total	**42**			**43**		
China	4	0.9-16.5	8.2	5	0.5-21.9	10.4
Russia[1]	22	0.0-72.4	9.9	27	0.6-60.7	14.5
Ukraine	16	3.7-29.6	14.5	11	2.8-59.2	19.2
Total	**42**	**0.9-72.4**	**11.6**	**43**	**0.5-60.7**	**15.3**

[1] In one instance, the price of Russian CTL plate was less than 0.05 percent lower than the price for domestic CTL plate.

Note.– In the original investigations, CTL plate from China undersold comparable domestic plate in 69 of 78 comparisons; CTL plate from Russia undersold comparable domestic plate in 54 of 55 comparisons; and CTL plate from Ukraine undersold comparable domestic plate in all 59 comparisons. In the first reviews, CTL plate from China undersold comparable domestic plate in 33 of 59 comparisons; CTL plate from Russia undersold comparable domestic plate in 39 of 47 comparisons; and CTL plate from Ukraine undersold comparable domestic plate in 20 of 39 comparisons (margins were calculated to sales to service centers/distributors/processors and end users separately).

Source: Compiled from data submitted in response to Commission questionnaires and original and first review Staff Reports.

APPENDIX A

FEDERAL REGISTER NOTICES

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-year (''Sunset'') Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (''the Act''), the Department of Commerce (''the Department'') is automatically initiating a five-year review (''Sunset Review'') of the antidumping and countervailing duty orders listed below. The International Trade Commission (''the Commission'') is publishing concurrently with this notice its notice of *Institution of Five-year Review* which covers the same orders.

EFFECTIVE DATE: August 1, 2008.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the Initiation of Review section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Ave., NW, Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 - *Policies Regarding the Conduct of Five-year (≥Sunset'') Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A–570–849	731–TA–753 (Second Review)	PRC	Cut–to-Length Carbon Steel	Demitrios Kalogeropoulos (202) 482–2623
A–821–808	731–TA–754 (Second Review) (Suspended)	Russia	Cut–to-Length Carbon Steel	Sally Gannon (202) 482–0162
A–823–808	731–TA–756	Ukraine	Cut–to-Length Carbon Steel (Second Review) (Suspended)	Judith Rudman (202) 482–0192

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's sunset Internet Web site at the following address: ''http://ia.ita.doc.gov/sunset/.'' All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103 (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.[1] Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews. Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218 (c).

Dated: July 24, 2008.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E8–17709 Filed 7–31–08; 8:45 am]

BILLING CODE 3510–DS–S

[1] In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–753, 754, and 756 (Second Review)]

Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty order on cut-to-length carbon steel plate from China and the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate from China and/or the termination of the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;[1] to be assured of consideration, the deadline for responses is September 22, 2008. Comments on the adequacy of responses may be filed with the Commission by October 15, 2008. 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:* August 1, 2008.

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 October 24, 1997, the Department of Commerce suspended antidumping duty investigations on imports of cut-to-length carbon steel plate from China, Russia, and Ukraine (62 FR 61766, 61773, and 61780, November 19, 1997). Following five-year reviews by Commerce and the Commission, effective September 17, 2003, Commerce issued a continuation of the suspended investigations on imports of cut-to-length carbon steel plate from China, Russia, and Ukraine (68 FR 54417). The suspension agreement concerning cut-to-length carbon steel plate from China was subsequently terminated and an antidumping duty order was imposed effective November 3, 2003 (68 FR 60081). The Commission is now conducting second reviews to determine whether revocation of the order concerning cut-to-length carbon steel plate from China and/or termination of the suspended investigations concerning cut-to-length carbon steel plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) *The Subject Countries* in these reviews are China, Russia, and Ukraine.

(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, the Commission defined the Domestic Like Product as cut-to-length plate, co-extensive with Commerce's scope, produced by U.S. mills or cut from coiled plate by service centers. In its full five-year review determinations, the Commission defined the Domestic Like Product as cut-to-length plate, including cut-to-length plate made from microalloy steel. One Commissioner defined the Domestic Like Product differently in the first five-year reviews.

(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 five-year review determinations, the Commission defined the Domestic Industry to include all producers of the Domestic Like Product, whether toll producers, integrated producers, or processors. One Commissioner defined the Domestic Industry differently in the first five-year reviews.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list. Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register** . The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official recently has advised that a five-year review is no longer considered the ''same particular matter'' as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics.

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 08–5-187, 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.

Consequently, former employees are no longer required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is September 22, 2008. 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 October 15, 2008. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be Provided in Response to this Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term ''firm'' includes any related firms.

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

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

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

(4) A statement of the likely effects of the revocation of the antidumping duty order with respect to China and the termination of the suspended investigations with respect to Russia and Ukraine 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 2002.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country(ies), provide the following information on your firm's(s') operations on that product

during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each Subject Country accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of Subject Merchandise imported from each Subject Country; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from each Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country(ies), provide the following information on your firm's(s') operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in each Subject Country accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in each Subject Country after 2002, 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.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 21, 2008.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8–17179 Filed 7–31–08; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–753, 754, and 756 (Second Review)]

Cut-To-Length Carbon Steel Plate From China, Russia, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the antidumping duty order on cut-to-length carbon steel plate from China and the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate from China and/or the termination of the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine 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:* November 4, 2008.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION: On November 4, 2008, 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 (73 FR 45071, August 1, 2008) was adequate and that the respondent interested party group responses with respect to Russia and Ukraine were adequate and decided to conduct full reviews with respect to the suspended investigations concerning cut-to-length carbon steel plate from Russia and Ukraine. The Commission found that the respondent interested party group response with respect to China was inadequate. However, the Commission determined to conduct a full review concerning the antidumping duty order on cut-to-length carbon steel plate from China to promote administrative efficiency in light of its decision to conduct full reviews with respect to the suspended investigations concerning cut-to-length carbon steel plate from Russia and Ukraine. 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: November 17, 2008.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. E8–27591 Filed 11–19–08; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–849]

Certain Cut-To-Length Carbon Steel Plate From the People's Republic of China: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: December 5, 2008.

FOR FURTHER INFORMATION CONTACT: Demitri Kalogeropoulos, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–2623.

SUMMARY: On August 1, 2008, the Department of Commerce (''Department'') initiated a sunset review of the antidumping duty order on certain cut–to-length carbon steel plate (''CTL plate'') from the People's Republic of China (''PRC''). On the basis of a notice of intent to participate, and an adequate substantive response filed on behalf of domestic interested parties, as well as a lack of response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of the sunset review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2008, the Department published the notice of initiation of the sunset review of the antidumping duty order on CTL plate from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Review*, 73 FR 44968 (August 1, 2008). On August 5, 2008, the Department received a notice of intent to participate from a domestic interested party, Nucor Corporation (''Nucor''). On August 15, 2008, the Department received a notice of intent to participate from SSAB North America Division (''SSAB NAB''), Evraz NA Oregon Steel Mills (''OSM''), and Evraz NA Claymont (''Claymont''), domestic interested parties. The Department received a notice of intent to participate from ArcelorMittal USA, a domestic interested party, on August 18, 2008. Submissions of the notices of intent to participate filed by Nucor, SSAB NAB, OSM, Claymont, and ArcelorMittal (collectively ''domestic interested parties'') were within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as domestic producers of CTL plate in the United States. On August 29, 2008, the Department received a substantive response from the domestic interested parties within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. We did not receive responses from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department determined to conduct an expedited review of the order.

Scope of the Order

The products covered by the order include hot–rolled carbon steel universal mill plates (*i.e.*, flat–rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot–rolled carbon steel flat–rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States (''HTSUS'') under item 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, and 7212.50.0000. Included in the order are flat–rolled products of non–rectangular cross-section where such 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. Excluded from the order is grade X–70 plate. Also excluded from the order is certain carbon cut–to-length steel plate with a maximum thickness of 80 mm in steel grades BS 7191, 355 EM, and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the ''Issues and Decision Memorandum'' (''Decision Memorandum'') from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated concurrently with this notice, and is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit in room 1117 of the main Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the web at http://ia.ita.doc.gov/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

Pursuant to section 752(c)(3) of the Act, we determine that revocation of the antidumping duty order on CTL plate from the PRC would be likely to lead to continuation or recurrence of dumping at the following weighted–average percentage margins:

Manufacturers/ Exporters/Producers	Weighted–Average Margin (percent)
Anshan (Anshan Iron and Steel Complex/ Anshan International Trade Corp./Sincerely Asia Ltd.)	30.68
Baoshan (Baoshan Iron and Steel Corp./ Baoshan International Trade Corp./Bao Steel Metals Trading Corp.)	30.51
China Metallurgical Import and Export Liaoning Co.	17.33
Shanghai Pudong Iron and Steel Co.	38.16

Manufacturers/ Exporters/Producers	Weighted–Average Margin (percent)
WISCO (Wuhan Iron and Steel Co./International Economic and Trading Corp./ Cheerwu Trader Ltd.)	128.59
PRC–Wide	128.59

This notice also serves as the only reminder to parties subject to administrative protective orders (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: December 1, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–28863 Filed 12–4–08; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

A–821–808

Certain Cut–to-Length Carbon Steel Plate from Russia; Final Results of Expedited Sunset Review of the Suspension Agreement

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of the Expedited Sunset Review of the Suspension Agreement on Certain Cut–to-Length Carbon Steel Plate from Russia.

