Tin- and Chromium-Coated Steel Sheet from Japan

Investigation No. 731-TA-860 (Second Review)

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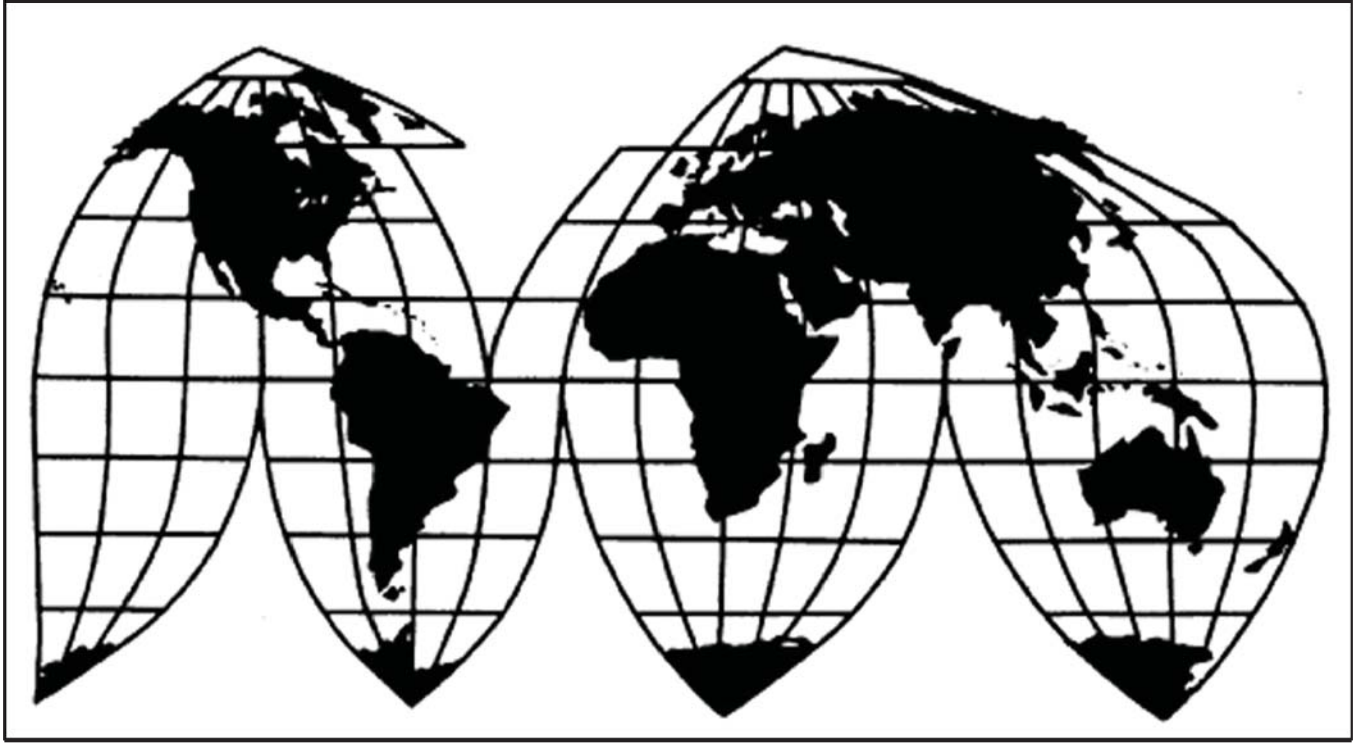
U.S. International Trade Commission



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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-860 (Second Review)

TIN- AND CHROMIUM-COATED STEEL SHEET FROM JAPAN

DETERMINATION

On the basis of the record[1] developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on June 1, 2011 (76 F.R. 31633) and determined on September 6, 2012, that it would conduct a full review (76 F.R. 58536, September 21, 2011). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 9, 2011 (76 F.R. 77013). The hearing was held in Washington, DC, on April 11, 2012, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty order on tin- and chromium-coated steel sheet ("TCCSS") from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In August 2000, the Commission completed its original investigation of tin- and chromium-coated steel sheet from Japan and determined that an industry in the United States was materially injured by reason of less than fair value ("LTFV") subject imports.[1] The U.S. Department of Commerce ("Commerce") issued an antidumping duty order on the subject merchandise on August 28, 2000.[2]

On July 1, 2005, the Commission instituted a five-year review to determine whether revocation of the antidumping duty order on TCCSS from Japan would likely lead to continuation or recurrence of material injury to an industry in the United states in a reasonably foreseeable time.[3] The Commission received five substantive responses to its notice of institution. On October 4, 2005, the Commission

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[1] Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Final), USITC Pub. 3337 (August 2000) ("Original Determination"). Chairman Koplan and Commissioner Askey dissented.

[2] 65 Fed. Reg. 52067 (August 28, 2000). In subsequent remand proceedings ordered by the U.S. Court of International Trade ("CIT") and the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit"), the Commission ultimately reached an affirmative determination. Respondents Nippon Steel Corp., NKK Corp., Kawasaki Steel Corp. and Toyo Kohan Co., Ltd., Japanese producers of the subject merchandise, appealed the Commission's affirmative determination to the CIT. On December 31, 2001, the CIT remanded the case to the Commission. Nippon Steel Corp. v. United States, 182 F. Supp. 2d 1330 (Ct. Int'l Trade 2001) ("Nippon I"). In the first remand, the Commission made an affirmative determination. Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Remand), USITC Pub. 3493 (March 2002). On August 9, 2002, the CIT remanded the case to the Commission for a second time and expressly ordered the Commission to enter a negative determination. Nippon Steel Corp. v. United States, 223 F. Supp.2d 1349, 1372 (Ct. Int'l Trade 2002) ("Nippon II"). The Commission appealed the CIT's judgment. On October 3, 2002, the Federal Circuit vacated the CIT's decision in Nippon II and ordered a remand to the Commission. Nippon Steel Corp. v. International Trade Comm'n, 345 F.3d 1379 (Fed. Cir. 2003) ("Nippon III"). In its second remand determination, the Commission again made an affirmative injury determination. Tin- and Chromium-Coated Steel Sheet from Japan (Views on Remand), Inv. No. 731-TA-860 (Final) (Second Remand), USITC Pub. 3674 (February 2004). On October 14, 2004, the CIT affirmed some aspects of the Commission's decision, but rejected others, and issued a remand with instructions to issue a negative material injury determination. Nippon Steel Corp. v. United States, 350 F. Supp. 2d 1186 (Ct. Int'l Trade 2004) ("Nippon IV"). On December 13, 2004, the Commission issued its third remand determination, making negative injury and threat determinations, and noting that it would not have made such determinations in the absence of the CIT's order. Tin- and Chromium-Coated Steel Sheet from Japan (Views on Remand), Inv. No. 731-TA-860 (Final) (Third Remand), USITC Pub. 3751 (December 2004). On March 25, 2005, the CIT affirmed the negative determinations. Nippon Steel Corp. v. United States, Court No. 09-00479, Slip Op. 2005-038 (Ct. Int'l Trade 2005) ("Nippon V"). The Commission again appealed the CIT's judgment to the Federal Circuit. On August 10, 2006, the Federal Circuit reversed the CIT's decision, instructed the CIT to vacate the Commission's negative injury and threat determinations, and directed the CIT to reinstate the Commission's affirmative material injury determination. Nippon Steel Corp. v. United States, 458 F. 3d 1345 (Fed. Cir. 2006) ("Nippon VI"). On November 16, 2006, in accordance with the Federal Circuit's mandate, the CIT ordered the Commission's second remand determination sustained and its affirmative material injury determination reinstated. Order in Nippon Steel Corp. v. United States, Court No. 00-09-00479 (Ct. Int'l Trade 2006).

