

June 3, 2015

DOC Inv. Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, **C-580-879**, C-533-864, C-475-833 and C-583-857.

USITC Inv. Nos. 701-TA-___-- ___, and 731-TA-___ - ___.

Total Pages: 973

Antidumping and Countervailing Duty Investigations

PUBLIC VERSION

Business Proprietary Information has been removed from the attached volumes of the Petitions at: Volume I, Pages 3, 15, 19, 30-33, 35-36, 39, the Exhibit List, and Exhibits I-3 – I-5, I-18, I-22 – I-26.

The Honorable Penny S. Pritzker
Secretary of Commerce
Attention: Import Administration
APO/Dockets Unit, Room 18022
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

The Honorable Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E Street, S.W., Room 112
Washington, D.C. 20436

Re: Petitions for the Imposition of Antidumping and **Countervailing** Duties: Certain Corrosion-Resistant Steel Products from the People's Republic of China, India, Italy, **the Republic of Korea**, and Taiwan

Dear Secretary Pritzker and Secretary Barton:

On behalf of United States Steel Corporation, Nucor Corporation, Steel Dynamics Inc., California Steel Industries, ArcelorMittal USA LLC, and AK Steel Corporation (collectively "Petitioners"), we hereby submit to the U.S. Department of Commerce (the "Department") petitions for the imposition of antidumping and countervailing duties on certain corrosion-resistant steel products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (the "Petitions") pursuant to sections 701, 702(b), 731, and 732(b) of the Tariff Act of 1930, as amended (the "Act") (19 U.S.C. §§ 1671, 1671a(b), 1673 and 1673a(b)). Pursuant to the Department's regulations codified at 19 C.F.R. § 351.202(c), we hereby certify that the Petitions and required copies are being filed today with the International Trade Commission (the "Commission").

The Honorable Penny S. Pritzker
The Honorable Lisa R. Barton
June 3, 2015
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At the Department, for each of the Petitions, we are filing Volume I (Common Issues and Injury) matched with the corresponding volume that contains the country-specific information on sales at less-than-fair value or the provision of countervailable subsidies. Information pertaining to the allegations of sales at less-than-fair value for the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan is contained in Volumes II, IV, VI, VIII, and X, respectively. Information concerning the countervailable subsidies provided by the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan is contained in Volumes III, V, VII, IX and XI, respectively.

At the Commission, pursuant to instructions from Secretary Barton, we are filing an original and 8 copies of: the narrative portion of the business proprietary version of Volume I (Common Issues and Injury); the narrative portion of the business proprietary version of Volumes II, IV, VI, VIII, X and XI; and the narrative portion of Volumes III, V, VII, and IX (which are public documents). We are also filing an original and 4 copies of: the narrative portion of the public version of Volume I (Common Issues and Injury); the narrative portion of the public version of Volumes II, IV, VI, VIII, X, and XI; and the narrative portion of Volumes III, V, VII, and IX (which are public documents). Finally, we are filing on CD-ROM complete sets of the business proprietary and public versions of the exhibits to all volumes of these Petitions in PDF format compatible with the Commission's EDIS system.

On behalf of Petitioners, we hereby request proprietary treatment for information designated as proprietary in these Petitions pursuant to the Department's regulations codified at 19 C.F.R. §§ 351.202(d) and 351.304 and the Commission's rules codified at 19 C.F.R. § 201.6(b). Business proprietary information is enclosed in single brackets (“[]”).

The information in Volume I of these Petitions for which Petitioners request proprietary treatment, and the location of same, is as follows:

- (1) *Data regarding production costs and distribution costs* (19 C.F.R. § 351.105(c)(2) – (3)): Exhibit I-5.
- (2) *Data regarding terms of individual sales or offers for sale, including sales dates, sales prices, product characteristics, destinations, payment terms, names of particular customers, distributors, or suppliers, and other sale-related business secrets* (19 C.F.R. §§ 351.105(c)(4) – (6)): Exhibit I-24.
- (3) *Information obtained by Petitioners through subscriptions to confidential publications not otherwise available to the public, as well as information regarding specific operational and trade data for the Petitioners, such as the amount of their income, profits, losses, or expenditures. The release of such information to the public would likely have the effect of impairing the ability of the U.S. International Trade Commission to obtain such information as is necessary to perform its statutory functions, and of causing substantial harm to the competitive position of the Petitioners.* (19 C.F.R. §§ 201.6(a) and

The Honorable Penny S. Pritzker
The Honorable Lisa R. Barton
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351.(c)(11): Pages 3, 15, 19, 30-33, 35-36, 39, List of Exhibits, and Exhibits I-3 to I-5, I-18, and I-22 to I-26.

The single-bracketed business proprietary information in the attached Volume I of these Petitions identified above is entitled to proprietary treatment in accordance with the Department's regulations codified at 19 C.F.R. § 351.304(a) and the Commission's rules codified at 19 C.F.R. § 201.6(b).¹ Information for which proprietary treatment is requested is not available to the public. Public disclosure of this information would result in serious and substantial harm to the competitive position of the sources of the information and would impair the ability of the Department and the Commission to obtain information necessary to fulfill their statutory functions. The requisite certifications that substantially identical information is not available to the public are set forth as attachments to this letter, in accordance with the Commission's rules codified at 19 C.F.R. § 201.6(b).

Pursuant to the Department's regulations codified at 19 C.F.R. § 351.304(b), Petitioners agree in principle to permit disclosure of the single-bracketed business proprietary information contained in these Petitions under an appropriately drawn administrative protective order ("APO"). Petitioners, however, reserve the right to comment on all APO applications prior to disclosure.


This public version is being filed simultaneously with the Business Proprietary Version of this submission pursuant to the Department's regulations codified at 19 C.F.R. § 351.304(c)(1) and the Commission's rules codified at 19 C.F.R. § 201.8(f). This public version contains a public summary of the single-bracketed business proprietary information in sufficient detail to permit a reasonable understanding of the contents of these Petitions.

¹ Volumes III, V, VII, and IX of the Petitions contain no business proprietary information.

The Honorable Penny S. Pritzker
The Honorable Lisa R. Barton
June 3, 2015
Page 4

Should you have any questions regarding these Petitions, please contact the undersigned.

Respectfully submitted,



Alan H. Price
Timothy C. Brightbill
Christopher B. Weld
WILEY REIN LLP
1776 K Street, N.W.
Washington, D.C. 20006
(202) 719-7000

/s/ Jeffrey D. Gerrish
Robert E. Lighthizer
Jeffrey D. Gerrish
Stephen P. Vaughn
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
(202) 371-7000

/s/ Roger B. Schagrin
Roger B. Schagrin
John W. Bohn
Paul W. Jameson
SCHAGRIN ASSOCIATES
900 7th St N.W. Suite 500
Washington, D.C. 20001
(202) 223-1700

Counsel to Nucor Corporation

Counsel to United States Steel Corporation

Counsel to Steel Dynamics Inc. and California Steel Industries

/s/ R. Alan Luberda
Paul C. Rosenthal
Kathleen W. Cannon
R. Alan Luberda
KELLY DRYE & WARREN LLP
Washington Harbour, Suite 400
3050 K Street, N.W.
Washington, D.C. 20007
(202) 342-8400

/s/ Stephen A. Jones
Joseph W. Dorn
Stephen A. Jones
KING & SPALDING LLP
1700 Pennsylvania Ave., NW
Suite 200
Washington, D.C. 20006
(202) 737-0500

Counsel to ArcelorMittal USA LLC

Counsel to AK Steel Corporation

CERTIFICATIONS

City of Washington)
)
District of Columbia) SS

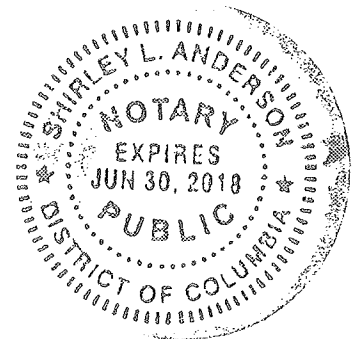
In accordance with section 201.6 (b)(3)(iii) of the rules of the U.S. International Trade Commission ("the Commission") (19 C.F.R. § 201.6 (b)(3)(iii) (2014)), I, ALAN H. PRICE, counsel to Nucor Corporation ("Nucor"), hereby certify on this 1st day of June 2015, that information substantially identical to that for which proprietary treatment has been requested in the attached submission is not available to the general public.

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3 (a) (2014)), I hereby also certify that the information contained in the attached submission is accurate and complete to the best of my knowledge.



ALAN H. PRICE

Subscribed and sworn to before me on this 1st day of June 2015.

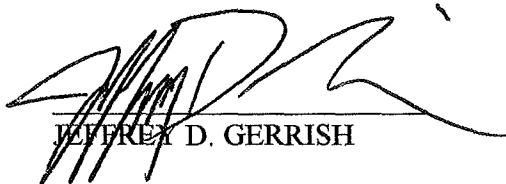

Notary Public

CERTIFICATIONS

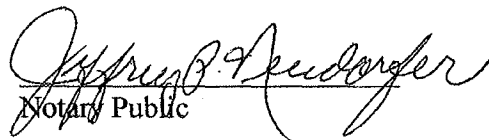
City of Washington)
)
District of Columbia) ss

In accordance with section 201.6 (b)(3)(iii) of the rules of the U.S. International Trade Commission ("the Commission") (19 C.F.R. § 201.6 (b)(3)(iii) (2014)), I, JEFFREY D. GERRISH, counsel to United States Steel Corporation ("U. S. Steel"), hereby certify on this 2nd day of June 2015, that information substantially identical to that for which proprietary treatment has been requested in the attached submission is not available to the general public.

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3 (a) (2014)), I hereby also certify that the information contained in the attached submission is accurate and complete to the best of my knowledge.


JEFFREY D. GERRISH

Subscribed and sworn to before me on this 2nd day of June 2015.


Notary Public



CERTIFICATIONS

City of Washington)
)
District of Columbia) ss

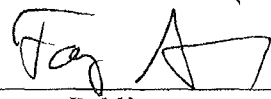
In accordance with section 201.6(b)(3)(iii) of the rules of the U.S. International Trade Commission ("the Commission") (19 C.F.R. § 201.6(b)(3)(iii)), I, ROGER B. SCHAGRIN, counsel to California Steel Industries and Steel Dynamics, Inc., hereby certify on this 29th day of May, 2015, that I have read the information contained in the attached Petitions regarding *Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan*, and that information substantially identical to that for which proprietary treatment has been requested in this submission is not available to the general public.