SUMMARY: On August 1, 2008, the Department of Commerce (''the Department'') initiated a sunset review of the suspended antidumping duty investigation on certain cut–to-length carbon steel plate (''CTL plate'') from the Russian Federation (''Russia'') pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Review*, 73 FR 44968 (August 1, 2008) (''Initiation Notice''). On the basis of notices of intent to participate and adequate substantive comments filed on behalf of domestic interested parties, as well as no response from respondent interested parties, the Department is conducting an expedited (120-day) review. As a result of this review, the Department finds that termination of the suspension agreement and the underlying antidumping duty investigation on CTL plate from Russia would likely lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

EFFECTIVE DATE: December 8, 2008.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or Maureen Price, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230, telephone: (202) 482–0162 or (202) 482–4271.

SUPPLEMENTARY INFORMATION:

History of the Suspension Agreement

On December 3, 1996, the Department initiated an antidumping duty investigation under section 732 of the Act on certain CTL plate from Russia. *See Initiation of Antidumping Duty Investigations: Certain Cut–To-Length Carbon Steel Plate from the People's Republic of China, Ukraine, the Russian Federation, and the Republic of South Africa*, 61 FR 64051 (December 3, 1996). On June 11, 1997, the Department preliminarily determined that CTL plate from Russia was being, or was likely to be, sold in the United States at less than fair value. *See Preliminary Determination of Sales at Less Than Fair Value; Certain Cut–to-Length Carbon Steel Plate from the Russian Federation*, 62 FR 31967 (June 11, 1997). The Department suspended the antidumping duty investigation on October 24, 1997, on the basis of an agreement by the Russian Government to restrict the volume of direct and indirect exports of CTL plate to the United States in order to prevent the suppression or undercutting of price levels of U.S. domestic like products. *See Suspension of Antidumping Duty Investigation: Certain Cut–to-Length Carbon Steel Plate From the Russian Federation*, 62 FR 61780 (November 19, 1997). Thereafter, upon the request of the petitioners, the Department continued its investigation and published in the **Federal Register** its final determination of sales at less than fair market value. In the final determination, the Department calculated a weighted–average dumping margin of 53.81 percent for JSC Severstal, and 185.00 for ''all other'' Russian manufacturers, producers, and exporters of the subject merchandise. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut–to-Length Carbon Steel Plate From the Russian Federation*, 62 FR 61787 (November 19, 1997). On December 20, 2002, a revised suspension agreement was signed by representatives of Russian CTL plate producers pursuant to section 734(b) of the Act. This agreement became effective January 23, 2003, and replaced the previous non–market economy agreement that had been in effect since 1997. *See Suspension of Antidumping Duty Investigation of Certain Cut–to-Length Carbon Steel Plate from the Russian Federation*, 68 FR 3859 (January 27, 2003) (''Suspension Agreement'').

On May 14, 2008, the Department concluded an administrative review of the Suspension Agreement with respect to CTL Plate from Russia. We found that JSC Severstal (''Severstal'') was in compliance with the agreement. *See Certain Cut–to-Length Carbon Steel Plate from the Russian Federation; Final Results of Administrative Review of the Suspension Agreement*, 73 FR 27795 (May 14, 2008).

The Suspension Agreement remains in effect for the signatory producers/exporters of CTL plate from Russia: Severstal, JSC Magnitogorsk Iron and Steel Works and JSC NOSTA Integrated Iron–Steel Works.

Background

On August 1, 2008, the Department initiated a sunset review of the suspended antidumping duty investigation on CTL plate from Russia, pursuant to section 751(c) of the Act. *See Initiation Notice*, 73 FR 44968. The Department received a timely notice of intent to participate in this sunset review from Nucor Corporation on August 5, 2008, from SSAB North America Division (''SSAB N.A.D.''), Evraz S.A. Oregon Steel Mills (''OSM'') and Evraz S.A. Claymont (''Claymont'') on August 15, 2008, and from ArcelorMittal USA, Inc. on August 18, 2008 (collectively, ''domestic interested parties''), within the applicable deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested–party status under section 771(9)(C) of the Act as producers of the domestic like products. In addition, domestic interested parties assert that they are not related to a foreign producer/exporter and are not importers, or related to importers, of the subject merchandise. At the request of the Department, on September 11, 2008, SSAB N.A.D., OSM and Claymont submitted a clarification to their notice of intent to participate. Respondent interested parties did not submit notices of intent to participate.

The Department also received a complete, collective substantive response from the domestic interested parties within the 30-day deadline specified in the Department's regulations under section 351.218(d)(3)(i). After examining the substantive response from the domestic interested parties, on September 22, 2008, the Department determined that the response was adequate, consistent with the requirements of 19 CFR 351.218(e). *See* Memorandum from Maureen Price, Senior Policy Analyst, Office of Policy, Import Administration, to Sally C. Gannon, Director for Bilateral Agreements, Office of Policy, Import Administration, regarding ''Sunset Review of the Agreement Suspending the Antidumping Investigation of Certain Cut–to-Length Carbon Steel Plate from the Russian Federation: Adequacy Determination'' (September 15, 2008). *See also* Letter from Edward C. Yang, Director, AD/CVD Operations, China/NME Group, Import Administration, to Robert Carpenter, Director, Office of Investigations, International Trade Commission (September 22, 2008). Because the response of the domestic interested parties constituted an adequate response to the notice of initiation and there was no response from the respondent

interested parties, the Department is conducting an expedited (120-day) sunset review in accordance with 19 CFR 351.218(e)(1)(ii)(c)(2).

Scope of Review

The products covered by the Suspension Agreement include hot–rolled iron and non–alloy steel 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 thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non–alloy steel flat–rolled products not in coils, of rectangular shape, hot–rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in the Suspension Agreement are flat–rolled products of nonrectangular cross-section where such 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. This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTS) under item 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, and 7212.50.0000. Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of the Agreement is dispositive. Specifically excluded from subject merchandise within the scope of this Agreement is grade X–70 steel plate.

Analysis of Comments Received

All issues raised by parties to this sunset review are addressed in the ''Issues and Decision Memorandum for the Final Results of the Expedited Sunset Review of the Agreement Suspending the Antidumping Duty Investigation of Certain Cut–to-Length Carbon Steel Plate from the Russian Federation,'' from Ronald K. Lorentzen, Deputy Assistant Secretary for Policy and Negotiations, Import Administration, to David M. Spooner, Assistant Secretary, Import Administration (December 1, 2008) (''Decision Memorandum''), which is adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail were the suspended antidumping duty investigation to be terminated. Parties may find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B–1117, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at http://ia.ita.doc.gov/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that termination of the Suspension Agreement and the underlying antidumping duty investigation on CTL plate from Russia would likely lead to a continuation or recurrence of dumping at the following percentage weighted–average margins:

Manufacturer/producer/ exporter	Weighted-average margin percentage
Severstal	53.81
Russia–wide	185.00

We are issuing and publishing this notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Tariff Act.

Dated: December 1, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–29014 Filed 12–5–08; 8:45 am]

BILLING CODE 3510–DS–S

INTERNATIONAL TRADE COMMISSION

[Inv. Nos. 731–TA–753, 754, and 756 (Second Review)]

Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the antidumping duty order on cut-to-length carbon steel plate from China and the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate from China and the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* March 5, 2009.