[3] 70 Fed. Reg. 38210 (July 1, 2005).

determined that it should proceed to a full review.[4] In June 2006, the Commission completed the review and determined that revocation of the antidumping duty order on TCCSS from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[5] Following affirmative determinations by Commerce and the Commission, Commerce issued a notice of continuation of the antidumping duty order on TCCSS from Japan.[6]

On June 1, 2011, the Commission instituted this second five-year review to determine whether revocation of the antidumping duty order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[7] The Commission received adequate substantive responses from both the domestic and respondent interested parties and determined that it should proceed to a full review on September 6, 2011.[8] Domestic producers United States Steel Corporation ("U.S. Steel"), ArcelorMittal USA, LLC ("AMUSA"), and USS-POSCO Industries ("UPI") participated in this proceeding, each filing prehearing and posthearing briefs and providing testimony at the Commission's hearing. Japanese producers JFE Steel ("JFE"), Nippon Steel Corporation ("Nippon"), and Toyo Kohan (collectively, "Japanese Respondents") participated in this review, filing joint prehearing and posthearing briefs and providing testimony at the Commission's hearing.

The Commission sent U.S. producer questionnaires to six firms, five of which provided the Commission with responses.[9] Those five firms are believed have to accounted for all U.S. production of TCCSS in 2011.[10] The Commission received usable importer questionnaire responses from 21 U.S. importers accounting for 88.2 percent of total imports (subject and excluded)[11] from Japan and virtually all imports from nonsubject countries in 2011.[12] The Commission received purchaser questionnaires from 11 firms (nine end users and two distributors) accounting for *** percent of apparent U.S.

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[4] 70 Fed. Reg. 60110 (October 14, 2005); see also Confidential Staff Report at Appendix A, Explanation of Commission Determination on Adequacy in Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Review).

[5] Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Review), USITC Pub. 3860 (June 2006) ("First Five-Year Review").

[6] 71 Fed. Reg. 41422 (July 21, 2006).

[7] 76 Fed. Reg. 31633 (June 1, 2011).

[8] 76 Fed. Reg. 58536 (September 21, 2011); see also Confidential and Public Staff Report ("CR" and "PR"), Explanation of Commission Determination on Adequacy in Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Review), at Appendix A. The Commission received a joint substantive response from domestic producers United States Steel Corporation, ArcelorMittal USA, LLC, and USS-POSCO Industries, representing a majority of the domestic production of TCCSS in 2010. It also received a joint response from Japanese producers JFE Steel, Nippon Steel Corporation, and Toyo Kohan, representing all known Japanese production of TCCSS in 2010. Id.

[9] Severstal Holdings, LLC, which owned the Sparrows Point, MD tin mill plant from May 2008 to March 2011, did not respond. However, the current owner of that plant, RG Steel Corp., provided data for May 2008 to December 2011. CR at I-24 n.58, PR at I-19 n.58.

[10] CR at I-24, PR at I-19.

[11] The antidumping duty order on TCCSS lists seven forms of tin mill products that are excluded from the scope of the order. Certain Tin Mill Products from Japan: Notice of Antidumping Duty Order, 65 Fed. Reg. 52067 (August 28, 2000). As a result of changed circumstances reviews, Commerce has excluded additional forms of tin mill products from the scope of the order. CR at I-16, PR at I-14; and CR/PR at Appendix D (listing of all excluded forms of tin mill products).

[12] CR at I-26, PR at I-21.

consumption in 2011.[13] The Commission received foreign producer questionnaire responses from three Japanese producers accounting for all Japanese production of TCCSS in 2011.[14]

The original antidumping duty petition was filed in 1999 on behalf of the TCCSS industry by Weirton Steel Corp. ("Weirton"), one of seven U.S. firms producing TCCSS at the time, as well as the Independent Steelworkers Union and the United Steelworkers of America, AFL-CIO. Five firms are known to have produced TCCSS in 2011: AMUSA, Ohio Coatings Co. ("Ohio Coatings"), RG Steel Corp. ("RG Steel"), U.S. Steel, and UPI,[15] all of which provided questionnaire responses to the Commission.[16]

U.S. shipments of domestically produced TCCSS accounted for about 82 percent of apparent U.S. consumption of TCCSS over the period of review.[17] There have been virtually no subject imports since the imposition of the antidumping duty order.[18] The largest sources of nonsubject imports during the period were Canada, the Netherlands, China, Korea, and Germany.[19]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determinations under section 751(c) of the Act, the Commission defines the "domestic like product" and the "industry."[20] The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[21] The Commission's practice in five-year reviews is to examine the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.[22]

In its expedited second five-year review, Commerce defined the scope of the products subject to the order as follows:

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[13] CR at I-28, PR at I-22.

[14] CR at I-12 to I-13, PR at I-12.

[15] CR/PR at Table I-3.

[16] CR/PR at Table I-3.

[17] CR/PR at Table I-1. Domestic producers' market share ranged from 80.2 to 87.4 percent over the period of review. Id.

[18] CR/PR at Table I-1. To maintain a public presentation of data, subject imports are treated herein as zero for 2006-2011, although subject imports actually were ***. The actual share of U.S. consumption held by subject imports, both in terms of quantity and value, was *** during 2006-2011. CR/PR at Table I-1 n.2.

[19] CR/PR at Table IV-1.

[20] 19 U.S.C. § 1677(4)(A).

[21] 19 U.S.C. § 1677(10); see, e.g., Cleo Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

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

> {T}in mill flat-rolled products that are coated or plated with tin, chromium, or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are included in this definition unless specifically excluded.[23]

TCCSS includes tin-coated steel sheet and chromium-coated steel sheet. TCCSS is manufactured from tin mill black plate (or "TMBP"), an uncoated flat-rolled steel. Tin-coated steel sheet ("tin-plate") is primarily used in the manufacture of welded food, beverage, aerosol, and paint cans. Tin-plate is manufactured to a number of American Society for Testing and Materials ("ASTM") Standard Specifications, including A623, A624, and A626.[24] Chromium-coated steel sheet, also known in the industry as "tin-free steel" or "TFS," is used primarily for beer and soft drink two-piece drawn cans and ends, as well as ends for food cans and caps and crowns for glass containers. Chromium-coated steel sheet is manufactured to ASTM Standard Specification A657.[25] The majority of both domestic TCCSS production and imported TCCSS is sold to end users, with the remainder sold to distributors.[26]

In its original determination and first five-year review, the Commission defined a single domestic like product that corresponded to Commerce's scope.[27] In this review, no information suggests that we should revisit the definition of the domestic like product used in the original investigation and prior five-year review. The interested parties also support maintaining this definition.[28] Therefore, for the reasons stated in the original determination and the prior five-year review, we continue to define the domestic like product as all TCCSS within the scope of the order.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[29] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all

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[23] Certain Tin Mill Products from Japan; Final Results of Second Expedited Sunset Review of the Antidumping Duty Order, 76 Fed. Reg. 60001, 60002 (September 28, 2011). Commerce's scope also included a series of examples of tin mill products that were either outside the definition or were specifically excluded from the scope of the order. See 76 Fed. Reg. at 60002-03.

[24] CR at I-16 to I-17, PR at I-14 to I-15.

[25] CR at I-17, PR at I-15.

[26] CR/PR at Table II-1.

[27] Original Determination at 5; First Five-Year Review at 5-6.

[28] U.S. Steel's Prehearing Brief at 5-6; AMUSA's Prehearing Brief at 2-3; Joint Substantive Response of U.S. Steel, AMUSA, and UPI to Notice of Institution at 21; Substantive Response of JFE Steel Corporation to Notice of Institution at 12; Substantive Response of Nippon Steel Corporation at 12; and Substantive Response of Toyo Kohan at 11.

[29] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market. Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.[30]

In the Commission's original investigation and first five-year review, the Commission found one domestic industry comprising all domestic producers of TCCSS, which was consistent with its domestic like product finding.[31] In this second five-year review, there is no new information that would warrant reconsideration of the domestic industry definition. The domestic industry agrees with this definition, and no other interested party has proposed a different definition.[32] Accordingly, we define the domestic industry as all known U.S. producers of TCCSS.[33]

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[34] The Statement of Administrative Action[35] states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[36] Thus, the likelihood standard is prospective in nature.[37] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[38] [39]

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[30] 19 U.S.C. § 1677(4)(B).