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3(a)), I hereby also certify that the information contained in this submission is accurate and complete to the best of my knowledge.

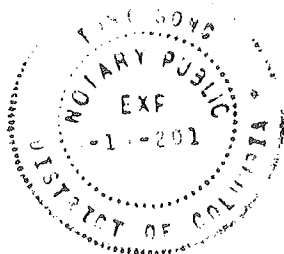


ROGER B. SCHAGRIN

Subscribed and sworn to before me on this 29th day of May, 2015.



Notary Public




TONY SONG
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires March 14, 2018

CERTIFICATIONS

City of Washington)
)
District of Columbia) ss

In accordance with section 201.6 (b)(3)(iii) of the rules of the U.S. International Trade Commission ("the Commission") (19 C.F.R. § 201.6 (b)(3)(iii) (2014)), I, R. Alan Luberda, counsel to ArcelorMittal USA, hereby certify on this 1st day of June 2015, that information substantially identical to that for which proprietary treatment has been requested in the attached submission is not available to the general public.

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3 (a) (2014)), I hereby also certify that the information contained in the attached submission is accurate and complete to the best of my knowledge.

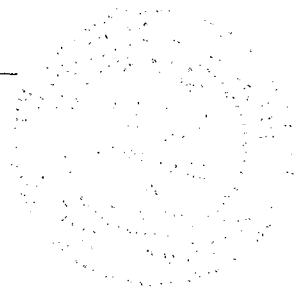


R. Alan Luberda

Subscribed and sworn to before me on this 1st day of June 2015.



Notary Public




CERTIFICATION

City of Washington)
)
District of Columbia) ss

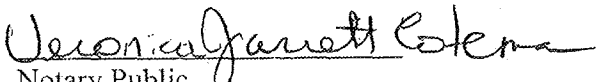
In accordance with section 201.6(b)(3)(iii) of the Rules of the U.S. International Trade Commission ("the Commission") (19 C.F.R. § 201.6(b)(3)(iii) (2014)), I, Joseph W. Dorn, counsel to AK Steel Corporation ("AK Steel"), hereby certify on this 1st day of June 2015, that information substantially identical to that for which proprietary treatment has been requested in the attached submission is not available to the general public.

In accordance with section 207.3(a) of the Commission's Rules (19 C.F.R. § 207.3(a) (2014)), I hereby also certify that the information contained in the attached submission is accurate and complete to the best of my knowledge.

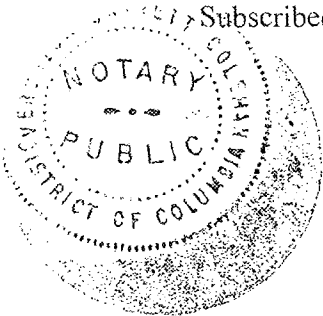


Joseph W. Dorn

Subscribed and sworn to before me on this 1st day of June 2015.




Notary Public



VERONICA JARRETT COLEMAN
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 31, 2015


CERTIFICATION

I, Alan H. Price, with Wiley Rein LLP, counsel or representative to Nucor Corporation, certify that I have read the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: Date: June 1, 2015

CERTIFICATION

I, Jeffrey D. Gerrish, with Skadden, Arps, Slate, Meagher & Flom LLP, counsel or representative to United States Steel Corporation, certify that I have read the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

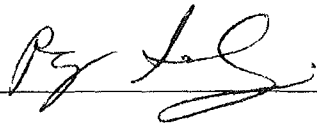
Signature: Date: 6/2/15

Counsel Certification

I, Roger B. Schagrin, counsel to California Steel Industries and Steel Dynamics, Inc., certify that I have prepared or otherwise supervised the preparation of the attached petitions filed on June 3, 2015 pursuant to the antidumping investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers A-570-026, A-533-863, A-475-832, A-580-878, and A-583-856, and countervailing duty investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers C-570-027, C-533-864, C-475-833, C-580-879, and C-583-857.

In my capacity as counsel of this submission, I certify that the information contained in this petition is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that a copy of this signed certification will be filed with this submission to the U.S. Department of Commerce.

Signature: _____

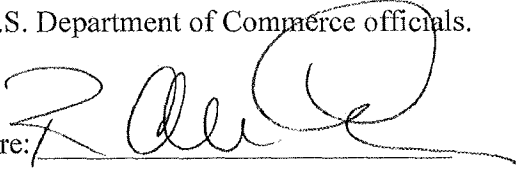


Date: _____

6/3/15

CERTIFICATION

I, R. Alan Lubberda, with Kelley Drye & Warren LLP, counsel or representative to ArcelorMittal USA LLC certify that I have read the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: Date: 6/1/15

CERTIFICATION

I, Stephen A. Jones, with King & Spalding, counsel to AK Steel Corporation, certify that I have read the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-563, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). In my capacity as an adviser, counsel, preparer or reviewer of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: _____




Date: _____



CERTIFICATION

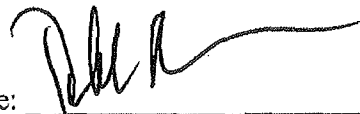
I, Douglas R. Gunson, Legal Counsel, currently employed by Nucor Corporation, certify that I prepared or otherwise supervised the preparation of the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). I certify that the information contained in these petitions is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: Date: 2 June 2015

CERTIFICATION

I, Debbie L. Shon, Vice President of International Trade and Global Public Policy, currently employed by United States Steel Corporation, certify that I prepared or otherwise supervised the preparation of the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). I certify that the information contained in these petitions is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: _____



Date: _____

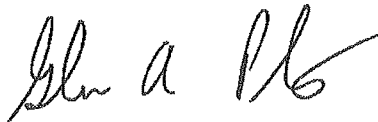


Certification

I, Glenn Pushis, currently employed by Steel Dynamics, Inc., certify that I have prepared or otherwise supervised the preparation of the attached petitions filed on June 3, 2015 pursuant to the antidumping investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers A-570-026, A-533-863, A-475-832, A-580-878, and A-583-856, and countervailing duty investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers C-570-027, C-533-864, C-475-833, C-580-879, and C-583-857.

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Signature: _____



Date: _____

6/1/15



CALIFORNIA STEEL INDUSTRIES, INC.

1 California Steel Way; P.O. Box 5080
Fontana, California 92335
909.350.6300

June 2, 2015

To Whom It May Concern

I, John Walburg, currently employed by California Steel Industries, certify that I have prepared or otherwise supervised the preparation of the attached petitions filed on June 3, 2015 pursuant to the antidumping investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers A-570-026, A-533-863, A-475-832, A-580-878, and A-583-856, and countervailing duty investigations of Certain Corrosion Resistant Steel Products from China, India, Italy, Korea, and Taiwan, investigation numbers C-570-027, C-533-864, C-475-833, C-580-879, and C-583-857.

I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: _____

John Walburg

Title: _____


MANAGER, MARKETING & SALES ADMINISTRATION

Date: _____

6/2/2015

CERTIFICATION

I, Paul M. Liebenson, General Counsel, currently employed by ArcelorMittal USA LLC, certify that I prepared or otherwise supervised the preparation of the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-863, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). I certify that the information contained in these petitions is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.


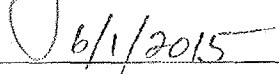
Signature: Date: June 1, 2015

CERTIFICATION

I, Joseph C. Alter, Vice President, General Counsel, and Corporate Secretary of AK Steel Corporation, certify that I prepared or otherwise supervised the preparation of the attached antidumping and countervailing duty petitions on Certain Corrosion-Resistant Steel Products from the People's Republic of China, the Republic of Korea, India, Italy, and Taiwan (U.S. Department of Commerce Case Nos. A-570-026, A-580-878, A-533-563, A-475-832, A-583-856, C-570-027, C-580-879, C-533-864, C-475-833, and C-583-857). I certify that the information contained in these petitions is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: _____

Date: _____

DOC Investigation No. A-570-026, A-580-878,
A-533-863, A-475-832, A-583-856, C-570-027,
C-580-879, C-533-864, C-475-833, and C-583-857
USITC Inv. Nos. 701-TA-___-___, and
731-TA-___-___

Total Pages: 153

Investigation

Business Proprietary Information deleted from
pages: 3, 15, 19, 30-33, 35-36, 39, List of Exhibits,
Exhibits I-3 – I-5, I-18, and I-22 – I-26.

PUBLIC VERSION

**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE AND THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**CERTAIN CORROSION-RESISTANT STEEL PRODUCTS
FROM THE PEOPLE'S REPUBLIC OF CHINA, INDIA, ITALY,
SOUTH KOREA, AND TAIWAN**

**PETITION FOR THE IMPOSITION
OF ANTIDUMPING AND COUNTERVAILING DUTIES PURSUANT TO
SECTIONS 701 AND 731 OF THE TARIFF ACT OF 1930, AS AMENDED**

VOLUME I

COMMON ISSUES AND INJURY

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**BEFORE THE
UNITED STATES DEPARTMENT OF COMMERCE
AND THE
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**PETITIONS FOR THE IMPOSITION
OF ANTIDUMPING AND COUNTERVAILING DUTIES AGAINST
CERTAIN CORROSION-RESISTANT STEEL PRODUCTS FROM CHINA, INDIA,
ITALY, SOUTH KOREA, AND TAIWAN**

These Petitions are presented on behalf of United States Steel Corporation; Nucor Corporation; Steel Dynamics, Inc.; ArcelorMittal USA, LLC; AK Steel Corp.; and California Steel Industries (collectively "Petitioners"). Petitioners allege that certain corrosion-resistant steel products ("corrosion-resistant steel") imported from China, India, Italy, South Korea, and Taiwan are being or are likely to be sold at less than normal value within the meaning of Section 731 of the Tariff Act of 1930, *as amended*, 19 U.S.C. § 1673 (hereinafter "the Act"). Petitioners further allege that corrosion-resistant steel imported from China, India, Italy, South Korea, and Taiwan is subsidized within the meaning of Section 701 of the Act, 19 U.S.C. § 1671. Petitioners also allege that these unfairly-traded imports have materially injured the United States domestic industry producing corrosion-resistant steel and threaten to cause further material injury if remedial action is not taken. These Petitions contain information reasonably available to Petitioners in support of these allegations.