FOR FURTHER INFORMATION CONTACT: Dana Lofgren (202–205–2539), 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 November 4, 2008, 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 (73 FR 70368, November 20, 2008). 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 August 19, 2009, 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 September 9, 2009, 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 September 1, 2009. 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 September 2, 2009, 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 August 28, 2009. 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 September 18, 2009; 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 September 18, 2009. On October 7, 2009, 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 October 9, 2009, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: March 5, 2009.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9–5198 Filed 3–10–09; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

A–823–808

Certain Cut–to-Length Carbon Steel Plate from Ukraine; Final Results of Full Sunset Review of the Suspension Agreement

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of the Full Sunset Review of the Suspension Agreement on Certain Cut–to-Length Carbon Steel Plate from Ukraine

SUMMARY:

On November 25, 2008, the Department of Commerce (''the Department'') published a notice of preliminary results of the full sunset review of the suspended antidumping duty investigation on certain cut–to-length carbon steel plate (''CTL plate'') from Ukraine pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Certain Cut–to-Length Carbon Steel Plate from Ukraine; Preliminary Results of Full Sunset Review of the Suspension Agreement*, 73 FR 71603 (November 25, 2008) (''*Preliminary Results*''). We provided interested parties an opportunity to comment on our *Preliminary Results*. The Department did not receive comments from either domestic or respondent interested parties. As a result of this review, the Department continues to find that termination of the suspended antidumping duty investigation on CTL plate from Ukraine would likely lead to a continuation or recurrence of dumping at the levels indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: March 20, 2009.

FOR FURTHER INFORMATION CONTACT: Judith Wey Rudman or Jay Carreiro, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W.,

Washington, DC 20230, telephone: (202) 482–0192 or (202) 482–3674.

SUPPLEMENTARY INFORMATION:

Background

On November 25, 2008, the Department published in the **Federal Register** a notice of preliminary results of the full sunset review of the suspended antidumping duty investigation on CTL plate from Ukraine, pursuant to section 751(c) of the Act. *See Preliminary Results*, 73 FR 71603. In our *Preliminary Results*, we found that the termination of the suspended antidumping duty investigation on CTL plate from Ukraine would be likely to lead to a continuation or recurrence of dumping at the margins determined in the final determination of the original investigation. *Id.* We provided interested parties an opportunity to comment on our *Preliminary Results. Id.* We did not receive comments from either domestic or respondent interested parties.

Scope of Review

The products covered by the Agreement include hot–rolled iron and non–alloy steel 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 thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non–alloy steel flat–rolled products not in coils, of rectangular shape, hot–rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in the Agreement are flat–rolled products of nonrectangular cross–section where such 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. This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTS) under item 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, and 7212.50.0000. Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of the Agreement is dispositive. Specifically excluded from subject merchandise within the scope of this Agreement is grade X–70 steel plate.

Final Results of Review

We have made no changes to our *Preliminary Results*, 73 FR 71603. We continue to find that termination of the suspended antidumping duty investigation on CTL plate from Ukraine would likely lead to a continuation or recurrence of dumping at the following percentage weighted–average margins:

Manufacturer/producer/ exporter	Weighted-average margin percentage
Azovstal	81.43
Ilyich	155.00
Ukraine–wide	237.91

In accordance with section 752(c)(3) of the Act, we will notify the International Trade Commission of the final results of this full sunset review.

This notice also serves as the only reminder to parties subject to administrative protective orders (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Tariff Act.

Dated: March 13, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

[FR Doc. E9–6160 Filed 3–19–09; 8:45 am]

BILLING CODE 3510–DS–S

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY
in
Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine
Inv. Nos. 731-TA-753, 754, and 756 (Second Review)

On November 4, 2008, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.[1]

With respect to the orders concerning cut-to-length carbon steel plate ("CTL plate") from China, Russia, and Ukraine, the Commission determined that the domestic interested party group response was adequate. The Commission received a consolidated response from five domestic producers that account for a significant percentage of domestic production of CTL plate.[2] The Commission found the individual response of each of the five domestic CTL plate producers, which contained company-specific data, adequate.

The Commission found that the respondent interested party group responses were adequate with respect to the orders on CTL plate from Russia and Ukraine because respondents from each of these countries accounted for a significant share of the production of subject merchandise in their respective countries.

The Commission received adequate inidividual responses concerning the order on CTL plate from Russia filed by JSC Severstal, a Russian producer and exporter of CTL plate, and OJSC Magnitogorsk Iron and Steel Works, a Russian producer of CTL plate. With respect to the review of the antidumping duty order on CTL plate from Ukraine, the Commission received an adequate joint response filed by Azovstal Iron & Steel Works and Ilyich Iron & Steel Works, each of which is a Ukranian producer and exporter of subject merchandise.

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 Russia and Ukraine, the Commission determined to conduct full reviews in these proceedings.

The Commission did not receive a response from any respondent interested parties in the review concerning subject imports from China, and therefore determined that the respondent interested party group response for this country was not adequate. The Commission nevertheless voted to conduct a full review concerning subject imports from China to promote administrative efficiency in light of the Commission's determination to conduct full reviews of the majority of 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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[1] See 19 U.S.C. § 1675(c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

[2] These producers are Arcelormittal USA, Evraz NA Claymont, Evraz NA Oregon Steel Mills, Nucor Corp., and SSAB North America Division.

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 Steel Plate from China, Russia, and Ukraine
Inv. Nos.:	731-TA-753, 754, and 756 (Second Review)
Date and Time:	September 9, 2009 - 9:30 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.

CONGRESSIONAL APPEARANCES:

The Honorable Peter J. Visclosky, U.S. Congressman, 1st District, State of Indiana

The Honorable Jo Bonner, U.S. Congressman, 1st District, State of Alabama

OPENING REMARKS:

In Support of Continuation of Orders (**Roger B. Schagrin**,
Schagrin Associates)

In Support of Continuation of Orders:

Kelley Drye & Warren LLP
Washington, D.C.
on behalf of

ArcelorMittal USA
United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial
and Service Workers International Union ("USW")

Robert W. Insetta, Director, Specialty Plate,
ArcelorMittal USA
Jeffrey W. Unruh, Product Manger, Plates Sales
and Marketing, ArcelorMittal US
Thomas Conway, Thomas Conway, International
Vice President (Administration), USW

In Support of Continuation of
Antidumping Orders:

Paul C. Rosenthal)
) – OF COUNSEL
Kathleen W. Cannon)

Schagrin Associates
Washington, D.C.
on behalf of

SSAB NAD, Evraz NA Oregon Steel Mills
Evraz NA Claymont

David Britten, President, SSAB NAD
Glenn Gilmore, Trade Supervisor, SSAB NAD
Kent Thies, National Marketing Manager, Evraz NA Oregon Steel Mills

Roger B. Schagrin)
) – OF COUNSEL
John W. Bohn)

Wiley Rein LLP
Washington, D.C.
on behalf of

Nucor Corporation

Rick Blume, Director , Sales and Marketing, Nucor Corporation
Jeff Whiteman, Sales Manger, Hertford County, Nucor Corporation

Alan H. Price)
Daniel B. Pickard) – OF COUNSEL
Christopher B. Weld)

CLOSING REMARKS:

In Support of Continuation of Orders (**Alan H. Price**, Wiley Rein LLP)

APPENDIX C

SUMMARY DATA

Table C-1
CTL plate: Summary data concerning the U.S. market, 2003-08, January-June 2008, and January-June 2009