[31] Original Determination at 6 and First Five-Year Review at 6.

[32] See Joint Substantive Response of U.S. Steel, AMUSA, and UPI to the Notice of Institution at 21.

[33] There are no related party issues presented in this review.

[34] 19 U.S.C. § 1675a(a).

[35] Statement of Administrative Action ("SAA") to the Uruguay Round Agreements Act, H.R. Rep. No. 316, 103 Cong., 2d Sess. (1994).

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

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

[38] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), aff'd mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals

(continued...)

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[40] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in an original investigation."[41]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping or countervailing duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[42] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[43] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[44]

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[45]

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[38] (...continued)
(Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[39] For a complete statement of Chairman Okun's interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 731-TA-707 to -709 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

[40] 19 U.S.C. § 1675a(a)(5).

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

[42] 19 U.S.C. § 1675a(a)(1).

[43] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings on the subject merchandise.

[44] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[45] 19 U.S.C. § 1675a(a)(4).

1. Original Determination[46] [47]

In the original investigation, the Commission found that demand for TCCSS, which is typically used in food and beverage cans, had been relatively stable for many years. Producers and importers also reported "flat" demand, but noted the effects of a poor harvest in 1998. Responding purchasers, however, indicated that the agricultural cycle had very little or no effect on demand.[48]

The Commission also found that all domestic producers and a majority of importers and purchasers reported that TCCSS products were used interchangeably regardless of source. The majority of importers and purchasers noted the higher quality and consistency, as well as the lower overall prices, of Japanese TCCSS, but purchasers also cited domestic producers' superiority to Japanese producers in terms of both availability and delivery time.[49]

The Commission noted that non-price factors such as product quality, product consistency and on-time delivery were very important in choosing suppliers. However, the record also reflected that price was a critical factor in annual contract negotiations and, therefore, the market was characterized by a high degree of price sensitivity.[50] The Commission also found that the market consisted of a relatively small number of sellers and buyers. There were seven domestic producers, approximately two dozen importers and 22 purchasers. Six purchasers, however, accounted for 75 percent of all TCCSS purchases in 1999.[51]

In addition, several can manufacturers had facilities on Weirton's property during the original period of investigation. These purchasers had leasing agreements *** requiring them to satisfy *** percent of their TCCSS requirements through ***. Because these particular can-making operations represented *** of apparent U.S. consumption, the Commission found that these supply arrangements provided, at most, limited insulation for *** from import competition, and no insulation whatsoever for the remainder of the industry.[52]

The Commission found that the market for TCCSS was national in scope and that Japanese merchandise competed throughout the United States. Nonsubject imports were not found to compete throughout the United States. Nonsubject imports, however, were a significant competitive factor in the market and accounted for a somewhat greater proportion of the total U.S. market than subject imports during most of the period of investigation. Nevertheless, subject imports' total market share increased at a substantially greater rate than did that of nonsubject imports. By the end of the original period of investigation, subject imports' market share had surpassed that of all other imports combined.[53]

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[46] The conditions of competition, volume, price, and impact findings discussed in these Views refer to the Commission's original determination, as well as its first and second remand determinations, which further explained the basis for its affirmative determination.

[47] Commissioner Pearson made separate findings regarding the conditions of competition. Second Remand Determination at 2 n.7 and Original Determination at 21, Dissenting Views of Chairman Stephen Koplan.

[48] Original Determination at 7.

[49] Original Determination at 8.

[50] Original Determination at 8.

[51] Original Determination at 8.

[52] Original Determination at 8-9. When the Commission conducted its second remand, it discovered there were lease/supply agreements involving *** as well. The Commission made the same determination that it made in its original determination that the arrangements in question represented only *** percent of apparent U.S. consumption and provided, at most, limited insulation for *** from import competition and no insulation for the remainder of the industry. Second Remand Determination at 72.

[53] Original Determination at 9.

2. First Five-Year Review

In the first five-year review, the Commission noted that U.S. demand for TCCSS depended on the level of demand for the products in which it was used, such as cans for food products and general line cans, including aerosol, paint, and varnish cans.[54] Total U.S. shipments of food cans and general line cans decreased during 1995-2000, while at the same time aluminum cans accounted for a growing percentage of can shipments, capturing nearly 100 percent of the beverage can market in the United States.[55] The Commission found that the use of aluminum also increased relative to the use of TCCSS in the food container market, while the use of plastic packaging increased in the coffee can and paint markets. Moreover, the Commission found that seamless two-piece tin mill cans, which use less material, had replaced the three-piece can for certain applications, resulting in a diminished market share for the three-piece can and decreased consumption of TCCSS.[56] A number of responding producers, importers, and purchasers reported that the decrease in demand since 2000 was due to a shift toward alternative types of packaging such as aluminum, plastic, PET, glass, and lighter gauge tin products. The Commission found that worldwide demand for metal containers was generally thought to be flat, despite growing regional demand in emerging markets in Asia and Latin America. All responding Japanese producers reported that demand in the Japanese market had decreased since 2000 due to a shift to alternative products, while demand in markets other than Japan and the United States increased.[57] The Commission found that apparent U.S. consumption decreased over the period of review and, although it was projected to increase in 2006, was expected to remain below 2003-2004 levels. The Commission concluded that demand would likely be flat or decreasing in the reasonably foreseeable future given the downward trend in apparent U.S. consumption since 2000 and the projections of lower future demand by many of the market participants.[58] The Commission also concluded that apparent consumption in Japan was projected to continue to decrease as well.[59]

With respect to supply, the Commission found that the U.S. market was supplied by domestically produced TCCSS and imports of TCCSS from nonsubject countries; there had been virtually no subject TCCSS imports from Japan since 2000. Domestic producers' market share decreased over the period, while nonsubject imports' market share increased. Both domestic capacity and production decreased over the period of review as a result of consolidation within the domestic industry due to mergers and bankruptcies.[60] The Commission found that the domestic industry's consolidation resulted in a reduction in the number of workers and was accompanied by an increase in productivity and a decrease in unit labor costs.[61]

With respect to substitutability, the Commission found that both price and non-price factors, such as product quality and on-time delivery, were important in purchasing decisions. Nevertheless, a majority of responding purchasers stated that the lowest-priced TCCSS would usually win the sale. In addition, nearly all purchasers stated that they required suppliers to become certified or pre-qualified,

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[54] First Five-Year Review at 10.

[55] First Five-Year Review at 10-11.

[56] First Five-Year Review at 11.

[57] First Five-Year Review at 11.

[58] First Five-Year Review at 11-12.

[59] First Five-Year Review at 12.

[60] First Five-Year Review at 12-13.

[61] First Five-Year Review at 13.

estimating that new supplier certification or qualification typically took three months to several years.[62] Finally, the Commission found that a majority of responding purchasers indicated that buying TCCSS produced in the United States was an important factor in their purchasing decision because of lead times and other logistical advantages of the domestic product.[63]

The Commission found several other conditions of competition relevant to its inquiry. The Commission found that the majority of sales (at least 85 percent) were reportedly made through contracts and that a majority of purchasers reported that they required suppliers to enter into annual or longer-term supply arrangements.[64] Long-term contracts reportedly lasted up to three years and typically contained meet-or-release provisions, while short-term contracts ranged from three months to one year in duration.[65] The Commission found that both price and volume could change during contracts that included meet-or-release competition or most-favored-nation clauses, but that the meet-or-release provision applied in many cases only to offers from other domestic suppliers.[66]

Finally, the Commission noted that safeguard measures issued in 2002 resulted in an increase in duties of 30 percent ad valorem on imports of TCCSS during 2002. These duties were reduced to 24 percent ad valorem in March 2003. The safeguards were terminated on December 4, 2003.[67]

3. Current Review

Demand. Demand for domestic TCCSS continues to depend on the level of demand for the products in which it is used, particularly cans for food products, as well as general line cans, including aerosol and paint cans, and other products. Total U.S. can consumption decreased by 4.3 percent from 2006-2010, continuing a long-term downward trend.[68] Apparent U.S. consumption of TCCSS fell by an even greater 18.3 percent over the period, from 3.3 million short tons in 2006 to 2.7 million short tons in 2011.[69] Decreasing U.S. consumption of TCCSS is attributable to the increasing development of substitute products for TCCSS and the greater use of can designs that use less metal.[70] Seamless two-

[62] First Five-Year Review at 14.