Separate volumes regarding the allegations of dumping by subject producers, as well as countervailable subsidies provided to producers from each of the subject countries, are being filed simultaneously at both the U.S. Department of Commerce (the "Department") and the U.S. International Trade Commission (the "Commission"). Petitioners request that antidumping ("AD") and countervailing duties ("CVD") be imposed to offset the dumping and subsidy margins detailed in the specific AD and CVD volumes.

I. COMMON ISSUES

This section contains information required in AD and CVD petitions by 19 C.F.R.

§§ 351.202(b)(1) to 351.202(b)(9) and 207.11 (2014).

A. Contact Information for the Petitioners (19 C.F.R. § 207.11(a); 19 C.F.R. § 351.202(b)(1))

Petitioners consist of companies that make the domestic like product in the United States. Petitioners are domestic interested parties within the meaning of 19 U.S.C. § 1677(9) (2015) and 19 C.F.R. § 351.102(a) (2015). Petitioners' contact information is provided in Exhibit I-1.

B. Identity of the Industry on Whose Behalf the Petitions Are Filed (19 C.F.R. § 207.11(b)(2)(ii); 19 C.F.R. § 351.202(b)(2))

These Petitions are filed on behalf of the United States industry that produces certain corrosion-resistant steel. Exhibit I-1 contains information relating to the Petitioners, while Exhibit I-2 contains contact information for other domestic producers in the United States. Information regarding contact persons for each of these companies is not reasonably available to Petitioners. According to the best information reasonably available to Petitioners, Exhibits I-1 and I-2 identify all known producers of the subject merchandise in the United States.

C. Information Relating to the Degree of Industry Support for the Petition (19 C.F.R. § 351.202(b)(3))

According to 19 U.S.C. §§ 1671a(c)(4)(A) and 1673a(c)(4)(A) (2015), a petition is filed by or on behalf of the domestic industry if: (1) domestic producers who support the petition account for at least 25 percent of the total production of the domestic like product, and (2) domestic producers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition. To the best of their knowledge, Petitioners meet both of these requirements with respect to each of the petitions at issue here.

The volume of Petitioners' production of corrosion-resistant steel from 2012 to 2014 can be found at Exhibit I-3.¹ Petitioners have estimated the volume of the domestic like product² made by the entire U.S. domestic industry by using shipment data from the American Iron and Steel Institute.³ These data indicate that in each of the last three calendar years, Petitioners accounted for [] percent of domestic production of corrosion-resistant steel.⁴ Petitioners have also estimated the quantity of the domestic like product made by the entire U.S. domestic industry by using []⁵ Once again, the data show that Petitioners accounted for [] percent of domestic production in each of the last three calendar years. Given these facts, there can be no doubt that Petitioners represent more than enough of the domestic industry to bring these cases.

D. Previous Requests for Import Relief for the Merchandise (19 C.F.R. § 351.202(b)(4))

1. Litigation pursuant to Section 201 of the Trade Act of 1974

1984 Litigation. On January 24, 1984, a petition for safeguard relief pursuant to Section 201 of the Trade Act of 1974 ("Section 201") was filed on behalf of the United Steelworkers of

¹ The volume and value of corrosion-resistant steel produced by each individual Petitioner can be found in Exhibit I-4.

² Data regarding the total value of U.S. production of corrosion-resistant steel is not reasonably available to Petitioners.

³ Data from Petitioners demonstrates that [] In particular, []

[] See Exhibit I-4. []

[] See Exhibit I-5. Thus, it is reasonable to use shipment volumes as an estimate for production.

⁴ See Exhibit I-3.

⁵ See *id.*

America, AFL-CIO/CLC, and Bethlehem Steel Corp.⁶ This case covered a broad range of steel products, including sheet products such as corrosion-resistant steel.⁷ The Commission conducted an investigation to determine whether certain steel products, including corrosion-resistant steel, were being imported into the United States in such increased quantities to be a substantial cause of serious injury, or threat thereof, to domestic industries producing articles like or directly competitive with the imported article. In July 1984, the Commission issued its determination. The Commission found that imports were a substantial cause of serious injury in the case of semi-finished steel, plates, sheets and strip (including corrosion-resistant steel), wire and wire products, and structural shapes and units.⁸

On September 18, 1984, President Reagan decided not to impose safeguard relief pursuant to Section 201.⁹ Instead, he directed the United States Trade Representative to negotiate voluntary restraint agreements ("VRAs") to cover a five-year period (*i.e.* October 1, 1984 through September 30, 1989), with countries whose exports to the United States had increased significantly.¹⁰ Although the precise structure of the arrangements varied from one country to another, each involved an agreement by the foreign government to limit exports of

⁶ See International Trade Comm'n, "Carbon and Certain Alloy Steel Products," 49 Fed. Reg. 5838 (Feb. 15, 1984).

⁷ See *Carbon and Certain Alloy Steel Products*, USITC Pub. 1553, Inv. No. TA-201-51 (July 1984).

⁸ *Id.*

⁹ Memorandum on the Denial of Import Relief for the Steel Industry (Sept. 18, 1984), 49 Fed. Reg. 36813 (Sept. 20, 1984).

¹⁰ *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, and 347-353 (Final) and Inv. Nos. 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 (Aug. 1993) at I-12 ("*1993 Determinations*").

certain steel products to the United States.¹¹ VRAs were negotiated with 19 foreign governments and the European Community (including Italy).¹² One VRA covered imports of steel products from South Korea.¹³ In July 1989, the VRAs were extended for two and one-half years.¹⁴ They expired in March 1992.¹⁵

2001 Safeguard Case. On June 22, 2001, the Commission instituted another safeguard investigation under Section 201, following receipt of a request from the United States Trade Representative,¹⁶ to determine whether imports of certain steel products, including corrosion-resistant steel, were a substantial cause of serious injury, or threat thereof, to domestic industries. On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate ("Committee") requesting that the Commission investigate certain steel imports under Section 201. The Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation.¹⁷

On December 20, 2001, the Commission issued its determination and remedy recommendations. The Commission reached an affirmative determination with respect to certain flat-rolled steel (a product category that included corrosion-resistant steel).¹⁸

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *See Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974*, 66 Fed. Reg. 35267 (Int'l Trade Comm'n July 3, 2001).

¹⁷ *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 Fed. Reg. 44158 (Int'l Trade Comm'n Aug. 22, 2001).

¹⁸ *See Steel*, USITC Pub. 3479, Inv. No. TA-201-73 (Dec. 2001), Vol. I at 45.

On March 5, 2002, President George W. Bush announced safeguard measures 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.¹⁹ The safeguard measures covered a number of product categories – including flat-rolled steel – 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, which were originally intended to last for a period of three years and one day.²⁰ As announced by President Bush, import relief relating to corrosion-resistant steel would consist 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.²¹ On December 4, 2003, however, the President terminated the increased tariffs under the safeguard measure.²²

2. AD/CVD Litigation

On June 30, 1992, domestic producers sought AD/CVD relief from unfairly-traded imports of corrosion-resistant steel from a number of countries – including Korea. The Department subsequently found that corrosion-resistant steel from Korea was being dumped into this market at a margin of 17.7 percent,²³ and was being subsidized at a margin of 2.69 percent.²⁴

¹⁹ *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products*, 67 Fed. Reg. 10553 (March 7, 2002).

²⁰ *Id.*

²¹ *Id.* The safeguard measures announced by President Bush applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, and most developing countries that were members of the World Trade Organization. The President's initial proclamation excluded numerous specific products from the measures, and that proclamation was followed by subsequent additional exclusions.

²² *Presidential Proclamation 7741 of December 4, 2003, to Provide for the Termination of Action Taken with Regard to Imports of Certain Steel Products*, 68 Fed. Reg. 68483 (Dec. 8, 2003).

²³ *Amendment of Final Determinations of Sales at Less than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat*
(cont'd)

Moreover, the Commission determined that an industry in the United States was materially injured by reason of imports of corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and South Korea.²⁵ As a result, on August 17, 1993, the Department issued a CVD order on corrosion-resistant steel from South Korea.²⁶ On August 19, 1993, the Department issued an AD order on corrosion-resistant steel from South Korea.²⁷

On November 20, 2000, the Commission issued its determinations in five-year reviews of those orders. The Commission found that revocation of the orders at issue would likely lead to the continuation or recurrence of material injury to the domestic industry.²⁸

In December 2006, the Commission issued its determinations in the second reviews of these orders. By a vote of 2 to 4, the Commission found that revocation of the orders on imports from Australia, Canada, France, and Japan would not likely lead to the continuation or recurrence of material injury to the domestic industry.²⁹ However, the Commission unanimously agreed that the orders on South Korea and Germany should remain in place.³⁰

(cont'd from previous page)

Products, and Certain Cut-to-Length Carbon Steel Plate from Korea, 58 Fed. Reg. 41083 (Dep't Commerce Aug. 2, 1993).

²⁴ *Certain Steel Products from Korea*, 58 Fed. Reg. 43752 (Dep't Commerce Aug. 17, 1993) (order).

²⁵ *See 1993 Determinations*.

²⁶ *Certain Steel Products from Korea*, 58 Fed. Reg. 43752 (Dep't Commerce Aug. 17, 1993) (order).

²⁷ *Certain Steel Products from Korea*, 58 Fed. Reg. 44159 (Dep't Commerce Aug. 19, 1993) (order).

²⁸ *See Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom*, Inv. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review), USTIC Pub. 3364 (Nov. 2000) ("2000 Reviews").

²⁹ *See 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. AA1921-127 (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 (Jan. 2007) ("2007 Reviews").

³⁰ *Id.*

In February 2013, the Commission issued its determinations in the third reviews of these orders. The Commission found that revocation of the orders on South Korea and Germany would not likely lead to the continuation or recurrence of material injury to the domestic industry.³¹ As a result of these determinations, the AD and CVD orders on corrosion-resistant steel from Korea were revoked. There are currently no AD or CVD orders on imports of corrosion-resistant steel.

3. Other Forms of Import Relief

Petitioners have not filed for relief from imports of the subject merchandise under Section 337 of the Act, Section 301 of the Trade Act of 1974, or Section 232 of the Trade Expansion Act of 1962.