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data								Period changes						
							January-June								Jan.-June
Item	2003	2004	2005	2006	2007	2008	2008	2009	2003-08	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
U.S. consumption quantity:															
Amount	6,393,512	7,217,372	7,536,148	8,988,128	8,531,296	8,635,333	4,480,239	2,212,950	35.1	12.9	4.4	19.3	-5.1	1.2	-50.6
Producers' share (1)	93.8	91.1	89.4	85.0	87.9	90.3	92.0	89.7	-3.5	-2.7	-1.7	-4.4	2.9	2.4	-2.4
Importers' share (1):															
China	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-0.0	-0.1	0.0	0.0	-0.0	0.0	0.0
Russia	0.1	0.0	0.0	0.8	0.4	1.0	0.6	0.4	0.9	-0.0	0.0	0.7	-0.3	0.5	-0.2
Ukraine	0.1	1.8	1.2	1.4	0.7	2.0	0.8	0.7	1.9	1.7	-0.6	0.2	-0.7	1.3	-0.0
Subtotal	0.2	1.8	1.3	2.2	1.2	3.0	1.3	1.1	2.8	1.6	-0.6	0.9	-1.0	1.9	-0.2
All other sources	6.0	7.1	9.4	12.8	11.0	6.6	6.6	9.2	0.7	1.1	2.3	3.5	-1.9	-4.3	2.6
Total imports	6.2	8.9	10.6	15.0	12.1	9.7	8.0	10.3	3.5	2.7	1.7	4.4	-2.9	-2.4	2.4
U.S. consumption value:															
Amount	2,307,465	4,369,126	5,310,214	6,598,992	6,547,414	8,792,054	4,138,021	1,734,302	281.0	89.3	21.5	24.3	-0.8	34.3	-58.1
Producers' share (1)	91.9	90.5	88.9	86.3	88.1	89.5	91.9	86.3	-2.4	-1.4	-1.6	-2.6	1.8	1.4	-5.6
Importers' share (1):															
China	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	-0.0	-0.1	-0.0	0.0	0.0	0.0	0.1
Russia	0.1	0.0	0.0	0.6	0.4	1.1	0.4	0.4	1.0	-0.0	0.0	0.6	-0.3	0.7	-0.0
Ukraine	0.1	1.7	1.2	1.2	0.6	2.1	0.8	1.0	2.0	1.6	-0.5	0.0	-0.6	1.4	0.2
Subtotal	0.2	1.7	1.3	1.9	1.1	3.2	1.3	1.5	3.0	1.5	-0.5	0.6	-0.9	2.2	0.3
All other sources	7.9	7.7	9.8	11.8	10.9	7.3	6.8	12.2	-0.6	-0.1	2.1	2.0	-0.9	-3.6	5.3
Total imports	8.1	9.5	11.1	13.7	11.9	10.5	8.1	13.7	2.4	1.4	1.6	2.6	-1.8	-1.4	5.6
U.S. imports from:															
China:															
Quantity	6,036	1,393	2,836	4,113	3,453	4,360	869	789	-27.8	-76.9	103.6	45.0	-16.0	26.3	-9.2
Value	2,428	1,488	1,719	3,191	3,214	5,714	1,379	1,698	135.4	-38.7	15.5	85.7	0.7	77.8	23.2
Unit value	$402	$1,068	$606	$776	$931	$1,311	$1,587	$2,153	225.9	165.6	-43.2	28.0	20.0	40.8	35.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Russia:															
Quantity	3,742	714	3,001	69,960	37,793	84,992	24,810	8,066	2,171.5	-80.9	320.6	2,230.9	-46.0	124.9	-67.5
Value	1,239	602	1,766	42,572	25,236	95,098	18,555	7,452	7,576.2	-51.4	193.6	2,310.9	-40.7	276.8	-59.8
Unit value	$331	$843	$588	$609	$668	$1,119	$748	$924	237.9	154.6	-30.2	3.4	9.7	67.6	23.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ukraine:															
Quantity	4,724	129,159	89,275	122,420	57,700	173,945	34,528	16,128	3,582.5	2,634.3	-30.9	37.1	-52.9	201.5	-53.3
Value	1,709	73,854	64,765	81,432	40,885	182,276	32,023	17,190	10,566.4	4,221.8	-12.3	25.7	-49.8	345.8	-46.3
Unit value	$362	$572	$725	$665	$709	$1,048	$927	$1,066	189.7	58.1	26.9	-8.3	6.5	47.9	14.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:															
Quantity	14,502	131,265	95,113	196,494	98,947	263,298	60,206	24,983	1,715.6	805.2	-27.5	106.6	-49.6	166.1	-58.5
Value	5,375	75,943	68,250	127,195	69,335	283,089	51,957	26,340	5,166.5	1,312.8	-10.1	86.4	-45.5	308.3	-49.3
Unit value	$371	$579	$718	$647	$701	$1,075	$863	$1,054	190.1	56.1	24.0	-9.8	8.3	53.4	22.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	380,951	512,579	705,800	1,152,553	934,974	572,094	297,075	203,650	50.2	34.6	37.7	63.3	-18.9	-38.8	-31.4
Value	181,282	338,335	522,619	779,697	712,338	642,330	283,150	210,981	254.3	86.6	54.5	49.2	-8.6	-9.8	-25.5
Unit value	$476	$660	$740	$676	$762	$1,123	$953	$1,036	135.9	38.7	12.2	-8.6	12.6	47.4	8.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:															
Quantity	395,453	643,845	800,913	1,349,047	1,033,921	835,392	357,281	228,633	111.2	62.8	24.4	68.4	-23.4	-19.2	-36.0
Value	186,658	414,278	590,868	906,892	781,673	925,418	335,107	237,320	395.8	121.9	42.6	53.5	-13.8	18.4	-29.2
Unit value	$472	$643	$738	$672	$756	$1,108	$938	$1,038	134.7	36.3	14.7	-8.9	12.5	46.5	10.7
Ending inventory quantity	8,272	18,846	17,784	53,034	28,586	52,704	24,747	38,569	537.1	127.8	-5.6	198.2	-46.1	84.4	55.9
U.S. producers':															
Average capacity quantity	9,612,515	9,358,706	9,824,667	10,420,197	10,464,249	10,882,642	5,581,791	5,064,916	13.2	-2.6	5.0	6.1	0.4	4.0	-9.3
Production quantity	6,464,022	7,129,899	7,337,156	8,515,159	8,463,676	8,583,931	4,636,079	2,064,300	32.8	10.3	2.9	16.1	-0.6	1.4	-55.5
Capacity utilization (1)	67.2	76.2	74.7	81.7	80.9	78.9	83.1	40.8	11.6	8.9	-1.5	7.0	-0.8	-2.0	-42.3
U.S. shipments:															
Quantity	5,998,059	6,573,527	6,735,235	7,639,081	7,497,375	7,799,941	4,122,958	1,984,317	30.0	9.6	2.5	13.4	-1.9	4.0	-51.9
Value	2,120,807	3,954,848	4,719,346	5,692,100	5,765,741	7,866,636	3,802,914	1,496,982	270.9	86.5	19.3	20.6	1.3	36.4	-60.6
Unit value	$354	$602	$701	$745	$769	$1,009	$922	$754	185.2	70.2	16.5	6.3	3.2	31.1	-18.2
Export shipments:															
Quantity	450,172	566,669	607,336	796,275	948,275	902,630	509,592	179,288	100.5	25.9	7.2	31.1	19.1	-4.8	-64.8
Value	185,825	438,474	512,712	664,872	842,197	911,760	506,319	126,919	390.7	136.0	16.9	29.7	26.7	8.3	-74.9
Unit value	$413	$774	$844	$835	$888	$1,010	$994	$708	144.7	87.5	9.1	-1.1	6.4	13.7	-28.8
Ending inventory quantity	472,142	467,155	427,639	535,175	544,133	429,247	527,909	268,774	-9.1	-1.1	-8.5	25.1	1.7	-21.1	-49.1
Inventories/total shipments (1)	7.3	6.5	5.8	6.3	6.4	4.9	5.7	6.2	-2.4	-0.8	-0.7	0.5	0.1	-1.5	0.5
Production workers	4,184	3,498	3,576	3,732	3,853	4,191	4,401	3,716	0.2	-16.4	2.2	4.4	3.2	8.8	-15.6
Hours worked (1,000s)	9,080	7,847	8,113	8,629	8,869	9,488	5,184	3,450	4.5	-13.6	3.4	6.4	2.8	7.0	-33.4
Wages paid ($1,000s)	229,460	219,468	233,643	267,258	281,310	318,344	172,855	100,071	38.7	-4.4	6.5	14.4	5.3	13.2	-42.1
Hourly wages	$25.27	$27.97	$28.80	$30.97	$31.72	$33.55	$33.34	$29.00	32.8	10.7	3.0	7.5	2.4	5.8	-13.0
Productivity (tons/1,000 hours)	627.7	789.4	793.3	880.2	858.0	820.6	821.9	542.4	30.7	25.8	0.5	11.0	-2.5	-4.4	-34.0
Unit labor costs	$40.26	$35.43	$36.30	$35.19	$36.97	$40.89	$40.56	$53.47	1.6	-12.0	2.5	-3.1	5.1	10.6	31.8
Net sales:															
Quantity	5,686,152	6,170,413	6,365,139	7,436,868	7,447,725	7,655,181	4,198,215	1,890,838	34.6	8.5	3.2	16.8	0.1	2.8	-55.0
Value	2,089,064	3,876,161	4,716,691	5,678,021	5,940,911	7,818,382	3,880,734	1,412,853	274.3	85.5	21.7	20.4	4.6	31.6	-63.6
Unit value	$367	$628	$741	$763	$798	$1,021	$924	$747	178.0	71.0	18.0	3.0	4.5	28.0	-19.2
Cost of goods sold (COGS)	2,040,663	2,924,844	3,399,302	3,988,778	4,258,383	6,018,354	2,960,527	1,466,433	194.9	43.3	16.2	17.3	6.8	41.3	-50.5
Gross profit or (loss)	48,401	951,317	1,317,389	1,689,243	1,682,528	1,800,028	920,207	(53,580)	3,619.0	1,865.5	38.5	28.2	-0.4	7.0	(2)
SG&A expenses	150,714	117,739	124,784	116,397	130,271	143,355	73,586	46,707	-4.9	-21.9	6.0	-6.7	11.9	10.0	-36.5
Operating income or (loss)	(102,313)	833,578	1,192,605	1,572,846	1,552,257	1,656,673	846,621	(100,287)	(2)	(2)	43.1	31.9	-1.3	6.7	(2)
Capital expenditures	35,127	31,078	82,374	109,443	151,739	125,765	63,558	47,032	258.0	-11.5	165.1	32.9	38.6	-17.1	-26.0
Unit COGS	$359	$474	$534	$536	$572	$786	$705	$776	119.1	32.1	12.7	0.4	6.6	37.5	10.0
Unit SG&A expenses	$27	$19	$20	$16	$17	$19	$18	$25	-29.3	-28.0	2.7	-20.2	11.8	7.1	40.9
Unit operating income or (loss)	($18)	$135	$187	$211	$208	$216	$202	($53)	(2)	(2)	38.7	12.9	-1.5	3.8	(2)
COGS/sales (1)	97.7	75.5	72.1	70.2	71.7	77.0	76.3	103.8	-20.7	-22.2	-3.4	-1.8	1.4	5.3	27.5
Operating income or (loss)/ sales (1)	(4.9)	21.5	25.3	27.7	26.1	21.2	21.8	(7.1)	26.1	26.4	3.8	2.4	-1.6	-4.9	-28.9