[63] First Five-Year Review at 14-15.

[64] First Five-Year Review at 15.

[65] First Five-Year Review at 15-16.

[66] First Five-Year Review at 16. "Meet-or-release provisions generally require domestic mills to either meet competitive prices for tin mill products or release the customer from any obligation to buy under the contract. Favored-nations provisions generally require domestic mills to price their products at the lowest price offered to any customer." ***.

[67] CR/PR at I-10. Import licensing remained in place through March 2005, and currently continues in modified form. CR/PR at I-10 n.28.

[68] Can consumption decreased from 34,560 million cans in 2006 to 33,064 million cans in 2010. Between 2006 and 2010, the number of cans produced in the United States decreased for each of the major categories reported, including vegetables, non-vegetable food, pet food, aerosols, and other general line cans. CR at II-10 n.29, PR at II-7 n.29.

[69] CR/PR at Table C-1. Apparent U.S. consumption was 3.3 million short tons in 2006, 3.2 million short tons in 2007, 3.1 million short tons in 2008, 2.7 million short tons in 2009, 3.2 million short tons in 2010, and 2.7 million short tons in 2011. Id.

[70] CR at II-10, PR at II-6.

piece cans, which use less material, are increasingly replacing the three-piece can for certain applications, and there is increased use of thinner gauged TCCSS.[71]

Most responding firms expect U.S. demand to remain flat or decrease.[72] Firms that anticipated a decrease in U.S. demand cited to continued product substitution, shifts in consumer preferences, increased costs associated with can production, and slow economic growth.[73] One published source projects that U.S. tin mill consumption will recover somewhat in 2012 and 2013, from the 2011 level, but remain below the 2010 level.[74] We conclude that likely demand in the reasonably foreseeable future will be flat, decreasing, or at best only marginally improved over the current low levels.

Supply. The U.S. market is currently supplied almost exclusively by domestically produced TCCSS and TCCSS that is imported from nonsubject countries. There have been virtually no subject imports from Japan during the period under review. Japanese producers, however, supply tin mill products that are excluded from the antidumping duty order to the U.S. market.[75] U.S. producers' share of the TCCSS market increased slightly from 80.5 percent in 2006 to 80.7 percent in 2011. Nonsubject imports' market share decreased slightly from 19.5 percent in 2006 to 19.3 percent in 2011.[76] The largest sources of nonsubject imports during the period of review were Canada, Germany, the Netherlands, China, and Korea, which together accounted for 95.5 percent of imports in 2011.[77]

Domestic capacity and production both decreased over the period of review. Production capacity decreased from 3.7 million short tons in 2006 to 3.5 million short tons in 2011, while production decreased from 2.6 million short tons to 2.2 million short tons during the same period.[78]

During the original investigation, the U.S. TCCSS industry consisted of seven firms with nine production locations.[79] In the first five-year review, bankruptcies, acquisitions, and consolidations reduced the number of firms to four and the number of production locations to seven.[80] In the current review, the number of firms increased to five due to a legally mandated divestiture, and the ownership of two production facilities changed, but the industry still consists of the same seven facilities that were operating in the first five-year review.[81]

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[71] CR at I-22 n.49, PR at I-18 n.49. Two of five responding producers, five of 13 responding importers, and seven of nine responding purchasers reported that demand for TCCSS in the U.S. market has decreased since 2006. No firms reported that demand increased. CR/PR Table II-3; CR at II-14, PR at II-9. Six of nine purchasers (including the ***) reported that demand for their products using TCCSS had decreased. CR at II-14 to II-15, PR at II-9. Two of the three largest purchasers reported that the decreasing demand for TCCSS was attributable to the ***. CR at II-15 n.34, PR at II-9 n.34.

[72] Three of five responding producers, eight of 13 responding importers, and two of 10 responding purchasers anticipate no change in demand, while one producer, three importers, and eight purchasers anticipate decreasing demand. CR/PR at Table II-3.

[73] CR at II-15, PR at 9. No firms anticipate that U.S. demand for TCCSS will increase. Id.

[74] CR/PR at Table IV-16 (MEPS International, Ltd., World Steel Outlook).

[75] CR/PR at Tables I-1, IV-3, IV-12, and C-1.

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

[77] CR/PR at Table IV-1. Imports from Germany decreased from 21.4 percent of nonsubject imports in 2006 to 5.8 percent in 2011, while imports from China increased from 4.5 percent of nonsubject imports in 2006 to 11.7 percent of imports in 2011. Id.

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

[79] Original Investigation at Table III-1.

[80] First Five-Year Review at I-21 to I-22.

[81] CR/PR at III-1.

In June 2006, Mittal Steel, the prior owner of TCCSS mills at Sparrows Point, MD and Weirton, WV, and global steel producer Arcelor agreed to merge and create a new entity, ArcelorMittal. Prior to this merger, Arcelor did not produce TCCSS in the United States, but owned the Canadian TCCSS producer Dofasco. In May 2008, ArcelorMittal sold the Sparrows Point facility to OAO Severstal to satisfy a divestiture required by the U.S. government in August 2006. The Sparrows Point facility was acquired later by RG Steel from Severstal Holdings, LLC, in March 2011.[82] In October 2011, ***. In December 2011, RG Steel ceased steel making and hot-rolling operations due to financial constraints. In January 2012, RG Steel restarted its steelmaking and hot-rolling operations after a cash infusion from the equity firm Cerebus Capital Management LP. In April 2012, RG Steel again idled the tin mill operations at the Sparrows Point facility.[83]

Of the four currently operating members of the U.S. industry, U.S. Steel and AMUSA are the leading producers of TCCSS. The third largest producer is UPI, a joint venture between Pitcal, Inc., a wholly-owned subsidiary of U.S. Steel, and POSCO-California Corp., an indirect wholly-owned subsidiary of POSCO (Korea). Ohio Coatings, a joint venture between RG Steel Corp. and TCC Steel (Korea), remains the smallest producer.[84] U.S. Steel and RG Steel are integrated producers and perform all production steps; AMUSA and UPI obtain hot-rolled sheet from their affiliates and then proceed with production at the cold-rolling stage; Ohio Coatings purchases TMBP and begins its production process with the coating step.[85]

There are three firms producing TCCSS in Japan: JFE, Nippon and Toyo Kohan. Nippon is the largest producer, followed by JFE and Toyo Kohan, respectively.[86] These firms and the locations of their facilities have not changed since the prior five-year review.[87] Both JFE and Nippon are integrated steel producers; Toyo Kohan purchases hot-rolled steel and begins TCCSS production from the cold-rolling step.[88]

Substitutability. The degree of substitution between domestic and imported TCCSS depends upon such factors as relative prices, quality, and the conditions of sale. We find that domestically produced TCCSS and the subject imports are generally substitutable. Responding market participants generally reported that domestic TCCSS and TCCSS imported from Japan and third countries were "always" or "frequently" interchangeable.[89] Quality and price were reported to be the most important factors in purchasing decisions.[90]

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

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

[84] CR/PR at Table I-3.

[85] CR at I-22, PR at I-18.

[86] CR/PR at Table IV-5. The Japanese producers' share of production in 2011 was *** percent for Nippon, *** percent for JFE, and *** percent for Toyo Kohan. Id.

[87] CR at IV-9; PR at IV-7.

[88] CR at IV-10, PR at IV-7.

[89] CR/PR at Table II-8. All domestic producers, and the majority of importers and purchasers reported that domestic TCCSS and subject imports were "always" or "frequently" interchangeable. Id.