E. Scope of the Investigations and a Detailed Description of the Subject Merchandise (19 C.F.R. § 351.202(b)(5))

1. Scope of Investigations

The physical characteristics of the covered products, which define the scope, are as follows:

For purposes of these investigations, the products covered are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating, both in coils, 0.5 inch wide or wider (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness, having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which

³¹ *Corrosion-Resistant Carbon Steel Flat Products from Germany and Korea*, Inv. Nos. 701-TA-350 (Third Review), 731-TA-616 and 618 (Third Review), USITC Pub. 4388 (March 2013) ("*2013 Reviews*").

have been "worked after rolling"); for example, products which have been beveled or rounded at the edges.

Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin free steel"), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;

- Clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 mm in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

2. Technical Characteristics and Uses

Corrosion-resistant steel is steel sheet that has been coated or plated with a corrosion- or heat-resistant metal to prevent corrosion and thereby extend the service life of products made from the steel.³² Steel coated with zinc, aluminum, or any of several zinc-aluminum alloys comprise most of the product at issue.³³

Corrosion-resistant steel is used in the manufacture of automobiles and trucks, in appliances, industrial equipment, and agricultural equipment. The use of corrosion-resistant steel has been a key factor in extending the service life of automobiles.³⁴ Corrosion-resistant steel is also widely used in such construction applications as roofing, siding, hardware, roof and bridge deck, guard rails, culverts and the like.³⁵

Galvannealed steel is zinc-coated steel whose coating has been heated to allow the zinc to form an alloy with the base steel.³⁶ Galvannealed steel is considered to be more suitable for painting than galvanized steel – however, the coating is more prone to flaking when fabrication

³² 2013 Reviews at I-28.

³³ *Id.* Steel coated with zinc is known as "galvanized" steel, while steel coated with aluminum is "aluminized." *Id.* at n.42. Other significant types of corrosion-resistant steel include Galvalume™ (steel coated with an alloy of 55 percent aluminum and 45 percent zinc); and Galfan™ (steel coated with 95 percent zinc, almost 5 percent aluminum, and the remainder rare earth mischmetal (an alloy of rare earth metals). *Id.*

³⁴ 2007 Reviews at CORE-I-15.

³⁵ *Id.*

³⁶ *Id.* at CORE-I-16.

involves extensive cold forming.³⁷ Aluminized steel and zinc-aluminum alloy coated steel are considered to resist corrosion at higher temperatures than galvanized steel.³⁸

3. Production Methodology

There are two widely used processes for making corrosion-resistant steel: the hot-dip process, in which steel sheet³⁹ passes through a bath of molten zinc or aluminum, and the electrolytic process, in which steel sheet passes through a series of electrolytic cells that plate zinc or other metals onto the surface of the steel.⁴⁰ Most galvanized steel in the United States is made using the hot-dip process.

a. The Hot-Dip Process

Most hot-dip processing lines have in-line annealing, which means that steel can be processed directly after cold-rolling.⁴¹ The process begins by placing coils of full hard cold-rolled steel on two entry reels.⁴² The lead end of each coil is cropped to remove any off-gauge or damaged steel, and is welded to the tail end of the previous coil.⁴³ As the coil unwinds, it runs through a vertical accumulator, which stores a reserve supply of steel strip that can be fed into

³⁷ *Id.*

³⁸ *Id.*

³⁹ The starting material for most corrosion-resistant steel is cold-rolled steel. *2013 Reviews* at I-29. The raw material input for cold-rolled steel is hot-rolled steel. *Id.* at n. 46. Hot-rolled steel is cleaned, or "pickled," in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot-rolling. *Id.* The pickled steel is then processed through a cold-rolling mill, which is typically a continuous (or tandem) mill having four to six roll stands, and which reduces the thickness of the hot-rolled material by 30 to 90 percent. *Id.* The cold-rolling process hardens steel so that it usually must be heated in an annealing furnace to make it more formable. *Id.*

⁴⁰ *2013 Reviews* at I-29.

⁴¹ *2007 Reviews* at CORE-I-16.

⁴² *2013 Reviews* at I-29.

⁴³ *Id.*

the processing line during the pause in the coil feeding process when the end of one coil is being welded to the beginning of the next coil.⁴⁴

The coils are cleaned in hot alkali using scrub brushes, which is followed by rinsing and hot air drying.⁴⁵ This cleaning process removes residual rolling oils and iron fines from the surface, thus improving coating adhesion, optimum appearance and better paintability.⁴⁶ Some hot-dip lines use direct flame cleaning – in which the strip is heated, thus volatilizing the organic surface contaminants.⁴⁷ Direct flame cleaning may be used alone, or in combination with liquid cleaning.

After cleaning, the steel goes through an annealing furnace. Modern hot-dip galvanizing lines use vertical, radiant tube annealing furnaces with a number of independently monitored combustion zones for precise and uniform temperature control.⁴⁸ After annealing, the strip is cooled to a temperature more compatible with the upcoming zinc bath.⁴⁹

The steel then moves through a pot of molten metal (zinc, aluminum, or zinc-aluminum alloy).⁵⁰ After the steel emerges from the molten metal, gas jets blow excess metal from the surface, thus controlling the amount remaining on the surface (also known as the coating weight).⁵¹

⁴⁴ *Id.* at I-29 & n.46.

⁴⁵ *2013 Reviews* at I-29.

⁴⁶ *Id.* The cleaning also removes loose iron-bearing debris from the surface that could get carried through to the zinc bath and form pot dross or surface dross on the steel. *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* Annealing temperatures vary from 1330° F to 1550° F. *Id.*

⁴⁹ *Id.* Most zinc baths maintain a zinc temperature of between 865 and 870° F. *Id.*

⁵⁰ *2007 Reviews* at CORE-I-16.

⁵¹ *Id.*

Several processes can be performed after galvanizing. For example, in-line temper-rolling imparts a carefully controlled surface finish, mechanical property control, and good flatness.⁵² The strip may also pass through a tension leveler, located immediately after the temper mill, to provide superior flatness.⁵³ Next, the steel is treated with a chemical solution to protect the coating.⁵⁴ The strip then passes through an inspection station – some lines have automatic inspection to help human inspectors assess surface quality. Finally, a light film of rust preventative oil is applied – and the strip is recoiled on a mandrel to produce coils to the customer's ordered weight.

b. Electrolytic Process

The electrolytic process of making corrosion-resistant steel (also referred to as electrogalvanizing) shares some of the same basic production steps used in the hot-dip process – it begins with steel coils, and the coils are fed into the production process and cleaned in much the same manner before they are coated.⁵⁵ However, instead of using a bath of molten metal to coat the coils, the coils pass through a series of electrolytic plating cells.⁵⁶ Each cell contains a chemical solution and a source of the metal used to coat the steel strip.⁵⁷ The coating metal acts as an anode, while the steel strip acts as a cathode.⁵⁸ As the steel strip passes through each cell,

⁵² 2013 Reviews at I-31.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

the coating is deposited on the strip.⁵⁹ The electrolytic process works in an incremental manner – passage through each plating cell deposits a small amount of coating.⁶⁰

4. Tariff Classification

U.S. Customs and Border Protection ("CBP") may classify corrosion-resistant steel under a number of codes in the Harmonized Tariff Schedule of the United States ("HTS"). Corrosion-resistant steel, currently including – but not limited to – the following item numbers:

7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7226.99.0110, 7226.99.0130.

Several of the codes above also cover products that are not subject to this case.

Accordingly, in estimating import quantities throughout this Volume, Petitioners have limited themselves to data related to the following codes: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000.

⁵⁹ *Id.*

⁶⁰ *Id.*

Excerpts from the current HTS are attached as Exhibit I-6. The most-favored nation duty rate for imports under these HTS numbers is free. The tariff numbers are provided for the convenience of the U.S. government and do not define the scope of the petition.

F. The Names of the Subject Countries and the Name of Any Intermediate Country Through Which the Merchandise Is Transshipped (19 C.F.R. § 351.202(b)(6))

Corrosion-resistant steel covered by these Petitions is manufactured in and exported to the United States from China, India, Italy, South Korea, and Taiwan. Petitioners do not have any evidence indicating that the subject merchandise is produced in a country other than from which it is exported.

G. The Names and Addresses of Each Person Believed to Sell the Merchandise at Less than Normal Value and the Proportion of Total Exports to the United States (19 C.F.R. § 351.202(b)(7)(i)(A))

The names and addresses of the entities believed by Petitioners to be producing and exporting corrosion-resistant steel subject to these Petitions are provided in Exhibits I-7 to I-11. In compiling these Exhibits, Petitioners relied primarily upon information from [] Information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in these exhibits. Nevertheless, such information suggests that the companies listed in Exhibits I-7 to I-11 account for the vast majority of subject exports.

H. All Factual Information Related to the Calculation of Export Price and the Constructed Export Price of the Subject Merchandise and the Normal Value of the Foreign Like Product for Market Economy Countries (19 C.F.R. § 351.202(b)(7)(i)(B))

Volumes IV, VI, VIII, and X of these Petitions contain the necessary information concerning the calculation of the export price for merchandise produced and exported from the subject countries that are market economy countries.

I. Factual Information Related to the Calculation of Normal Value of the Foreign Like Product in Nonmarket Economy Countries (19 C.F.R. § 351.202(b)(7)(i)(C))

China is the only nonmarket economy covered by these investigations. Volume II of these Petitions contains the information necessary to substantiate less than normal value allegations and factual information relevant to China.

J. The Names and Addresses of Each Person Believed to Benefit from a Countervailable Subsidy Who Exports the Subject Merchandise to the United States and the Proportion of Total Exports to the United States (19 C.F.R. § 351.202(b)(7)(ii)(A))

Volumes III, V, VII, IX, and XI contain countervailing duty Petitions on imports of corrosion-resistant steel from each of the subject countries. The names and addresses of the entities believed by Petitioners to be benefiting from a countervailable subsidy and who have exported the corrosion-resistant steel subject to these Petitions are provided in Exhibits I-7 to I-11. Information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in these exhibits. Such information suggests, however, that the companies listed in Exhibits I-7 to I-11 account for the vast majority of relevant exports.

K. The Alleged Countervailable Subsidy and Factual Information Relevant to the Alleged Countervailable Subsidy (19 C.F.R. § 351.202(b)(7)(ii)(B))

Volumes III, V, VII, IX, and XI of these petitions contain information concerning the alleged countervailable subsidies as well as factual information relevant to the alleged countervailable subsidies, the law, regulations, and the degrees under which the subsidies were bestowed, the manner in which the subsidies were paid, and Petitioners' estimation – to the extent practicable – of the value of the subsidies to subject producers and exporters of corrosion-resistant steel subject to these Petitions.