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.
Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

COMMENTS BY U.S. PRODUCERS, IMPORTERS, PURCHASERS, AND FOREIGN PRODUCERS/EXPORTERS REGARDING THE EFFECTS OF THE SUSPENSION AGREEMENTS AND THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE SUSPENSION AGREEMENTS AND THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

Significance of Suspension Agreements and Order In Terms of Trade and Related Data

The Commission requested U.S. producers to describe the significance of the existing suspension agreements covering imports of CTL plate from Russia and Ukraine, and the antidumping duty order covering imports of CTL plate from China in terms of their effect on production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses are as follows:

***

"The existing orders support a balanced supply to the U.S. market."

***

"Cause and effect cannot be directly shown. Additional cost, floor price, or limited availability affects supply and the value of the product line."

***

"The orders and the suspension agreements have reduced the availability of injurious dumped imports in the market and have thus had a stabilizing effect on market pricing and supply related issues. Although that stability is constantly under pressure as importers switch to new sources of dumped product, it has contributed to *** ability to maintain production and profits that have in turn enabled the company to reinvest in capital expenditures and continue employment levels."

***

"No significance to ***."

***

"None."

***

"Supply and demand has been more balanced and the entire supply chain has been able to achieve an acceptable return on capital."

***

"The current suspension agreements and antidumping duty order have allowed us to be competitive on the domestic market. We have experienced good demand, allowing us to have more employees, purchase more raw materials, invest capital dollars into the equipment, and achieve profitable years recently."

***

"The surge of imports in the late 1990s resulted in over two years of declining sales and profitability. The results of the orders have led to improving sales and the potential for sustainable operations."

***

"*** saw immediate improvement as a result of the suspension agreements and order at issue here. Unfortunately, the recovery was short-lived due to another wave of unfairly-traded imports. The harm that this caused to *** and other domestic producers is reflected in the Commission's determination in 2000 (in which the Commission found that the industry was injured by imports from France, India, Indonesia, Italy, Japan and Korea).

Nevertheless, these orders continue to perform a vital role by keeping out what would be a devastating flood of imports from the subject countries. As shown by our response to Question III-10, *** was generally profitable from 2004 to 2008. Our financial performance during this period, and during prior years, would have been much worse if the trade relief at issue here had not been in place. The subject countries are all major plate producers with a documented track record of injurious unfair trade in this market. There is every reason to believe that they would behave in the same fashion if not constrained by suspension agreements and anti-dumping orders. Given current substantially depressed market conditions, a resumption of unfair trade would likely have particularly egregious results."

***

"It has been *** experience in other product lines in which it competes with the producers in China, Russia, and the Ukraine that government practices in those countries lead their industries to export their production to any market that will take it almost regardless of prevailing price levels and without regard to the impact that their practices have on these other markets. Based on this experience, *** has little doubt that these orders helped the U.S. producers of CTL plate."

***

"Antidumping duty orders and suspension agreements provide *** with a degree of market stability which for a time allowed us to increase production, make capital improvements and provide stable employment. Since mid-2008, however, demand has declined at unprecedented rates and our performance has declined along with it. The producers subject to these orders are neither price nor cost conscious and will target markets regardless of the implications. The continued presence of these imports demonstrates their continued interest in this market despite the unprecedented decline in demand."

***

"N/A"

***

No response was given.

Anticipated Operational and Organizational Changes
If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of CTL plate in the future if the suspension agreements on CTL plate from Russia and Ukraine and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

***

Indicated no anticipated changes.

***

No response was given.

***

Indicated no anticipated changes.

***

"Revocation of the subject suspension agreements and/or antidumping orders would allow CTL plate imports to surge in the future - negatively impacting domestic prices, revenue and profits, production volume, employment and employee hours, and capital expenditure projects. As a case in point, prior to the subject trade actions, CTL plate imports from the subject countries surged from 25% to 45% of all CTL plate imports - and in 1998 - to 27% of the entire U.S. CTL plate market (as compared to 10% to 14% thereafter)."

***

"In either case, we would anticipate reduced volume, lower employment levels, reduced operating shifts, higher costs, lower prices, and significantly worse operating performance. In light of the currently depressed market conditions for CTL plate, even small volumes of additional imports from China, Russia, and Ukraine will be very damaging."

***

"Should the orders/agreements be revoked, *** anticipates that the subject countries will immediately seek to regain market share by dumping product on the U.S. market. This will cause serious injury in the form of price erosion, reduced profits, decreased production and lower employment rates. Should the injury continue unchecked via relief through a continuation of the present orders, *** would be forced to consider shuttering some of its production facilities in the USA."

***

"Changes to agreements would cause additional supply in the U.S., and therefore lower inventory value."

***

"We would project further reduction of operations if the suspension agreements were revoked, potentially temporarily or permanently shutting down operations and eliminating jobs."

***

"As discussed below in our answer to Question II - 18, the revocation of the orders at issue here would quickly lead to significant volumes of low-priced dumped imports. Those imports would have serious adverse effects on *** plate business.

Question II - 18: "The termination of the suspension agreements and order would result in renewed unfair trade by the subject producers that would have serious adverse effect on our business. After many years of poor performance, our business was profitable from 2004 to 2008. If the orders are revoked, we would expect our sales to decline sharply and our modest profitability to evaporate."

***

"The revocation of the antidumping order and/or suspension agreements and the likely import surge that would result would threaten our current investments in the production of CTL plate as well as for plans for future investments. Current market conditions have already forced us to ***. Without antidumping controls on imports from China, Russia, and Ukraine, we would expect much more difficulty in getting those operations back to reasonable operation rates. Any investment plans to enhance our operations become unjustifiable due to the shortened up cycles and the prolonged and deepened down cycles that dumping creates."

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

Indicated no anticipated changes and explained "*** has little doubt that if these orders are revoked that the U.S. producers of CTL plate will be adversely affected by increased imports of unfairly priced CTL plate from China, Russia, and Ukraine in very short order."

Anticipated Changes in Trade and Related Data
If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures or asset values relating to the production of CTL plate in the future if the suspension agreements on CTL plate from Russia and Ukraine and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

***

"We would expect production, revenue, profit and employee count to be negatively impacted."

***

Indicated no anticipated changes and explained "It has been *** experience in other product lines in which it competes with the producers in China, Russia, and the Ukraine that government practices in those countries lead their industries to export their production to any market that will take it almost regardless of prevailing price levels and without regard to the impact that their practices have on these other markets. Based on this experience, *** has little doubt that if these orders are revoked that the U.S. producers of CTL plate will be adversely affected by increased imports of unfairly priced CTL plate from China, Russia, and the Ukraine in very short order. This is particularly true in light of the decline in economic activity since mid-to latter 2008 to the present."

***

"We would expect supply to surge significantly causing prices to collapse. This would have the potential to be catastrophic in terms of revenue and profitability."

***

No response was given.

***

Indicated no anticipated changes.

***

"The revocation of the antidumping order and suspension agreements would most likely result in significant reduction in our operations. This would impact our need to reduce manning levels; reduce capital spending; reduce purchasing of raw materials and our conversion cost would increase. We would anticipate not being able to maintain our competitive posture and could potentially experience a temporary or permanent shut down of the entire operation."

***

"Time and extent of effects is not predictable. Due to cycles in steel markets, additional will impact wide flat supply and price negatively should duties be lifted."