[90] Quality was named by eight of 10 responding purchasers as the number one factor generally considered in deciding from whom to purchase TCCSS. All responding purchasers ranked price in their top three factors. CR/PR at Table II-4. The majority of purchasers (six of 11) reported that they "sometimes" purchased the lowest-priced product, one "always" purchased the lowest-priced product, three "usually" purchased the lowest-priced product, and one "never" purchased the lowest-priced product. CR at II-18, PR at II-12. *** purchasers reported that they *** purchased TCCSS at the lowest price. CR at II-18 n.42, PR at II-12 n.42.

Japanese Respondents assert that, compared to the first review, questionnaires in this review show that

(continued...)

All 11 responding purchasers reported that they require their suppliers to become qualified; reported qualification times generally ranged between 60 and 365 days.[91] Three purchasers reported a single qualification for all specifications, seven purchasers reported qualification for groups of products, and three reported qualification by individual product.[92] When asked if any Japanese firms were currently qualified to provide TCCSS, one purchaser reported that Japanese producers JFE and Nippon were qualified, no purchasers reported that Japanese product was in the process of becoming qualified, and two purchaser reported that Japanese producers could become qualified.[93]

Seven of 11 responding purchasers reported that the U.S. origin was not an important factor in their TCCSS purchasing decisions. The remaining four purchasers reported that purchase of U.S. produced TCCSS was required, although not by law or by their customers; two of these purchasers preferred U.S. product because of shorter lead times, and two had lease agreements that required certain purchases of domestic product.[94] The firms reporting lease agreements reported these agreements required purchases of *** percent of their product from U.S. producers.[95]

Other Conditions of Competition. There has been additional consolidation among purchasers of TCCSS since the first five-year review. In the original investigation there were 22 purchasers that responded to the Commission's questionnaires. In the first-five year review, there were 17 responding purchasers. In this second five-year review, the Commission received questionnaire responses from 11 purchasers. The three largest purchasers accounted for a large majority of the TCCSS purchases in 2011.[96]

Most TCCSS is sold in the U.S. market through contract sales. Most contracts are annual contracts that are negotiated in the fourth quarter of each year for shipments in the following year. These contracts typically provide for a fixed price and either a fixed or target quantity.[97] Two producers

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[90] (...continued)
purchasers now place a reduced weight on price as compared to other purchasing factors. Japanese Respondents Prehearing Brief at 61-63. We find that any changes from the data in the first review are at most marginal and do not alter the fact that purchasers consider price to be one of the most important factors they consider in their buying decisions.

[91] CR at II-21, PR at II-14. Seven purchasers reported qualification times over 150 days. Id.

[92] CR at II-21, PR at II-14. One firm reported both qualification by groups and individual products. It reported that qualification varies by manufacturing location because of different equipment. CR at II-22 n.45, PR at II-14 n.45. Purchaser Silgan Containers ("Silgan") reported that some suppliers could be qualified for some products but not for others. Japanese Respondents Posthearing Brief, Exhibit 17.

[93] CR at II-21, PR at II-14.

[94] CR at II-23, PR at II-15. Purchasers *** and *** reported lease agreements. Together these firms accounted for *** percent of reported TCCSS purchases in 2011.

[95] CR at II-23, PR at II-15. One purchaser reported that an important reason it purchases U.S.-produced product is that it can change orders close to the delivery date. Hearing Transcript at 168 (Cosio).

[96] CR at I-28, PR at I-22. The largest purchasers were ***. These three firms accounted for *** percent of apparent consumption in 2011, while the other eight firms accounted for *** percent of apparent consumption in 2011. Id. On March 27, 2006, the U.S. and Argentinian operations of U.S. Can Corporation were acquired by Ball. First Five-Year Review, Staff Report at I-14.

[97] CR at V-6, PR at V-4. ***. Purchasers reported that changes in quantities purchased within contracts were not the result of different prices, but rather they were the result of variations in needs. Hearing Transcript at 227-228, 251 (Arena and Cosio).

reported using multi-year contracts for a significant share of their sales.[98] These long-term contracts may contain meet-or-release or most-favored-nations provisions.[99] Contracts for imported TCCSS typically are also annual contracts, although several importers reported contracts of 3 to 4 months.[100]

Spot sales accounted for only a minor share of total sales of domestic TCCSS, although these sales were significant for one domestic producer.[101] Two importers reported that all of their sales were spot sales, and a third reported half annual contract sales and half spot sales.[102]

Four of five U.S. producers reported that during their negotiations customers refer to prices offered by other suppliers, both domestic and foreign, while one producer reported that its customers only refer to other domestic price offers. Five importers reported that their customers refer only to domestic prices and one reported that its customers refer only to import prices.[103]

Raw material costs accounted for a substantial share of the cost of goods sold ("COGS") for TCCSS.[104] The cost of steel, rather than tin or chromium, is the largest raw material cost in producing TCCSS. Reported quarterly prices for steel sheet fluctuated over the period examined with a major increase in 2008 and a period low in 2009, after which prices fluctuated upward.[105]

Based on the record of this review, we find that the conditions of competition in the TCCSS market are not likely to change significantly in the reasonably foreseeable future.[106] Accordingly, we find that the current conditions of competition provide a reasonable basis on which to assess the likely effects of revocation of the orders in the reasonably foreseeable future.

C. Likely Volume

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be

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[98] *** reported that *** percent of its sales were based on long-term contracts. CR at V-3, PR at V-4. ***. U.S. Steel Posthearing Brief, Exhibit 4.

[99] CR at V-4 to V-5, PR at V-3. *** reported that *** of its long-term contracts contained ***. *** reported that ***. CR at V-4 to V-5, PR at V-3 to V-4.

***. CR at V-6 n.18, PR at V-5 n.18.

[100] CR at V-6, PR at V-4.

[101] CR at V-5, PR at V-3.

[102] CR at V-4 to V-5, PR at V-3.

[103] CR at V-6 to V-7, PR at V-5.

[104] Total raw material costs of the domestic producers increased irregularly as a share of COGS from *** percent in 2006 to *** percent in 2011 for *** combined, and from *** percent in 2006 to *** percent in 2011 for ***. CR/PR at V-1.

[105] CR/PR at V-1 to V-2, and Figure V-1; see also AMUSA Prehearing Brief at 16-17; UPI Prehearing Brief at 5, 8; Japanese Respondents Prehearing Brief at 39-42.

[106] Japanese Respondents claim that the 2006 merger of Mittal Steel and Arcelor to create AMUSA is a relevant condition of competition because it resulted in the affiliation of a U.S. producer of TCCSS with Dofasco, the only Canadian producer of TCCSS. They claim that AMUSA has ceded sales opportunities in the U.S. market from its U.S. facility Weirton to Dofasco, and thereby negatively affected the production and financial results of its U.S. operation. Japanese Respondents Prehearing Brief at 79-80. AMUSA denies that it is shifting production to Canada or reducing production at its Weirton facility because of TCCSS imports from Dofasco, noting that Dofasco has reduced its tin mill operations in the past several years, including the shutdown of the box annealing operations and a plating line. Hearing Transcript at 33 (Mull).

significant either in absolute terms or relative to production or consumption in the United States.[107] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[108]

1. Original Determination[109]

In the original investigation, the Commission found that the volume of subject imports grew rapidly over the period examined. The quantity of imports of subject merchandise from Japan was 181,287 short tons in 1997, 245,872 short tons in 1998, and 366,961 short tons in 1999, and was 98,854 short tons in the first quarter of 2000 and 84,737 short tons in the first quarter of 1999.[110] Thus, the quantity of subject imports increased by 85.9 percent between 1997 and 1999 and continued to increase rapidly through the first quarter of 2000.[111]

The Commission also found that these significant increases occurred during a period of some decline in domestic consumption of TCCSS. Thus, the market share of subject imports increased significantly. Subject imports' share of apparent U.S. consumption was *** percent in 1997, *** percent in 1998, *** percent in 1999, and *** percent in the first quarter of 2000 and *** percent in the first quarter of 1999. The Commission found the volume of subject imports and the increase in the volume of subject imports, both absolutely and relative to domestic consumption, to be significant.[112] The Commission also stated that it did not find persuasive respondents' argument that the volume and rate of increase of subject imports were insignificant because half of the subject imports were sold on the West Coast, as the market for TCCSS is a national one.[113]

2. First Five-Year Review

In the first five-year review, the Commission observed that prior to the antidumping duty order the United States had been the Japanese producers' largest export market. The Commission found that, despite exiting the market after imposition of the order, the Japanese industry remained export-oriented, having exported over one-third of its shipments in each year of the period of review, with Mexico as its largest export market. The Commission noted that, although the Japanese TCCSS producers reported decreases in production and capacity since the imposition of the order, they also reported having excess

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[107] 19 U.S.C. § 1675a(a)(2).