L. The Volume and Value of the Merchandise Imports During the Most Recent Two-Year Period (19 C.F.R. § 351.202(b)(8))

Imports of corrosion-resistant steel from the subject countries have increased significantly over the most recent two-year period. Petitioners estimate that by volume, subject imports increased from 1,489,752 net tons ("NT") in 2013 to 2,747,965 NT in 2014.⁶¹ Petitioners estimate that the landed value of subject imports increased from \$1,318,274,723 in 2013 to \$2,311,891,356 in 2014.⁶²

M. Contact Information for Each Entity the Petitioner Believes Imports or Is Likely to Import the Subject Merchandise (19 C.F.R. § 207.11(b)(2)(iii); 19 C.F.R. § 351.202(b)(9))

Contact information for importers of corrosion-resistant steel from the subject countries known to the Petitioners at this time are listed in Exhibits I-13 to I-17. There may be a number of importers of corrosion-resistant steel from the subject countries that are unknown to Petitioners at this time. Petitioners respectfully request that the Department obtain this

⁶¹ See Exhibit I-12.

⁶² See *id.*

information from U.S. Customs and Border Protection, as Petitioners do not have access to this information.

II. INJURY

A. Introduction

These are the first AD and CVD cases filed on corrosion-resistant steel since 1992. Petitioners have not brought these cases quickly or lightly – but they cannot wait any longer to seek relief. A surge of dumped and subsidized imports from China, India, Italy, South Korea, and Taiwan has already caused material injury to domestic producers – and threatens domestic producers with even more injury going forward.

These cases involve a single domestic like product and a single domestic industry. Imports from each of the subject countries are generally interchangeable with each other and with the domestic like product, and the other requirements for cumulation have been met. The Commission need only decide, therefore, whether the cumulated subject imports have caused or threatened the domestic industry with material injury. As Petitioners will show, that's exactly what happened.

The volume of imports from the subject countries is significant, accounting for 67.1 percent of total imports of the subject product in 2014.⁶³ Subject imports rose by 85.4 percent from 2012 to 2014, while domestic sales of corrosion-resistant steel fell over the same period.⁶⁴ As a result, subject producers took significant market share from domestic mills. Furthermore, the surge in subject imports created an inventory overhang that continues to distort this market.

⁶³ See Exhibit I-12, showing that in 2014, the United States imported 4,096,154 NT of corrosion-resistant steel, of which 2,747,965 NT was from the subject countries. $(2,747,965 / 4,096,154 = 0.671 = 67.1 \text{ percent})$.

⁶⁴ See *infra* at p. 28.

The price effects of subject imports are also significant. Subject imports are interchangeable with the domestic like product for many applications – as shown by the fact that subject imports have already taken significant market share from U.S. mills. Information reasonably available to the Petitioners indicates that subject imports have undersold the domestic like product. The combination of underselling from subject imports and an oversupply resulting from the import surge has contributed to a dramatic decline in pricing since the middle of last year. According to [] the U.S. Midwest price of hot-dipped galvanized steel fell from [] in May 2014 to [] in April 2015.⁶⁵

Subject imports have also had a significant – and harmful – impact on the domestic industry. The domestic industry has already experienced falling sales [] despite continued strong demand. In short, the domestic industry has plainly suffered material injury by reason of imports.

Finally, subject imports threaten the domestic industry with even more material injury going forward. Last year, subject producers had [] unused capacity,⁶⁶ which will encourage further shipments to the United States. Indeed, as shown below, the statutory factors that the Commission is required to consider show that subject imports threaten the domestic industry with further material injury. Thus, in the absence of trade relief, subject imports will continue pouring into this market, doing additional harm to U.S. mills.

In short, domestic producers have already suffered material injury as a result of the surge of dumped and subsidized imports that has entered the United States. Without trade relief, subject producers will continue attacking this market, and U.S. producers and workers will suffer

⁶⁵ See Exhibit I-18.

⁶⁶ See *infra* at p. 39.

even more. The Commission has power to grant relief from dumped and subsidized imports to address situations exactly like this one. It should use that power here.

B. The Domestic Like Product Consists of Items Covered by the Scope

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the domestic like product.⁶⁷ The "domestic like product" is defined 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"⁶⁸ In an investigation, the like product determination is a factual one made on a case-by-case basis.⁶⁹ The Commission generally considers the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and where appropriate; (6) price.⁷⁰

The merchandise that is the subject of this petition is certain corrosion-resistant steel. The scope in this petition represents an updated version of the scope used by the Commission in prior AD/CVD cases involving corrosion-resistant steel.⁷¹ The cases filed in 1992 covered "flat-rolled carbon products" that were clad, plated, or coated with corrosion-resistant metals.⁷² With the lone (and narrow) exception of clad plate,⁷³ the Commission found that all types of

⁶⁷ See *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 382 (Ct. Int'l Trade 1998) ("*NEC*").

⁶⁸ 19 U.S.C. § 1677(10) (2015).

⁶⁹ See, e.g., *NEC*, 36 F. Supp. 2d at 383.

⁷⁰ See *Cleo, Inc. v. United States*, 501 F.3d 1291, 1295 (Fed. Cir. 2007).

⁷¹ The scope is on pp. 8 to 10 of this Volume.

⁷² *1993 Determinations* at 156.

⁷³ The Commission described "clad plate" as "carbon steel plate that has been covered with a metallic coating (such as nickel, copper, stainless steel, or titanium) on one or both sides by a process that forms a physical bond

(cont'd)

corrosion-resistant steel constituted a single like product.⁷⁴ In other words, the Commission recognized that carbon-quality corrosion-resistant steel was a single like product for purposes of AD and CVD investigations.

By the late 1990's, changes in the production process for flat-rolled steel products led domestic producers to argue for a like product definition that included "microalloyed" products in cases involving hot-rolled steel⁷⁵ and cold-rolled steel.⁷⁶ The Commission agreed with the domestic industry. As the Commission explained in an investigation involving hot-rolled steel, "{m}icroalloyed steels are carbon steel products made on the same equipment as conventional hot-rolled carbon steel but modified by the introduction of slightly elevated levels of alloying

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between the cladding material and the carbon steel substrate." *1993 Investigations* at 166. According to the Commission, clad plate differed from other corrosion-resistant products because, among other things: (1) clad plate was not made from cold-rolled carbon steel; (2) there was very limited interchangeability between clad plate and other corrosion-resistant products; and (3) clad plate is manufactured in the United States in separate facilities using special equipment and specially trained employees. *Id.* at 166-167. Based on these and other findings, the Commission found that clad plate was a separate like product from other corrosion-resistant products. *Id.* at 167. The Commission also found that the clad plate industry was "extremely small" compared to other industries involving flat sheet products. *Id.* at 171. The Commission reached negative determinations with respect to clad plate. *Id.* at 1-5.

A few years later, the domestic industry producing clad plate brought a separate AD case against imports of clad plate from Japan. *See Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Final) USITC Pub. 2972 (June 1996). The domestic industry obtained an order that remains in place today. *See Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Third Review), USITC Pub. 4370 (Jan. 2013). The scope of these cases does not include clad plate.

⁷⁴ *Id.* at 161-167. The Commission specifically found that that both Galvalume and corrosion-resistant steel used for automotive applications were part of the same like product as other corrosion-resistant products. *Id.* at 164-165.

⁷⁵ *See Certain Hot-Rolled Steel Products from Japan*, Inv. No. 731-TA-807 (Final), USITC Pub. 3202 (June 1999) at I-3 to I-4.

⁷⁶ *See Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan, Russia, South Africa, and Thailand*, Inv. Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838 (Final), USITC Pub. 3283 (March 2000) at I-6 to I-7.

elements."⁷⁷ In that case, the Commission found that microalloyed hot-rolled steel was part of the same like product as carbon-quality hot-rolled steel:

While there are differences in characteristics and uses between microalloyed steels and conventional hot-rolled carbon steel, there are also broad similarities, and any differences do not constitute a clear dividing line between the two groups of products, particularly given the spectrum of widely varying products that constitute hot-rolled carbon steel. Producers and consumers generally perceive microalloyed steels to be enhanced carbon steel products, and microalloyed steels are largely produced in the same facilities and by the same employees as conventional hot-rolled carbon steel products. It appears that some microalloyed steels are somewhat interchangeable with conventional carbon steel products. While physical characteristics and uses, channels of distribution and pricing for the two groups of products differ somewhat, the differences are not so pronounced in light of the general similarities noted above, to warrant treating microalloyed steel as a separate like product.⁷⁸

Soon afterward, the Commission heard a case involving cold-rolled steel, including microalloyed cold-rolled steel products.⁷⁹ Once again, the Commission found that microalloyed steel was part of the same like product as other carbon-quality cold-rolled steel.⁸⁰ The Commission reached a similar decision in a 2001 case involving hot-rolled steel.⁸¹

In short, the Commission recognized that microalloyed steel was part of the same domestic like product as carbon-quality steel with respect to both hot-rolled steel and cold-rolled

⁷⁷ *Certain Hot-Rolled Steel Products from Brazil, Japan, and Russia*, Inv. Nos. 701-TA-384 (Prelim.) and 731-TA-806-808, USITC Pub. 3142 (Nov. 1998) at 6.

⁷⁸ *Id.*

⁷⁹ *Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan, Russia, South Africa, and Thailand*, Inv. Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838 (Final), USITC Pub. 3283 (March 2000) at I-1 n.2.

⁸⁰ *Id.* at 4 ("there is one domestic like product consisting of all certain cold-rolled steel products.")

⁸¹ *See Hot-Rolled Steel Products from Argentina and South Africa*, Inv. No. 701-TA-404 (Final) and Inv. Nos. 731-TA-898 and 905 (Final), USITC Pub. 3446 (Aug. 2001) at 6 ("In the preliminary phase of these investigations the Commission found a single domestic like product consisting of all domestically-produced hot-rolled steel, including those steels with slightly elevated levels of microalloying elements. No party has challenged the Commission's domestic like product determination in the final phase of these investigations and no new evidence has been obtained that would call into question the Commission's reasoning in the preliminary determinations.")

steel. The Commission should follow the same practice when it comes to corrosion-resistant steel.⁸²

The science of steel production has continued to develop since the Commission considered the issue of microalloyed steel in the late 1990's and early 2000's. It is vital that the scope of these cases prevent the subject producers from circumventing any AD or CVD orders by slightly changing the chemical composition of the product at issue. To avoid such an outcome, and to account for recent advances in steel production, Domestic Producers have adjusted some of the chemistry definitions that covered microalloyed steel in prior cases involving hot-rolled steel and cold-rolled steel. As a practical matter, this definition is an updated version of the domestic like product that the Commission found during the early 1990s – and the Commission should again find that all of the items covered by this case constitute a single like product.