***

"Should the orders/suspension agreements be revoked, it is expected that foreign producers from the subject countries, traders, and importers will continue with past practices and resume dumping products on the U.S. market in increasing quantities. The increase in dumped products will reduce *** sales revenues, sales volumes and consequently production and employment levels. The resumption of dumping will suppress market prices which will negatively impact *** profits and preclude future capital investments. The current depressed state of the world market will intensify the resumption of these activities and the negative consequences."

***

"We would anticipate an immediate surge of dumped, low priced imports from China, Russia, and Ukraine if the antidumping orders and suspension agreements were revoked. This will have a negative impact on our shipments, capacity utilization, employment level, and profitability. These factors will disrupt our ability to make further capital investments. In light of current conditions, there is simply no need for the current import quantities, much less the far higher quantities likely to be sent here if the orders and suspension agreements are revoked."

***

Indicated no anticipated changes.

***

"The termination of the suspension agreements and order would result in renewed unfair trade by the subject producers that would have serious adverse effect on our business. After many years of poor performance, our business was profitable from 2004 to 2008. If the orders were revoked, we would expect our sales to decline sharply and our modest profitability to evaporate."

***

"With increased supply of the product line, revenue would be lower, and profits would be lower."

***

"Should the agreements or duties be revoked, we expect that subject countries will resume exporting large quantities of dumped and subsidized plate to the United States which will have immediate adverse effects on our operating rates, profitability and ultimately the levels of employment. The impact is likely to be even more destructive to our firm as we are extremely vulnerable to unfairly traded imports based on the depressed economy and resulting low operating rates. Imports alone do not negatively impact demand, but the supply shocks that they case, most clearly seen in the late 1990s, can drive down pricing to unprofitable levels which in turn limits our ability to re-invest in our operations and our people.

In the first sunset review, the Commission found that subject imports and domestically produced plate were generally interchangeable and that purchases continue to be based primarily on price, resulting in highly competitive pricing in order to "obtain sales and increase market share." USITC Pub. 3364 at 29. *** strongly believes this market dynamic still prevails today."

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE SUSPENSION AGREEMENTS AND THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

Significance of Suspension Agreements and Order In Terms of Trade and Related Data

The Commission requested U.S. importers to describe the significance of the existing suspension agreements covering imports of CTL plate from Russia and Ukraine and the antidumping duty order covering imports of CTL plate from China in terms of their effect on their imports, U.S. shipments of imports, and inventories. Their responses are as follows:

***

"The existing suspension agreement and antidumping duty order affect the availability to source from the above mentioned countries."

***

"U.S. market conditions improved after the suspension agreements and antidumping order took effect."

***

No response was given.

***

"Less tons purchased."

***

"The orders and the consequential reduction in dumped import availability have had a stabilizing effect on market pricing although that stability is constantly under pressure as importers switch to new sources of dumped product. *** has under these circumstances been able to augment its domestically produced plate with product from Canada in order to meet its customers needs."

***

"No effect because *** did not import CTL plate from subject countries."

***

No response was given.

***

"It has been *** experience in other product lines in which it competes with the producers in China, Russia, and the Ukraine that government practices in those countries lead their industries to export their production to any market that will take it almost regardless of prevailing price levels and without regard to the impact that their practices have on these other markets. Based on this experience, *** has little doubt that if these orders are revoked that the U.S. producers of CTL plate will be adversely affected by increased imports of unfairly priced CTL plate from China, Russia, and Ukraine in very short order."

***

"The orders of suspension and antidumping had little to no direct effect on our firm's operations."

***

No response was given.

***

"We trade in spot markets. If a source is available we could negotiate purchases from those areas. Much depends on the marketing strategy of a given mill. Suspension agreements and antidumping keep us away from those sources."

***

"Restricts trade from these countries."

***

"The existing suspension agreements covering imports from Russia and Ukraine and the antidumping order from China has limited our firm's ability to source the most competitively priced CTL carbon plate from such countries that have a lower production cost, and thus can sell at lower prices."

***

"Our business strategy no longer includes CTL plate due to small volumes of import and re-focused efforts into other products."

Anticipated Operational and Organizational Changes
If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested importers to describe any anticipated changes in the character of their operations or organization relating to the importation of CTL plate in the future if the suspension agreements on CTL plate from Russia and Ukraine and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

No response was given.

***

"*** imports carbon steel and micro-alloy steel plate to round out product lines with material not available from U.S. production. Should the agreements be revoked, dumping from the named countries will resume and *** will lose sales as a consequence, some of which may be comprised of imported goods thus resulting in import reductions."

***

"Any reduction in potential suppliers will cause U.S. to have less available product."

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

"We would anticipate changes due to the additional supply options."

***

"We simply would have access to new sources of product. If market conditions allow, we might be able to sell some of this product."

***

Indicated no anticipated changes.

***

"If the suspension agreements and antidumping order were lifted, we would expect these countries to increase their imports to the United States. The likely impact on the market would be quite negative, making it difficult for us to import at profitable prices."

***

No response was given.

***

Indicated no anticipated changes and explained "*** has little doubt that if these orders are revoked that the U.S. producers of CTL plate will be adversely affected by increased imports of unfairly priced CTL plate from China, Russia, and Ukraine in very short order."

Anticipated Changes in Trade and Related Data If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of CTL plate in the future if the suspension agreements on CTL plate from Russia and Ukraine and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

***

"No estimate."

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

Indicated no anticipated changes.

***

"It could open up discussion for possible business."

***

Indicated no anticipated changes and explained "It has been *** experience in other product lines in which it competes with the producers in China, Russia, and the Ukraine that government practices in those countries lead their industries to export their production to any market that will take it almost regardless of prevailing price levels and without regard to the impact that their practices have on these other markets. Based on this experience, *** has little doubt that if these orders are revoked that the U.S. producers of CTL plate will be adversely affected by increased imports of unfairly priced CTL plate from China, Russia, and Ukraine in very short order. This is particularly true in light of the decline in economic activity since mid- to late-2008 to the present."

***

"If the suspension agreements and antidumping order were lifted, we would expect these countries to increase their exports to the United States. The likely impact on the market would be quite negative, making it difficult for us to import at profitable prices."

***

"We would anticipate an increase of availability."

***

"Should the orders be revoked, it is expected that foreign producers from the subject countries, traders, and importers will continue with past practices and resume dumping products on the U.S. market in increasing quantities. The increase in dumped products will force prices down, reduce revenues and volumes and curtail *** ability meet its customer's plate demands."

***

Indicated no anticipated changes and explained "Not under current market conditions."

***

"Yes, we would anticipate changes in our imports if CTL carbon steel plate suspension agreements and AD were lifted from Russia, Ukraine, and China. Within less than 6 months, assuming 'normal' market conditions, we would see increased imports of Chinese-produced CTL carbon steel plate. We would not expect to see larger volumes of CTL carbon plate from Russia and Ukraine, as these producers tend to follow the market pricing and demand globally, not necessitating them to export to the United States. Our company's business plan dictates for us to simply market the highest quality products, at the most competitive prices, to our customers, regardless of the producing country. As an independent steel trading company, we are not obligated to market a certain manufacturer/country's material."

***

No response was given.

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE SUSPENSION AGREEMENTS AND THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

Effects on Future Activities of the Firms and the U.S. Market as a Whole

The Commission requested purchasers to comment on the likely effects of revocation of the suspension agreements for imports of CTL plate from Russia and Ukraine and the antidumping duty order for imports of CTL plate from China on (1) the firm's future activities and (2) the U.S. market as a whole. Their responses are as follows:

****

(1) The firm's future activities:

"There would be no change in our activities."

(2) The U.S. market as a whole:

"I do not expect any change in the U.S. market in the next 2-3 years."

****

(1) The firm's future activities:

No response was given.

(2) The U.S. market as a whole:

No response was given.

***

(1) The firm's future activities:

"It will decreased domestic pricing, creating an imbalance of supply vs demand. Supply will surpass demand. It will depress our pricing."

(2) The U.S. market as a whole:

"Same as above."

***

(1) The firm's future activities:

Indicated no anticipated changes.

(2) The U.S. market as a whole:

"Unknown."

***

(1) The firm's future activities:

"Unaffected."

(2) The U.S. market as a whole:

"Do not know."

***

(1) The firm's future activities:

"None."

(2) The U.S. market as a whole:

"None."

***

(1) The firm's future activities:

"Do not know."

(2) The U.S. market as a whole:

"Do not know."