[108] 19 U.S.C. § 1675a(a)(2)(A-D).

[109] Commissioner Pearson made separate findings regarding volume. Second Remand Determination at 2 n.7 and Original Determination at 22-28, Dissenting Views of Chairman Stephen Koplan.

[110] Original Determination at 10. The quantity of imports of subject merchandise increased by 35.6 percent between 1997 and 1998 and by 37.0 percent between 1998 and 1999. It was 8.1 percent higher in the first quarter of 2000 than in the first quarter of 1999. Id.

[111] Original Determination at 10.

[112] Original Determination at 10-11.

[113] Original Determination at 11.

capacity throughout the period of review. In 2005, unused TCCSS capacity in Japan was equivalent to 15.3 percent of U.S. domestic production and 16.2 percent of shipments.[114]

The Commission also found that the Japanese producers reported decreased shipments to their established markets during the first period of review, with shipments to the home market decreasing 15.6 percent and shipments to other export markets decreasing by 35.7 percent.[115] The Commission found in particular that the Japanese industry's exports to Mexico – Japan's leading export market for TCCSS – decreased by 18.5 percent from 2001 to 2004 and that exports to Asian markets decreased by 42.2 percent from 2000 to 2005.[116]

The Commission determined that, as the Japanese producers faced problems of excess capacity and decreasing shipments, the United States represented an attractive market for TCCSS, one that was formerly Japan's largest export market and second in importance only to its home market. Moreover, the Commission found that Japanese producers were already substantially present in the U.S. market for tin mill products excluded from the scope of the order and thus had knowledge of the market and established relationships with purchasers. The Commission also noted that, even with the order in place, the United States was Japan's fifth largest market for tin mill exports in 2005. The Commission found that prices in the U.S. market were generally attractive relative to those in other markets, and in particular pricing in the U.S. market was higher than in Mexico, which was at that time Japan's largest export market. The Commission concluded that these facts indicated that Japanese producers not only had the capacity, but the incentive to increase TCCSS shipments to the United States if the order were revoked.[117]

3. The Current Review

As noted above, prior to the imposition of the antidumping duty order, the United States was the Japanese producers' largest export market and subject imports captured a significant share of the U.S. market.[118] Subject imports ceased after the order was imposed.[119] For the reasons described below, we find it likely that subject imports would resume at significant levels if the order were revoked.

Although Japanese producers reported flat or decreasing capacity and production over the period of review, they also reported having significant excess capacity.[120] In 2011, unused TCCSS capacity in Japan was equivalent to 14.3 percent of both U.S. industry production and U.S. industry shipments.[121]

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[114] First Five-Year Review at 18.

[115] First Five-Year Review at 18.

[116] First Five-Year Review at 18-19.

[117] First Five-Year Review at 19.

[118] See Original Determination at VII-2, Table VII-2.

[119] First Five-Year Review at 18.

[120] Japanese capacity to produce TCCSS was 2.0 million short tons in 2006, 1.9 million short tons in 2007, 2008, and 2009, and 1.8 million short tons in 2010 and 2011. Production of TCCSS was 1.5 million short tons in 2006, 1.6 million short tons in 2007, 1.7 million short tons in 2008, 1.5 million short tons in 2009, 1.7 million short tons in 2010, and 1.5 million short tons in 2011. Capacity utilization for TCCSS production was 75.5 percent in 2006, 84.3 percent in 2007, 90.1 percent in 2008, 77.6 percent in 2009, 91.4 percent in 2010, and 83.0 percent in 2011. CR/PR at Table IV-9.

[121] Compare CR/PR at Table IV-9 with CR/PR at Table C-1. Japanese excess capacity in 2011 was 310,000 short tons. Japanese Respondents argue that Toyo Kohan's excess capacity should be disregarded, thereby reducing the reported Japanese industry excess capacity significantly, because that company is not a significant exporter. Hearing Transcript at 13, 191-192 (Durling). Toyo Kohan, however, is a ***. Toyo Kohan's parent company, Toyo Seikan Kaisha, Ltd., has reported that Japanese home market demand for containers of all types, including steel cans, has been continuously decreasing, thereby resulting in difficult business conditions for the company. U.S. Steel

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Japanese producers' shipments to their home market decreased by 22.4 percent from 2006 to 2011, as the Japanese market for TCCSS continued its long-term decline.[122] In response to the continued slide in domestic shipments, Japanese producers have expanded their exports of TCCSS; reported Japanese exports of TCCSS increased by *** percent from 2006 to 2011.[123] The effect of lower volumes of domestic shipments and greater volumes of exports has been a significant increase in the export orientation of the Japanese industry. Exports accounted for *** percent of Japanese TCCSS shipments in 2006; by 2011, that figure had grown to *** percent.[124] Moreover, Japanese producers have cast a wide geographical net in their efforts to expand exports as their home market decreases; Japanese exports have not been concentrated in any particular region, but have shown a global reach. Many of those export markets, however, do not receive large volumes of Japanese TCCSS. Only two of Japan's export markets received more than 56,000 short tons of Japanese tin mill products in 2011.[125]

As the Japanese producers face the ongoing prospect of decreasing shipments to their home market and exert substantial efforts to expand their exports to widespread locations, the United States represents an attractive market for them. The United States is one of the largest TCCSS markets in the world. Large, experienced U.S. buyers purchase TCCSS from producers located both in the United States and abroad. There are few barriers to accessing the U.S. market. Japanese TCCSS producers are already substantially present as significant exporters of excluded tin mill products and, thus, have a knowledge of the U.S. market, as well as established relationships with U.S. purchasers. Notably, the purchasers of excluded tin mill products include large can manufacturers (e.g. Silgan and Ball) that account for the majority of U.S. TCCSS demand.[126] In addition, purchasers and importers of tin mill products have expressed a strong interest in purchasing more Japanese tin mill products.[127] This interest

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[121] (...continued)
Posthearing Brief, Exhibit 9. Moreover, Toyo Kohan has exported excluded tin mill products to the U.S. market ***, demonstrating an interest in and ability to export tin mill products to the United States. Japanese Respondents Prehearing Brief at 12. These developments indicate that Toyo Kohan will either have to pursue home market sales more aggressively, creating additional competition for other Japanese TCCSS producers in the home market, or it will have to increase its exports. Therefore, we find no reason to exclude Toyo Kohan's excess capacity from the Japanese industry's reported data.

[122] CR/PR at Table IV-9. The decrease observed in the current review is a continuation of a trend observed in our first five-year review. During the two review periods taken together, Japanese producers' shipments to their home market fell by *** percent from 2000 to 2011. Compare First Five-Year Review at Table IV-8 with CR/PR at Table IV-9.

[123] CR at IV-5, PR at IV-8. Inventories of TCCSS held by Japanese producers increased over the period of review, both in terms of quantity and as a share of total shipments, from *** percent in 2006 to *** percent in 2011. CR at IV-15, PR at 8; and Table IV-9. With respect to product-shifting, Japanese producers have the capacity to produce TCCSS on the same equipment and machinery used to produce other tin mill products. CR at IV-9, PR at IV-7, and CR/PR at Table IV-6. There are no reported barriers to the importation of the subject merchandise into countries other than the United States. See Foreign Producer Questionnaire Responses, Section II-13.

[124] Total exports were *** percent of shipments in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, and *** percent in 2011. CR/PR at Table IV-9.