C. There Is a Single Domestic Industry Consisting of All Domestic Producers

Section 771(7)(A) of the Act defines the domestic industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."⁸³ During the 1992-93 investigations, the Commission found that domestic producers of corrosion-resistant product other than clad plate constituted a single domestic industry.⁸⁴ The Commission made

⁸² These are the first new cases to be filed with respect to corrosion-resistant steel since the early 1990's, so the issue of microalloyed corrosion-resistant steel has not previously presented itself to the Commission in an original investigation. The Commission declined to expand the like product definition of corrosion-resistant steel to cover microalloyed steel in its reviews of the 1993 orders. *See 2000 Reviews* at 6-7. In those cases, however, the Commission was influenced by the fact that it was reviewing orders that were already in place. *See id.* at 6 ("In five-year reviews, our starting point for any like product analysis is the Commission's determination in the original investigations.") This principle does not apply in these original investigations.

⁸³ 19 U.S.C. § 1677(4)(A) (2015).

⁸⁴ 1993 Cases at 167.

similar findings in all three of the five-year reviews it conducted with respect to corrosion-resistant steel.⁸⁵ At this time, Domestic Producers are not aware of any reason for the Commission to adopt a different definition in these investigations.

D. Subject Imports Are Causing Material Injury to the Domestic Industry

In determining whether a domestic industry is experiencing present material injury caused by unfairly-traded imports, the Commission is directed by law to consider:

- (I) the volume of imports of the subject merchandise,
- (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and
- (III) the impact of imports of such merchandise on domestic producers of domestic like products⁸⁶

As demonstrated below, the evidence bearing upon these factors shows that the domestic corrosion-resistant steel industry is suffering material injury by reason of the subject imports.

1. All Subject Imports Should Be Cumulated

For purposes of evaluating the volume and price effects for a determination of material injury by reason of subject imports, Section 771(7)(G)(i) of the Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed on the same day, if such imports compete with each other and with the domestic like product in the U.S. market.⁸⁷

⁸⁵ See 2000 Reviews at 11; 2007 Reviews at 102; and 2013 Reviews at 9.

⁸⁶ 19 U.S.C. § 1677(7)(B) (2015).

⁸⁷ 19 U.S.C. § 1677(7)(G)(i) (2015). None of the exceptions to cumulation apply. See *id.* at § 1677(7)(G)(ii). It should also be noted that imports from none of the subject countries are negligible for purposes of 19 U.S.C. §§ 1671b(a)(1) and 1673b(a)(1). According to 19 U.S.C. § 1677(24)(A)(i), imports from a subject country are "negligible" if subject imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petitions. At this time, the most recent 12-month period for which such data are available is the period from April 2014 to March 2015. During that period, Petitioners estimate that imports from Italy accounted for 3.54 percent of total imports, while imports from each of the other subject countries accounted for at least 10.57 percent of total imports. See Exhibit I-27.

In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.⁸⁸

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁸⁹ Only a "reasonable overlap" of competition is required.⁹⁰

In these investigations, each of the Commission's usual factors indicates that subject imports compete with each other and with the domestic like product.

Fungibility. The record here will show that imports of corrosion-resistant steel from China, India, Italy, South Korea, and Taiwan are generally substitutable with each other and with

⁸⁸ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁸⁹ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

⁹⁰ The Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. 103-316 (1994) ("SAA") expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Doc. No. 103-316, Vol. I at 848, *reprinted in* 1994 U.S.C.C.A.N. 4040, 4182 (citing *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988)), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988); see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("Cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.")

the domestic like product. Imports from each of the subject countries are generally made by the same processes, and generally have the same chemical and physical properties, as the domestic like product. Furthermore, subject imports are not merely substitutable for the domestic like product – they have in many instances been substituted for the domestic like product. As shown in more detail below, imports from the subject countries have gained market share at the expense of U.S. production. U.S. prices have fallen in response to low-priced offers of corrosion-resistant steel from the subject countries – further evidence that subject imports are interchangeable with U.S. production. In light of these facts, the Commission should find that imports from each of the subject countries are generally fungible with the domestic like product.

Same Geographic Markets. The record here will show that imports from each of the subject countries compete with imports from the other subject countries throughout the U.S. market. Furthermore, all of those imports compete with the domestic like product, which is sold nationwide.⁹¹ Thus, this factor supports cumulating all of the subject imports.

Channels of Distribution. Domestically-produced corrosion-resistant steel is sold directly to end users, and is also sold to distributors and service centers.⁹² While Petitioners do not have access to information showing all of the customers who are buying subject imports, the record plainly shows that subject imports are taking market share from the domestic industry – compelling evidence that some customers have switched from the domestic like product to subject imports. Thus, this factor also supports a finding of cumulation.⁹³

⁹¹ See 2013 Reviews at 13. ("Corrosion-resistant steel production occurs throughout the United States, and domestic production is shipped nationwide.")

⁹² *Id.*

⁹³ Subject imports need not be sold for the exact same uses to justify cumulation. In the 2013 Reviews, for example, the Commission found that "U.S. producers and importers of Korean product ship corrosion-resistant steel to end users in the construction sector, while importers of German product have not shipped to these

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Simultaneous Presence. Exhibit I-19 shows that imports from all five of the subject countries entered the U.S. market during every month from 2012 through 2014. Thus, there can be no doubt that imports from all five of the subject countries were simultaneously present in the U.S. market with the domestic like product.

Conclusion. As demonstrated above, each of the factors that the Commission normally considers shows that there is a reasonable overlap of competition between imports from each of the subject countries and the domestic like product. Accordingly, the Commission should cumulate all of the subject imports.

2. The Volume of Subject Imports Is Significant

In evaluating the volume of imports, the Commission must "consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."⁹⁴ In these investigations, available data show that the volume of subject imports, both in absolute terms and relative to U.S. consumption, is significant within the meaning of the Act.

a. Subject Imports Have Surged in Absolute Terms

In 2012, the United States imported an estimated 1,481,880 NT of corrosion-resistant steel from the subject countries.⁹⁵ The next year, subject imports were at a similar level:

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customers since 2006." *2013 Reviews* at 13. Nevertheless, the Commission cumulated imports from Korea and Germany. *Id.* at 14.

⁹⁴ 19 U.S.C. § 1677(7)(C)(i) (2015).

⁹⁵ See Exhibit I-12. As explained above with respect to the scope, this case covers microalloyed corrosion-resistant steel. However, for purposes of estimating import volumes and domestic shipments, we have relied solely on data relating to carbon grades. Given that microalloyed corrosion-resistant steel may enter this market under tariff codes that would also include alloy grades not covered by this case, these figures represent the best available information to Petitioners regarding import volumes and market share.

1,489,752 NT.⁹⁶ But in 2014, subject imports soared to 2,747,965 NT – an increase of 84.5 percent in only one year.⁹⁷ Subject imports increased by almost 1.3 million NT from 2013 to 2014.⁹⁸ To put this figure in perspective, consider that shipments of corrosion-resistant steel by U.S. mills grew by almost 382,000 NT.⁹⁹ In other words, the increase in dumped and subsidized imports from 2013 to 2014 was equal to 330 percent of the increase in domestic shipments over the same period.¹⁰⁰

Over the last three years – the period that the Commission normally considers in AD/CVD investigations – the absolute increase in imports is also dramatic. From 2012 to 2014, subject imports increased by 1,266,085 NT, or 85.4 percent.¹⁰¹ Meanwhile, shipments by U.S. mills fell by 212,977 NT.¹⁰² These facts underscore the conclusion that in absolute terms, the increase in subject import volumes was significant.

Subject imports continued to increase during the first quarter of this year. The total volume of subject imports rose from 588,040 NT in Q1 2014 to 786,154 NT in Q1 2015, an increase of 198,114 NT or 33.7 percent.¹⁰³ At this rate, subject imports would total 3,144,616

⁹⁶ *Id.*

⁹⁷ *Id.* (2,747,965 – 1,489,752 = 1,258,213; 1,258,213 / 1,489,752 = 0.845 = 84.5 percent).

⁹⁸ 2,747,965 – 1,489,752 = 1,258,213.

⁹⁹ See Exhibit I-20 (showing that domestic shipments were 17,817,575 NT in 2013 and 18,199,395 NT in 2014) (18,199,395 – 17,817,575 = 381,820).

¹⁰⁰ 1,258,213 / 381,820 = 3.3 = 330 percent.

¹⁰¹ See Exhibit I-12 (showing that subject imports were 1,481,880 NT in 2012 and 2,747,965 NT in 2014) (2,747,965 – 1,481,880 = 1,266,085; 1,266,085 / 1,481,880 = 0.854 = 85.4 percent).

¹⁰² See Exhibit I-20 (showing that total shipments by U.S. mills fell from 18,412,372 NT in 2012 to 18,199,395 NT in 2014) (18,412,372 – 18,199,395 = 212,977).

¹⁰³ See Exhibit I-12 (786,154 – 588,040 = 198,114; 198,114/588,040 = 0.337 = 33.7).

NT in 2015 – an increase of almost 400,000 NT from last year's extremely high volume.¹⁰⁴ In short, there is no question that domestic producers face an extraordinary surge of unfairly-traded imports from the subject countries.

b. Subject Imports Have Increased Significantly Relative to Domestic Consumption.

Apparent domestic consumption of corrosion-resistant steel was 19,235,461 NT in 2012; 18,874,328 in 2013; and 20,842,000 NT in 2014.¹⁰⁵ Thus, apparent domestic consumption grew by 8.4 percent over the last three years.¹⁰⁶ As discussed above, over the same period subject imports grew by 85.4 percent. Meanwhile, shipments by U.S. mills fell. Given these facts, it is obvious that subject imports have taken market share from the domestic industry. From 2012 to 2014, the share of the U.S. market held by subject imports rose from 7.7 percent to 13.2 percent – an increase of 5.5 percentage points.¹⁰⁷ Meanwhile, the market share of U.S. producers declined by 7.0 percentage points.¹⁰⁸ Thus, *all* of the market share taken by subject imports was lost by the domestic industry.