***

(1) The firm's future activities:

"If the countervailing/antidumping duties are revoked, it could provide an opportunity for increased supply from foreign sources. If that happens, our company will curtail our purchases since we would expect prices to fall. Our focus would be to reduce inventory of those products and increase inventory turns. We would expect the price effect domestically 6-12 months after revocation."

(2) The U.S. market as a whole:

"The increasing foreign supply would have a depressing effect on CTL prices depending on the size of the increased import tonnage. We would expect this downward effect on price within 6-9 months of the revocation."

***

(1) The firm's future activities:

"We believe that Russia and Ukraine would continue to demonstrate responsible pricing in future offerings as these countries view the U.S. as an important market for them. It is less clear what action might be taken by China. We would expect to continue to receive offers from Russia and Ukrainian plate producers."

(2) The U.S. market as a whole:

"We believe that Russia and Ukraine would continue to demonstrate responsible pricing in future offerings as these countries view the U.S. as an important market for them. It is less clear what action might be taken by China. We would expect that more offerings of plate could be in the offing for U.S. plate customers."

***

(1) The firm's future activities:

"For ***, especially in the heavy plate market, this would leave us with only one carbon/alloy heavy plate supplier, with no room for price negotiations."

(2) The U.S. market as a whole:

"Customers would only have one heavy plate supplier and the U.S. mills could raise prices at will."

***

(1) The firm's future activities:

"We are not a significant participant in these markets and on a local level we would see very little effect."

(2) The U.S. market as a whole:

"This would depend on the extent of allowable tonnage. The U.S. producers are currently running at a reduced capacity and increased import competition will have a negative effect. If the U.S. mills were running at a high capacity and availability became an issue, the industry as a whole might benefit."

***

(1) The firm's future activities:

"If these suspension agreements would be repealed, it could open up some opportunities that might not have been there in the past. Instead of prices being inflated, like they were in 2008, it may have allowed prices to remain somewhat more stable."

(2) The U.S. market as a whole:

"The revocation should also allow the opportunity for the prices to remain "Global" vs North American which are usually slightly inflated over the world market numbers. More and more consolidation of mills is leading to foreign ownership in the mills, and they will not look to have price significantly in one part of the world vs the other. With more mergers and acquisitions in the steel market, price may just work themselves out to be more competitive globally."

***

(1) The firm's future activities:

"Since we are a distributor I do not believe we will be directly affected."

(2) The U.S. market as a whole:

"I would speculate that if imports are totally unregulated and allowed to come into the U.S. with no limits, it could have the effect of depressing pricing. It is all linked to supply and demand."

***

(1) The firm's future activities:

"Do not know - Not knowledgeable on this subject."

(2) The U.S. market as a whole:

"Do not know - Not knowledgeable on this subject."

***

(1) The firm's future activities:

"This will result in more imports, which will put pressure on the prices, however the consumer will pay more."

(2) The U.S. market as a whole:

No response was given.

***

(1) The firm's future activities:

"This will result in more imports, which will put pressure on the prices, however the consumer will pay more."

(2) The U.S. market as a whole:

No response was given.

***

(1) The firm's future activities:

Indicated no anticipated changes.

(2) The U.S. market as a whole:

"Concern of lower prices from subject countries unless global pricing is better. If U.S. is lower than global little or no issue."

***

(1) The firm's future activities:

"Revocation could assist in relieving shortages of CTL plate in the U.S. market during periods of strong market demand. Thick steel plate (>3") can be difficult to obtain, because it is made from an ingot casting process and has only one U.S. producer. However, it is unlikely to affect us because of the lengthy process required to set a supply agreement."

(2) The U.S. market as a whole:

"Revocation could assist in relieving shortages of CTL plate in the U.S. market during periods of strong market demand. Thick steel plate (>3") can be difficult to obtain, because it is made from an ingot casting process and has only one U.S. producer."

***

(1) The firm's future activities:

"We will act opportunistically and if there is a good reason to buy from these countries we will. However, I am not aware of an over supply situation in any of these countries that would dramatically affect markets (this is not to say it won't happen)."

(2) The U.S. market as a whole:

"Basically about the same as above."

***

(1) The firm's future activities:

"We would probably buy some CTL if the foreign prices fall $60- $80 per ton below domestic. I don't see the domestic suppliers allowing this scenario to happen, unless in the future they are unable to satisfy demand. We would continue to buy the majority of our inventory from domestic sources because of relationships and ability to turn inventory quickly."

(2) The U.S. market as a whole:

"Do not know."

***

(1) The firm's future activities:

"None, no effect."

(2) The U.S. market as a whole:

"None, no effect."

***

(1) The firm's future activities:

"Any revocation of the current suspension agreement from Russia or the Ukraine would not have any impact on our company. Typically, we do not receive offers for product from these countries as the West Coast is too costly a destination for these countries. As for the anti-dumping duty order from China, it is our view that the removal of this action would negatively affect our company indirectly. While we do not purchase product from China, the West Coast market would be negatively affected as Chinese producers have exhibited very poor trading practices in the past, offering product at prices well below domestic prices in an irresponsible manner, with product that proves out to be well below industry standards. As Chinese producers sell aggressively on price, without regard to prevailing market conditions or to a long term commitment as an established supplier with consistent quality product offerings, their actions are very destructive."

(2) The U.S. market as a whole:

"It is our view that the aforementioned outcome for the West Coast markets would hold true for the entire U.S. market."

***

(1) The firm's future activities:

"Very little effect on our purchasing pattern."

(2) The U.S. market as a whole:

"Revocation would create downward pressure on pricing for the long term. The length of time would be until new agreements are put in place."

***

(1) The firm's future activities:

"Does not apply."

(2) The U.S. market as a whole:

"Does not apply."

***

(1) The firm's future activities:

"Probably won't impact our firm - we sell what is available and what our customers want."

(2) The U.S. market as a whole:

"Do not know."

***

(1) The firm's future activities:

"N/A"

(2) The U.S. market as a whole:

"N/A"

***

(1) The firm's future activities:

"For *** the lifting of the anti-dumping duty will not change our current buying pattern. Many of the projects we are working on require us to use plate that is 100% produced in the United States. We do not have the option to use foreign steel, even if the duty is lifted."

(2) The U.S. market as a whole:

"The current U.S. Steel market is working through having too much inventory. Unless demand suddenly skyrockets, there isn't enough demand to even keep domestic producers of steel busy. Long term the lifting of the duty may have an effect on the steel market, but things have changed quite a bit since the initial placing of the duty."

***

(1) The firm's future activities:

Indicated no anticipated changes.

(2) The U.S. market as a whole:

"Its impact may mean more economic opportunities for domestic mills and the American worker."

***

(1) The firm's future activities:

"As suspension agreements are revoked, it will impact the total supply of imports. However, our company is located far enough inland that imported material seems to have a minimal impact on our general market."

(2) The U.S. market as a whole:

"During the past few years, the economy has evolved into a true global market. The U.S. market can certainly be impacted price-wise as the total market availability and supply changes. Excess material will negatively impact the market price."

***

(1) The firm's future activities:

Indicated no anticipated changes.

(2) The U.S. market as a whole:

"Not qualified to answer."

***

(1) The firm's future activities:

"I anticipate that we will be forced to consider an increase in supply from the aforementioned countries at lower prices, which will further depress an already weak market."

(2) The U.S. market as a whole:

"I would anticipate that revocation would have an immediate impact in increasing supply and depressing prices. Specific concerns would be Chinese CTL plate in consideration of their rapid increase of new production."

***

(1) The firm's future activities:

No response was given.

(2) The U.S. market as a whole:

No response was given.

***

(1) The firm's future activities:

Indicated no anticipated changes.

(2) The U.S. market as a whole:

"Drive price somewhat upward."

***

(1) The firm's future activities:

"Very little effect."

(2) The U.S. market as a whole:

"China plate would be the largest concern on the West Coast. There are always companies that look for the lowest price and do not support domestic producers. Possibility certainly exists to have an impact on the market. Strength of the U.S. dollar plays a role as well."

***

(1) The firm's future activities:

"For our industry, it will keep sub standard plate from making it into the U.S. Pipeline infrastructure. We are not interested in purchasing plate from any of these countries."

(2) The U.S. market as a whole:

"Same as above."

***

(1) The firm's future activities:

"More availability of steel plate resulting in pricing pressures downwards on competing domestic mills. Impact would be immediate."

(2) The U.S. market as a whole:

No response was given.

***

(1) The firm's future activities:

No response was given.

(2) The U.S. market as a whole:

No response was given.