[125] CR/PR at Table IV-13. The top 20 export markets for Japanese TCCSS include countries in North America, South America, Europe, the Middle East, Africa, South Asia, and East Asia. See Japanese Respondents Posthearing Brief, Exhibits 4 and 5.

[126] See, e.g., Japanese Respondents Posthearing Brief, Exhibits 17 and 18.

[127] CR at Appendix E-9 to E-11, PR at Appendix E-3; Hearing Transcript at 166 (Cosio) and 293 (Arena). Purchaser cited a desire to see more suppliers or more competition in the U.S. TCCSS market as well as an interest in the product range and quality offered by Japanese producers. See id.

may increase given that domestic producer RG Steel had idled its tin mill operations in 2012, a step that may open up additional sales opportunities for other suppliers to the U.S. market.[128]

Prices for TCCSS in the United States are sufficiently high to create an incentive for Japanese producers to seek access to the U.S. market. ***.[129] Moreover, the two largest Japanese export markets for TCCSS are Mexico and the Philippines.[130] In recent years (2009-2011), import AUVs for both Mexico and the Philippines were generally lower than the average import AUVs for all countries.[131] These data indicate that Japanese producers are not deterred from selling into markets in which the prevailing import AUV is relatively low. Finally, Japanese producers annually sold *** short tons of excluded tin mill products to the United States during 2006-2011.[132] They did so despite the fact that AUVs for exports to the United States were in every instance lower than export AUVs to other markets.[133] The record thus shows that U.S. prices are sufficiently attractive to encourage Japanese producers to again export significant quantities of TCCSS in the absence of the antidumping duty order.

In sum, Japanese TCCSS producers have substantial excess capacity, are export oriented, and face the ongoing prospect of decreasing shipments in their home market. Prior to the imposition of the order, the United States was Japan's largest export market, and the Japanese producers continue to participate in the U.S. market through sales of excluded tin mill products. Prices in the U.S. market are generally attractive relative to other markets. We find that the Japanese producers have both the ability and incentive to increase shipments of TCCSS to the United States if the order were revoked.

In considering whether the likely volume of subject imports will be significant if the order were revoked, we also consider Japanese Respondents' arguments as to factors that would allegedly inhibit such imports during the reasonably foreseeable future. We are not persuaded by the Japanese Respondents' claim that Japanese producers' joint venture ("JV") arrangements for the production of tin mill products in China and other countries will constrain their ability to export TCCSS to the United States.[134] Japanese producers assert that the TMBP that they export to these JVs as substrate for the production of tin mill products is made on the same production lines as subject TCCSS and thereby occupies capacity that could otherwise be used to make TCCSS. They further assert that Japanese producers intend to increase the production and export of TMBP to these JVs and thereby further

[128] We observe that, although the U.S. market is attractive in many ways, it has contracted substantially since the time of the original investigation. Apparent U.S. consumption of TCCSS in 2011 was 1.24 million short tons, or 31.6 percent, smaller than in 1999, the last full year of the original period of investigation. CR/PR at Table I-1. In a much smaller market, the volume of subject imports would not need to reach pre-order levels of over 300,000 short tons in order to be significant.

[129] CR/PR at Table IV-19 (showing U.S. prices lagging behind only two countries, Germany (domestic) and the UK (domestic)); AMUSA Prehearing Brief, Exhibit 7. We acknowledge that spot sales are a small part of the U.S. market, but there are consistent sales made on the spot market and prices for these sales can influence the broader market. CR at V-4, PR at V-3.

[130] CR/PR at Table IV-13.

[131] CR/PR at Table IV-17. Furthermore, import AUVs for the Philippines were lower than U.S. import AUVs during 2009-2011. Import AUVs for Mexico were lower than U.S. import AUVs in 2009. Id.

[132] CR/PR at Table IV-12.

[133] CR/PR at Table IV-12.

[134] Japanese Respondents Prehearing Brief at 22-26, and Exhibits 1 & 15.

decrease available TCCSS capacity.[135] We find, however, that Japanese producers have ample capacity to increase both TMBP and TCCSS production. In 2011, Japanese producers reported *** short tons of excess TMBP production capacity, a figure that is *** above their reported excess TCCSS capacity of 310,000 short tons.[136] In addition, many of the ***.[137]

Japanese Respondents also allege that, due to recent increases in the volatility of raw material costs, Japanese producers have adopted policies against entering into annual fixed-price contracts that large U.S. customers demand.[138] Although U.S. purchasers have typically obtained TCCSS via annual fixed-price contracts, they have shown some willingness to forego annual contracts for contracts of shorter duration, some with provisions for the renegotiation of price or quantity terms.[139] Both Silgan and Ball *** and they have expressed an interest in purchasing additional products from Japan.[140] Therefore, we do not believe that U.S. purchasers' preference for annual fixed-price contracts would prevent the influx of significant volumes of subject imports in the reasonably foreseeable future if the order were revoked.[141]

Japanese Respondents maintain that the need for Japanese producers to re-qualify as suppliers to large U.S. customers prevents Japanese mills from shipping large quantities of TCCSS until ***.[142] We disagree. Although some can producers report that it may take up to a year to qualify a new supplier, other purchasers estimate that the qualification process may be completed in as little as two months.[143] Given the ongoing relationships that Japanese producers have with U.S. purchasers through the supply of excluded tin mill products, we consider that at least a substantial portion of supplier qualifications would

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[135] We note, however, that Japanese Respondents failed to provide evidence showing that the JVs' TMBP demand will increase significantly in the reasonably foreseeable future.

[136] CR/PR at Tables IV-8 and IV-9. The difference between these two capacity figures indicates that Japanese producers could make *** short tons of additional TMBP before beginning to reduce available substrate below the level of unused capacity that is available to make TCCSS. Id.

[137] AMUSA Posthearing Brief, Exhibit 1 at 41-43; JFE Producer Questionnaire Response at Attachment 6 and Nippon Producer Questionnaire Response at Attachment 7-6. We note that, generally, the JVs ***. For example, ***. Japanese Respondents Posthearing Brief, Exhibit 1 at 45-46, and Exhibit 15. Moreover, JFE does not have any formal written contracts with its JVs that would require a JV to acquire TMBP from JFE. ***. Japanese Respondents Posthearing Brief, Exhibit 1 at 46-47.

[138] Japanese Respondents Posthearing Brief at 5-6. We note that many long-term contracts, which typically involve larger volumes of TCCSS and are for multi-year durations, contain meet-or-release and most-favored-nation provisions, *** for price renegotiation, and *** fix quantities. By contrast, a significant number of short-term contracts do not permit adjustments or contain escape clauses and typically are only for three to 12 months. CR at V-5 to V-6; PR at V-4.

[139] ***. AMUSA Posthearing Brief, Exhibits 3 and 18.; see also Japanese Respondents Posthearing Brief, Exhibits 17 and 18 and AMUSA Posthearing Brief, Exhibit 6. Moreover, the Japanese industry's experience in third country markets suggests that buyers and sellers have developed mechanisms that allow for the sale of large volumes of imports from Japan that satisfy a wide range of needs, notwithstanding any raw material price volatility. U.S. Steel produced evidence of ***. See, e.g., U.S. Steel Posthearing Brief at Exhibit 4, ¶ 7.

[140] Japanese Respondents Posthearing Brief, Exhibits 17 and 18; Hearing Transcript at 161-63 (Arena) and 166 (Cosio). Japanese producers also appear willing to price their tin mill products in the home market on an annual basis in negotiations with Japanese can makers. U.S. Steel Posthearing Brief at 9 and Exhibits 6 and 7.

[141] Excluded and nonsubject TCCSS imports are already in the U.S. market in substantial volumes, notwithstanding volatile raw material prices. Nonsubject imports held a market share of 21.1 percent in 2011. CR/PR at Table C-1.

[142] Japanese Respondents Posthearing Brief at 6.