Subject imports continued to take market share from U.S. mills during the first quarter of this year. From Q1 2014 to Q1 2015, the market share of subject imports grew from 11.8 percent to 15.3 percent, an increase of 3.5 percentage points.¹⁰⁹ Meanwhile, the domestic market

¹⁰⁴ $786,154 * 4 = 3,144,616; 3,144,616 - 2,747,965 = 396,651.$

¹⁰⁵ See Exhibit I-20.

¹⁰⁶ $20,842,000 - 19,235,461 = 1,606,539; 1,606,539 / 19,235,461 = 0.084 = 8.4$ percent..

¹⁰⁷ See Exhibit I-21.

¹⁰⁸ See *id.* (showing that the market share of domestic producers fell from 87.3 percent to 80.3 percent).

¹⁰⁹ See *id.*

share fell by 4.5 percentage points from Q1 2014 to Q1 2015.¹¹⁰ Once again, therefore, available evidence shows that *all* of the increase in market share taken by subject imports came from the domestic industry. Furthermore, given that dumped and subsidized imports held 7.7 percent of the U.S. market in 2012, those imports have almost *doubled* their share of this market since that time.

c. The Increase in Subject Import Volumes Contributed to an Oversupply in the U.S. Market

While Petitioners do not have access to inventory data that is limited to corrosion-resistant steel, the Metals Service Center Institute ("MSCI") maintains U.S. inventory data with respect to all sheet products, including corrosion-resistant steel. According to these data, in January 2014 there were [] of sheet products in inventory – a volume equal to [] months' worth of shipments.¹¹¹ By December, however, there were [] of sheet products in inventory – a volume equal to [] months' worth of shipments.¹¹² In other words, the surge in sheet imports (including imports of corrosion-resistant steel) contributed to a growth in inventories of all sheet products of []. As described in more detail below, the significant increase in inventories helps to explain why prices fell precipitously in the first and second quarters of 2015.

d. Conclusion

The domestic market for corrosion-resistant steel has recently been flooded with a dramatic surge of dumped and subsidized imports from China, India, Italy, South Korea, and Taiwan. This increased volume of unfairly-traded imports is significant, both in absolute terms

¹¹⁰ See Exhibit I-21 (showing that the market share of domestic producers fell from 82.2 percent to 77.8 percent).

¹¹¹ See [], attached as Exhibit I-22 (1 MT = 1.1023 NT).

¹¹² See [], attached as Exhibit I-23.

and relative to U.S. consumption. Furthermore, it appears that this increase in imports contributed to a significant rise in U.S. inventories. Thus, this factor supports the conclusion that subject imports have caused material injury to the domestic industry.

3. The Price Effect of Subject Imports Is Significant

In evaluating the effect of subject imports on prices, the Commission must consider whether "there has been significant price underselling by the imported merchandise," and whether the effect of imports "otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree."¹¹³ In these investigations, both of the statutory factors indicate that the price effect of subject imports is significant.

a. Subject Imports Have Undersold the Domestic Like Product

Evidence reasonably available to Petitioners indicates that the big surge in subject imports coincided with significant underselling by subject producers. The table below compares the average unit value for corrosion-resistant steel sold by Petitioners with the average unit value of subject imports:

Period	Average Unit Value of Petitioners' Sales (\$/NT) ¹¹⁴	Average Unit Value of Subject Imports (\$/NT) ¹¹⁵
2012	[]	943
2013	[]	885
2014	[]	841
Jan-Mar 2014	[]	853
Jan-Mar 2015	[]	820

¹¹³ 19 U.S.C. § 1677(7)(C)(ii) (2015).

¹¹⁴ See Exhibit I-5.

¹¹⁵ See Exhibit I-12.

These data indicate that in 2014 and Q1 2015 – the same periods during which subject imports were pouring into the United States in huge numbers – the price of subject imports fell dramatically, [] Thus, the Commission should conclude that subject imports engaged in significant underselling.

This underselling will be further evidenced in the data that the Commission collects on prices of particular products. Pursuant to 19 C.F.R. § 207.11(b)(iv) (2014), Petitioners request that the Commission collect pricing data on the following products:

- Product 1: Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (e.g., Galvalume), bare, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness
- Product 2: Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (e.g., Galvalume), pre-painted, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness
- Product 3: Hot-dipped galvanized steel sheet, commercial steel type B, G-30 to G-60 coating weight, 24 inches to 60 inches in width, 0.012 inches to 0.018 inches in thickness
- Product 4: Hot-dipped galvanized steel sheet, structural steel quality, G-60 to G-90 coating weight, 24 inches to 60 inches in width, 0.024 inches to 0.06 inches in thickness

b. The Effect of Subject Imports Otherwise Depressed or Suppressed Prices to a Significant Degree

As part of its analysis of price effects, the Commission must also consider whether the effect of subject imports "otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree."¹¹⁶ In this case, there is no question that the massive surge of subsidized imports began to affect U.S. pricing last year, and contributed to a dramatic decline in U.S. prices at the beginning of this year.

¹¹⁶ 19 U.S.C. § 1677(7)(C) (2015).

As shown above, apparent domestic consumption of corrosion-resistant steel rose from 18.9 million NT in 2013 to 20.8 million NT last year.¹¹⁷ Despite this year-over-year increase, however, [] indicate that the price of hot-dipped galvanized steel – the most common type of corrosion-resistant steel – peaked at [] in May 2014, and fell to [] by December – a decline of [].¹¹⁸ But that was only the beginning. As shown by the table below, prices have [] since the beginning of the year:¹¹⁹

Month	U.S. Midwest Price of Hot-Dipped Galvanized Coil (\$/NT)	U.S. Midwest Price of Electrogalvanized Coil (\$/NT)
January 2015	[]	[]
February 2015	[]	[]
March 2015	[]	[]
April 2015	[]	[]

In only three months, from January to April, the U.S. price of hot-dipped galvanized coil fell by []¹²⁰ Meanwhile, the U.S. price of electrogalvanized coil fell by []¹²¹

This [] pricing decline is a direct effect of the subject imports. As the Commission recognized in 2013, "price is an important factor in purchasing decisions in the U.S. corrosion-resistant steel market."¹²² Thus, low-priced offers of dumped and subsidized imports force U.S. producers to cut their own prices. Accordingly, the Commission should find that

¹¹⁷ See Exhibit I-20.

¹¹⁸ See Exhibit I-18.

¹¹⁹ *Id.*

¹²⁰ []

¹²¹ []

¹²² 2013 Reviews at 22.

dumped and subsidized imports from the subject countries have had a significant – and negative – effect on U.S. prices.

4. The Impact of Subject Imports Is Significant

In examining the impact of subject imports on the domestic industry, the Commission is instructed to "evaluate all relevant economic factors which have a bearing on the state of the industry in the United States."¹²³ These factors include, but are not limited to:

- (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
- (II) factors affecting domestic prices,
- (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment,
- (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and
- (V) the magnitude of the margin of dumping.¹²⁴

The Commission is directed to evaluate all factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."¹²⁵

a. Subject Imports Had a Direct and Negative Impact on the Performance of the Domestic Industry

In this case, there is no question that subject imports had a significant adverse impact on the domestic industry. For example, domestic producers were forced to cut production due to lost market share. In fifteen years from 1997 to 2011, there was only one year – 2006 – in which

¹²³ 19 U.S.C. § 1677(7)(C)(iii) (2015).

¹²⁴ *Id.*

¹²⁵ *Id.*

the domestic industry's share of the corrosion-resistant steel market fell below 86 percent.¹²⁶ However, from 2012 to Q1 2015, the share of the U.S. market held by domestic producers fell from 87.3 percent to 77.8 percent, a decline of 9.5 percentage points.¹²⁷ Over the same period, the market share of subject imports grew from 7.7 percent to 15.3 percent, an increase of 7.6 percentage points.¹²⁸ In other words, almost all of the market share lost by the domestic industry was taken by dumped and subsidized imports.

This lost market share had a direct and harmful impact on domestic operations. During Q1 2015, apparent U.S. consumption of corrosion-resistant steel was 5,154,039 NT.¹²⁹ Thus, the 7.6 percentage points of the market lost by domestic producers to unfairly-traded imports was equal to 391,707 NT of sales – or 1,566,828 NT on an annual basis.¹³⁰

Unfortunately, these developments represent only part of the injury suffered by domestic producers during Q1 2015. From Q1 2014 to Q1 2015, apparent U.S. consumption of corrosion-resistant steel rose by 3.6 percent.¹³¹ However, data collected by Petitioners, who represent [

] domestic production of corrosion-resistant steel, show that over this same period:

- Petitioners' [], or [].¹³²
- Petitioners' [], a [].¹³³

¹²⁶ See 2013 Reviews at I-5 to I-11.

¹²⁷ See Exhibit I-21.

¹²⁸ See *id.*

¹²⁹ See Exhibit I-20.

¹³⁰ $5,154,039 * 0.076 = 391,707$; $391,707 * 4 = 1,566,828$

¹³¹ See Exhibit I-21 (showing that apparent domestic consumption was 4,973,655 NT in Q1 2014 and 5,154,039 NT in Q1 2015) ($5,154,039 - 4,973,655 = 180,384$; $180,384 / 4,973,655 = 0.036 = 3.6$ percent).

¹³² See Exhibit I-5.

- Petitioners' [], or [].¹³⁴

Given that apparent U.S. consumption *rose* from Q1 2014 to Q1 2015, [

] is plainly the result of the surge of dumped and subsidized imports that has already distorted this market, driven down prices, and taken market share from the domestic industry.

b. Subject Imports Have Resulted in Lost Sales and Lost Revenues

Pursuant to 19 C.F.R. § 207.11(b)(v), Petitioners have identified examples of lost sales and lost revenues by reason of subject imports; these can be found in Exhibit I-24.¹³⁵ Petitioners will also file this information with the Commission electronically. Furthermore, as demonstrated above, the industry-wide data leave no doubt that subject imports took market share from domestic producers of corrosion-resistant steel, and that subject imports drove down U.S. prices for corrosion-resistant steel. Thus, the Commission should find that subject imports have resulted in lost sales and lost revenues to the domestic industry.

c. Conclusion

As shown above, the volume, price effect, and impact of the subject imports have been both significant and harmful. Accordingly, the Commission should find that subject imports have caused material injury to the domestic industry.