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE SUSPENSION AGREEMENTS AND THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

Significance of Suspension Agreements and Order In Terms of Trade and Related Data

The Commission requested foreign producers to describe the significance of the existing suspension agreements covering imports of CTL plate from Russia, and Ukraine, and the antidumping duty order covering imports of CTL plate from China in terms of their effect on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

* * * * * * *

Anticipated Operational and Organizational Changes If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested foreign producers to describe any anticipated changes in the character of their operations or organization relating to the production of CTL plate in the future if the suspension agreements on CTL plate from Russia and Ukraine and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

* * * * * * *

Anticipated Changes in Trade and Related Data If The Suspension Agreements and the Order Were To Be Revoked

The Commission requested foreign producers to describe any anticipated changes in their 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 suspension agreements on CTL plate from Russia, and Ukraine, and the antidumping duty order on CTL plate from China were to be revoked. Their responses are as follows:

* * * * * * *

APPENDIX E

OVERVIEW OF VARIANCE CALCULATION

Table E-1
Variance analysis on results of operations of U.S. producers in the production of CTL plate, calendar and fiscal years 2003-08, January-June 2008, and January-June 2009

	Calendar and fiscal year						Jan.-June
	2003-08	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Total net sales:							
Price variance	5,005,907	1,609,182	718,206	167,158	254,601	1,711,987	(334,994)
Volume variance	723,411	177,915	122,324	794,172	8,289	165,484	(2,132,887)
Total net sales variance	5,729,318	1,787,097	840,530	961,330	262,890	1,877,471	(2,467,881)
Cost of goods sold:							
Raw material:							
Cost variance	(2,712,148)	(703,642)	(237,817)	(38,450)	(237,066)	(1,269,926)	155,363
Volume variance	(358,337)	(88,129)	(57,643)	(357,297)	(3,676)	(76,839)	1,127,644
Net raw material variance	(3,070,485)	(791,771)	(295,460)	(395,747)	(240,742)	(1,346,765)	1,283,007
Direct labor:							
Cost variance	(10,301)	40,622	1,333	11,188	(18,935)	(54,354)	(22,601)
Volume variance	(87,394)	(21,494)	(7,361)	(40,288)	(392)	(8,014)	95,518
Net direct labor variance	(97,695)	19,128	(6,028)	(29,100)	(19,327)	(62,368)	72,917
Other factory costs:							
Cost variance	(548,592)	(47,368)	(145,672)	10,142	(7,780)	(317,073)	(265,800)
Volume variance	(260,919)	(64,170)	(27,298)	(174,771)	(1,756)	(33,765)	403,970
Net other factory cost variance	(809,511)	(111,538)	(172,970)	(164,629)	(9,536)	(350,838)	138,170
Net cost of goods sold:							
Cost variance	(3,271,040)	(710,388)	(382,156)	(17,119)	(263,782)	(1,641,354)	(133,038)
Volume variance	(706,651)	(173,793)	(92,302)	(572,357)	(5,823)	(118,617)	1,627,132
Total net cost of goods sold variance	(3,977,691)	(884,181)	(474,458)	(589,476)	(269,605)	(1,759,971)	1,494,094
Gross profit variance	1,751,627	902,916	366,072	371,854	(6,715)	117,500	(973,787)
SG&A expenses:							
Expense variance	59,549	45,811	(3,329)	29,397	(13,704)	(9,455)	(13,565)
Volume variance	(52,190)	(12,836)	(3,716)	(21,010)	(170)	(3,629)	40,444
Total SG&A variance	7,359	32,975	(7,045)	8,387	(13,874)	(13,084)	26,879
Operating income variance	1,758,986	935,891	359,027	380,241	(20,589)	104,416	(946,908)
Summarized as:							
Price variance	5,005,907	1,609,182	718,206	167,158	254,601	1,711,987	(334,994)
Net cost/expense variance	(3,211,491)	(664,577)	(385,485)	12,278	(277,486)	(1,650,809)	(146,603)
Net volume variance	(35,429)	(8,713)	26,306	200,805	2,296	43,238	(465,311)

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

Overview of Variance Analysis Calculation

The variance analysis is a useful tool for estimating the extent to which changes in overall revenue, costs/expenses, and profitability were due to changes in average values (sales, cost of goods sold, SG&A expenses) and/or changes in sales volume. It is divided into three primary sections: net sales variance, cost of goods sold variance, and SG&A expense variance. Two additional sections, the gross profit variance and the operating income variance, represent the sum of the two preceding variance sections, respectively; i.e., the gross profit variance equals the sum of the net sales variance and the net cost of goods sold variances, while the operating income variance equals the sum of the gross profit variance and the SG&A expense variance. The relevant calculations used in the Commission's standard variance analysis[1] are outlined as follows:

Total Net Sales Variance

Equals the sum of the price variance and the volume variance.

> Price variance equals the change in unit price (i.e., the average sales value in year 2 minus the average sales value in year 1) multiplied by the total sales volume in year 2.
>
> Volume variance equals the change in sales volume (i.e., total sales volume in year 2 minus the total sales volume in year 1) multiplied by the average sales value in year 1.[2]

Total Cost of Goods Sold Variance

Equals the sum of the cost variance and the volume variance.

> Cost variance equals the change in average unit cost of sales (i.e., the average cost of sales in year 1 minus the average sales value in year 2) multiplied by the total sales volume in year 2. Volume

[1] The variance analysis in this report presents separate variances for raw material, direct labor, and other factory costs. While the underlying mechanics are the same, a standard variance analysis presents a single variance analysis for cost of goods sold.

[2] If the average sales value in year 2 is higher than the average sales value in year 1, the value of the price variance shown in the table is positive in terms of explaining the total change in revenue. Similarly, if the total sales volume in year 2 is greater than the total sales volume in year 1, the sales volume variance is also positive. If the reverse is true, the price variance and the volume variance would both be negative.

variance equals the change in sales volume (i.e., total sales volume in year 1 minus the total sales volume in year 2) multiplied by the average cost of goods sold in year 1.[3] [4]

Gross Profit Variance

Equals the sum of the total net sales variance and the total cost of goods sold variance.[5]

Total SG&A Expense Variance

Equals the sum of the SG&A expense variance and the volume variance.

SG&A expense variance equals the change in average SG&A expenses (i.e., average SG&A expenses in year 1 minus the average SG&A expense value in year 2) multiplied by the total sales volume in year 2.

Volume variance equals the change in sales volume (i.e., total sales volume in year 1 minus the total sales volume in year 2) multiplied by average SG&A expenses in year 1.[6]

[3] While the total net sales variances and the total cost of goods sold variance use the same basic methodology, the total net sales variance uses average sales value, while the cost of goods sold variance uses average cost of goods sold. The total net sales variances and the total cost of goods sold variance are also different in terms of whether changes in prices, costs, and/or volume are viewed as positive or negative. Since the objective of the variance analysis is to quantify the effect of changes in prices, costs, expenses, and volume on changes in operating income, changes that increase operating income (i.e., increasing average sales value, decreasing average costs, increasing sales volumes when sales are profitable, and decreasing sales volumes when sales are unprofitable) are positive. In contrast, changes which decrease operating income (i.e., decreasing average sales values, increasing average costs, decreasing sales volumes when sales are profitable, and increasing sales volumes when sales are unprofitable) are negative.

[4] Some care should be given when considering the cost of goods sold variance and the corresponding volume variance. The variance analysis does not distinguish between changes in average cost of goods sold due to increases/decreases in variable costs and/or changes in average cost due to increases/decreases in fixed cost absorption related to variations in production/sales volume. While the expanded variance analysis presented in this report separately presents raw materials, direct labor, and other factory costs, the impact of changes in fixed cost absorption, which would generally be reflected most noticeably in other factory costs, is not separately isolated.

[5] The gross profit variance is the net change in gross profit for the two periods considered; i.e., a negative gross profit variance indicates that total gross profit was lower in year 2 compared to year 1, while a positive gross profit variance indicates that total gross profit was higher in year 2 compared to year 1.

[6] Similar to the cost of goods sold variance, the SG&A expense variance has the same limitation noted above in terms of explaining changes in average cost due to increases/decreases in variable costs versus changes in average cost due to increased/decreased fixed cost absorption. A positive SG&A expense variance means that total SG&A expenses declined in year 2 compared to year 1, while a negative SG&A expense variance indicates that total SG&A expenses increased.

Operating Income Variance

Equals the sum of the price variance, the sum the cost of goods sold variance and the SG&A expenses variance, and the sum of all volume variances. Since the volume variances related to sales and costs of sales/SG&A expenses generally offset each other (i.e., an increase in sales volume results in a positive volume variance in the calculation of the net sales variance, while the same increase results in a negative volume variance in the calculation of the cost of goods sold variance), the primary components of the operating income variance are usually the price variance and the cost of goods sold/SG&A expense variance.