(cont'd from previous page)

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ That provision asks Petitioners for "a listing of all sales or revenues lost by each petitioning firm by reason of the subject merchandise during the three years preceding filing of the petition." 19 C.F.R. § 207.11(b)(v) (2015). Such detailed information is not reasonably available to Petitioners. As discussed in the text, however, the available information leaves no doubt that domestic producers have suffered significant lost sales and revenues by reason of subject imports.

E. Subject Imports Threaten Additional Material Injury to the Domestic Industry

1. The Commission Should Cumulate Subject Imports for Purposes of Its Threat Analysis

The Act provides that in evaluating the threat of material injury, the Commission may cumulatively assess the volume and price effects of imports of the subject merchandise from all countries with respect to which petitions were filed on the same day, "if such imports compete with each other and with domestic like products in the United States market."¹³⁶ As demonstrated above, the subject imports all compete with each other and with domestic like products in the U.S. market. Thus, the statutory requirements for cumulation in a threat investigation have been satisfied.

Cumulation for purposes of the Commission's analysis of the issue of threat of material injury is discretionary, rather than mandatory.¹³⁷ However, the evidence with respect to statutory requirements plainly indicates that the Commission should cumulate imports from all subject countries if it reaches the issue of threat. In deciding whether to cumulate, the Commission takes evidence regarding the statutory factors heavily into account.¹³⁸ As shown above, here those factors show that the U.S. market is under attack from a wave of fungible, unfairly-traded imports that have all hit this market at the same time. To obtain a realistic assessment of how such imports will affect domestic producers going forward, it is vital that the Commission account for the *combined* harm they could do to the domestic industry.

¹³⁶ 19 U.S.C. § 1677(7)(H) (2015).

¹³⁷ *Seamless Refined Copper and Tube from China and Mexico*, USITC Pub. 4193, Inv. Nos. 731-TA-1174-1175 (Final) (Nov. 2010) at 15.

¹³⁸ *Id.*

2. The Statutory Factors Indicate that Subject Imports Threaten Domestic Producers with Additional Material Injury

The Act contains a number of factors that the Commission is supposed to consider as part of its threat analysis.¹³⁹ As shown below, those factors indicate that subject imports threaten domestic producers with additional material injury.

a. Subject Producers Encourage Exportation of Subject Merchandise Through Countervailable Subsidies

The Act provides that as part of its threat analysis, the Commission shall consider "if a countervailable subsidy is involved" and, in particular, "whether the countervailable subsidy is a subsidy described in Article 3 or 6.1" of the WTO Agreement on Subsidies and Countervailing Measures (the "WTO Subsidies Agreement").¹⁴⁰ Article 3 of the WTO Subsidies Agreement describes subsidies that are prohibited because they are contingent upon export performance or upon the use of domestic over imported goods.¹⁴¹ As demonstrated in these Petitions, subject producers have benefited from substantial export subsidies and import substitution subsidies to producers and exporters of corrosion-resistant steel. Among the more significant of these are:

- Export loans provided to corrosion-resistant steel producers at preferential rates by government authorities where the receipt of financing is contingent upon exporting;
- Preferential income tax treatment for corrosion-resistant steel producers whose exports constitute a certain portion of other overall sales;
- Land for less than adequate remuneration provided to corrosion-resistant producers located in certain coastal industrial zones in order to promote exports;
- Grants provided to corrosion-resistant producers to assist in the development of export markets or to recognize export performance; and

¹³⁹ 19 U.S.C. § 1677(7)(F) (2015).

¹⁴⁰ *Id.* § 1677(7)(F)(i)(I).

¹⁴¹ Agreement on Subsidies and Countervailing Measures (Apr. 15, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14 at Art. 3.

- Preferential income tax treatment for corrosion-resistant producers that upgrade their manufacturing operations with domestically manufactured equipment.

b. Capacity Data for the Subject Countries Indicates the Likelihood of Substantially Increased Imports

The Act provides that in making a threat determination, the Commission shall consider "any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports," taking into account the availability of other export markets to absorb additional exports by subject producers.¹⁴²

In this case, the subject countries had [] unused capacity last year. According to the chart below, which uses [] the subject countries had [] unused galvanizing capacity:¹⁴³

Subject Country	2014 Galvanizing Capacity (NT) (A)	2014 Production (NT) (B)	Excess Capacity (NT) (C = A - B)
China	[]	[]	[]
India	[]	[]	[]
Italy	[]	[]	[]
South Korea	[]	[]	[]
Taiwan	[]	[]	[]
TOTAL	[]	[]	[]

Given that [] – it seems clear that the true volume of excess capacity is even greater than the [] figure shown above.

¹⁴² *Id.* § 1677(7)(F)(i)(II).

¹⁴³ See Exhibits I-25 (showing galvanizing capacity) and I-26 (showing galvanizing production).

c. The Volume and Market Penetration of Subject Imports Have Increased, Indicating the Likelihood of Substantially Increased Imports

The Act provides that "a significant rate of increase of the volume or market penetration of imports of the subject merchandise" shall be considered in determining whether the domestic industry is threatened with material injury from the subject imports.¹⁴⁴ In this case, there have recently been dramatic increases in both the volume and market penetration of subject imports. As discussed above, from 2012 to 2014, subject import volumes rose from 1,481,880 NT to 2,747,965 NT – an increase of 85.4 percent.¹⁴⁵ They rose from 588,041 NT in Q1 2014 to 786,154 NT in Q1 2015.¹⁴⁶ The U.S. market share held by subject imports increased from 7.7 percent in 2012 to 13.2 percent in 2014, and from 11.8 percent in Q1 2014 to 15.3 percent in Q1 2015.¹⁴⁷

These facts demonstrate that subject imports have rapidly surged into this market, and will likely increase further unless the Commission reaches affirmative determinations. This dramatic surge in dumped and subsidized imports, therefore, indicates "the likelihood of substantially increased imports" and supports a finding that the domestic industry is threatened with additional material injury.

¹⁴⁴ 19 U.S.C. § 1677(7)(F)(i)(III) (2015).

¹⁴⁵ See Exhibit I-12.

¹⁴⁶ See Exhibit I-21.

¹⁴⁷ *Id.*

d. Subject Imports Are Entering at Prices that Are Likely to Have a Significant Depressing or Suppressing Effect on Domestic Prices, and Are Likely to Increase Demand for Further Imports

The Act provides that, in determining whether the domestic industry is threatened with material injury, the Commission should consider "whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports."¹⁴⁸ As demonstrated above, subject imports appear to be underselling the domestic like product, and are likely to continue doing so in the future. Furthermore, the significant increase in market share held by subject producers plainly shows that those imports are entering this market at prices that "are likely to increase demand for further imports." Accordingly, this statutory factor shows that the domestic industry is threatened with additional material injury from subject imports.

e. Inventories of the Subject Merchandise Threaten the Domestic Industry with Additional Material Injury

The Act provides that the Commission must consider inventories of the subject merchandise as an indicator of the extent to which subject imports threaten additional material injury to the domestic industry.¹⁴⁹ In these investigations, Petitioners do not have access to data regarding inventories of corrosion-resistant steel in subject countries. However, as discussed above, the surge of dumped and subsidized imports into this market has contributed to a significant increase in U.S. inventories of sheet products, including corrosion-resistant steel. These high inventory volumes in the United States have already caused prices to fall, and will likely continue to do so in the near future. Thus, the Commission should find that this statutory

¹⁴⁸ 19 U.S.C. § 1677(7)(F)(i)(IV) (2015).

¹⁴⁹ 19 U.S.C. § 1677(7)(F)(i)(V) (2015).

factor indicates that the domestic industry is threatened with material injury by reason of subject imports.

f. Facilities in the Subject Countries that Are Currently Being Used to Make Other Products Could Be Used to Make Corrosion-Resistant Steel

The Act provides that, in weighing the threat to the domestic industry, the Commission must consider "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."¹⁵⁰ There can be no question that there is substantial potential for product-shifting. Corrosion-resistant steel is one of the highest-valued sheet products, and producers have a strong incentive to maximize their output of this particular product. Thus, this factor also supports an affirmative threat determination.

g. Subject Imports Are Hindering the Existing Development and Production Efforts of the Domestic Industry

The Act provides that, in determining the threat to the domestic industry from subject merchandise, the Commission must consider "the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product."¹⁵¹ As discussed above, U.S. producers have already been forced to reduce their output due to a falling market share. Continuing harm of this type will make it difficult, if not impossible, for domestic producers to adequately fund their development and production efforts. Accordingly, this

¹⁵⁰ 19 U.S.C. § 1677(7)(F)(i)(VI) (2015).

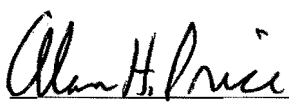
¹⁵¹ 19 U.S.C. § 1677(7)(F)(i)(VIII) (2015). It should be noted that 19 U.S.C. § 1677(7)(F)(i)(VII) (2015) relates to investigations that involve imports of raw agricultural products. That provision is not relevant to these investigations.

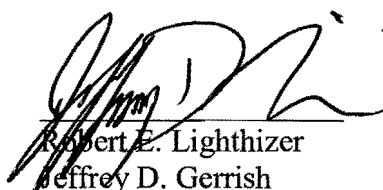
statutory factor also indicates that the domestic industry is threatened with additional material injury by subject imports.

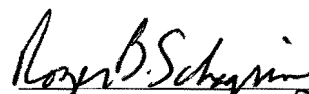
F. Conclusion

All statutory factors support a finding that imports of corrosion-resistant steel from the subject countries have caused material injury to the domestic industry, and that such imports threaten additional material injury going forward. Accordingly, the Commission should make affirmative determinations with respect to all subject imports.

Respectfully submitted,

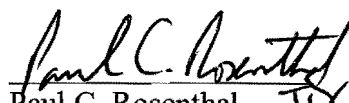

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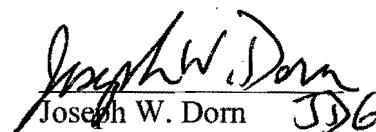

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PUBLIC VERSION

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PUBLIC VERSION

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I-26	Production of Galvanized Sheet in the Subject Countries	Public Version
I-27	Import Data From April 2014 to March 2015	Public

EXHIBIT I-1

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