[143] CR at II–21, PR at II-14.

be completed nearer to the shorter end of the estimated time range reported by purchasers. Moreover, we note that one purchaser reported that the Japanese producers JFE and Nippon were currently qualified to provide TCCSS,[144] and purchasers accounting for most reported TCCSS purchases indicated in questionnaire responses that they will be able to complete the qualification process within six months.[145] Thus, were the order revoked, we find it likely that the Japanese producers would be able to participate to some degree in contract negotiations in late 2012 for deliveries in 2013. We further find that qualification in time for negotiations in the latter part of 2013 for shipments in 2014 falls within the reasonably foreseeable future in this case.[146]

Japanese Respondents also allege that they are concentrating on growing export markets outside the United States.[147] They claim that the annual growth rate of exports to each of their eight top export markets was more than five percent and that those markets provide a much more attractive long-term option than the stagnant U.S. market.[148] Although the data provided by the Japanese Respondents show that they have increased exports of TCCSS to other markets during 2006-2011, they also show that Japanese producers are facing growing and substantial competition from Chinese TCCSS producers in those very same markets. Japanese producers' shipments to five of their top six export markets -- Mexico, the Philippines, Australia, Peru, and Saudi Arabia -- decreased between 2008 to 2011, while shipments of Chinese TCCSS to those countries increased substantially.[149] Thus, over the last several years, Chinese TCCSS producers have been making substantial inroads into those markets, while Japanese exports have decreased. Although some of the recent decrease may be attributed to the global financial crisis, the record does not support the argument that growth in those markets will consume the Japanese producers' excess production capacity.

Lastly, the Japanese Respondents assert that U.S. prices are not relatively attractive, but instead are the lowest in the world. They assert that Japanese producers have no incentive to increase shipments to the United States when higher prices and greater profits are available in other export markets.[150] For several of their pricing comparisons, however, the Japanese Respondents include AUVs for higher-priced speciality tin mill products that have been excluded from the order.[151] Given the issues raised by product mix and the selected price comparisons,[152] we do not find the Japanese Respondents' argument persuasive.

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[144] CR at II-21, PR at II-14. We acknowledge that no Japanese producers of TCCSS were reported to be in the process of becoming certified or qualified to sell TCCSS, although two purchasers reported that Japanese producers could become qualified ***. CR at II-21, PR at II-14, and CR/PR at Appendix E-11.

[145] See Purchaser Questionnaires of ***. We note that Silgan and Ball, two of the largest purchasers, reported qualification times of *** respectively, in their purchaser questionnaire responses. In affidavits submitted with the Japanese Respondents' posthearing brief, however, they stated the qualification times would likely be longer. Japanese Respondents Posthearing Brief, Exhibit 17 and 18. Regardless of the length of time it may take these purchasers to qualify the suppliers, there is uncontested evidence in other purchaser questionnaire responses to support our finding that the Japanese producers could be qualified with a large number of U.S. purchasers within six months.

[146] Japanese Respondents concede that the Japanese producers could be qualified to supply the U.S. market for the 2014 contract negotiations. See Japanese Respondents Posthearing Brief at 6 and Exhibits 17 and 18.

[147] Japanese Respondents Prehearing Brief at 17-22.

[148] Japanese Respondents Prehearing Brief at 19, 22.

[149] See Japanese Respondents Posthearing Brief, Exhibit 5.

[150] Japanese Respondents Prehearing Brief at 26-38; Posthearing Brief at 7-9.

[151] U.S. Steel Posthearing Brief, Exhibit 5.

[152] See U.S. Steel Posthearing Brief at 13; AMUSA Posthearing Brief at 5.

In sum, in light of the Japanese producers' large production capacity, excess production capacity, and sharp growth in export orientation, the unlikelihood that the global and Japanese tin mill markets would absorb Japan's excess capacity, the attractiveness of the U.S. market, and the fact that Japanese producers have well established relationships with U.S. purchasers of excluded tin mill product that are also the main purchasers of TCCSS,[153] we conclude that subject Japanese producers would increase the volume of subject product they export to the U.S. market if the order were revoked.

Accordingly, we find the likely volume of subject imports of TCCSS from Japan, both in absolute terms and relative to production and consumption in the United States, would be significant within a reasonably foreseeable time if the antidumping duty order were revoked.[154]

D. Likely Price Effects

In evaluating the likely price effects of subject imports if an antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant price underselling by the subject imports and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[155]

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[153] Japanese Respondents Posthearing Brief, Exhibits 17 and 18.

[154] The Japanese Respondents also argue that the Japanese producers' response to the Commission's revocation of the antidumping duty order on corrosion-resistant steel from Japan in December 2006 is instructive. According to the Japanese Respondents, following revocation, imports of Japanese corrosion-resistant steel were 95 percent less than pre-order volumes, and the average AUVs of those imports were significantly higher than those for virtually every other import source. The Japanese Respondents argue that a similar result would occur here if the order were revoked. Japanese Respondents Prehearing Brief at 48-52. We are not persuaded that the cited example reflects the likely behavior of Japanese TCCSS producers in the event of revocation. It involves a different industry and different facts. See Nucor Corp. v. United States, 414 F.3d 1331, 1340 (Fed. Cir. 2005); Timken Co. V. United States, 321 F. Supp. 1361, 1372 (Ct. Int'l Trade 2004) ("The court does not agree with Timken's assertion that the Commission should follow its findings from an investigation of different products altogether"), aff'd, 122 Fed. Appx. 510 (Fed. Cir. 2005). The current record does not contain data that would enable us to determine whether relevant competitive factors in the corrosion-resistant steel industry, such as demand trends in Japan, the United States, and elsewhere, the pattern of Japanese exports with the order in place, and the nature of contractual arrangements, among other factors, are analogous to those in the TCCSS industry. Consequently, we do not attempt to draw inferences from the aftermath of revocation of the order on corrosion-resistant steel regarding the potential behavior of Japanese TCCSS producers in the event of revocation of the TCCSS order.

Similarly, the Domestic Producers have argued that the Commission should consider the import volume change after revocation of the orders on hot-rolled flat steel from Japan in 2011 and on cut-to-length steel plate from Japan in 2012. Hot-Rolled Flat-Rolled Steel from Brazil and Japan: Revocation of Antidumping Duty Orders, 76 Fed. Reg. 36081 (June 21, 2011); Certain Cut-to-Length Carbon-Quality Steel Plate from Italy and Japan: Revocation of Antidumping and Countervailing Duty Orders, 77 Fed. Reg. 263 (January 4, 2012). We draw no inferences from, nor reply upon, the aftermath of the revocation of these orders in considering the potential behavior of Japanese TCCSS producers in the event of the revocation of this order.

[155] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

1. Original Determination[156]

The Commission noted that the market for TCCSS was price sensitive. It also found that the domestic market was concentrated, with a small number of sellers and a relatively small number of purchasers. Price, in the form of discount rates off of price lists, was negotiated intensely, often down to the hundredths of one percent. The Commission gathered comprehensive data on list prices and discount rates as well as detailed information on the bidding process, including data on opening and final bids.[157]

The Commission found that the evidence showed a clear trend of generally declining prices paid by purchasers during the period of investigation. Even though list prices increased slightly in 1997 and 1998, discount rates increased significantly in both years, resulting in a net decline in prices. In 1999, this trend was magnified by the fact that domestic producers were not able to increase the list price even though discount rates continued to increase.[158] Coinciding with the declining trend in pricing, the Commission found that the frequency and the magnitude of underselling by subject merchandise increased dramatically over the period of investigation.[159]

Given the recognized quality and substitutability of Japanese TCCSS and the very price sensitive nature of the market, the Commission found the aggressive pricing of the Japanese product to be significant. Indeed, the record reflected that the aggressive pricing by importers of subject merchandise had been used by at least some purchasers in their price negotiations with the domestic suppliers, and Japanese supply was recognized as an important factor affecting U.S. prices.[160] The adverse effect of subject imports was also reflected in confirmed lost revenue allegations.[161]

The Commission found that, although nonsubject imports were a significant factor in the domestic market during the period of investigation, subject imports grew more rapidly and were generally priced more aggressively. Toward the end of the period of investigation, subject imports generally undersold nonsubject imports, and the Commission found that subject imports had a significant adverse effect on domestic prices that was distinct from any adverse price effects of nonsubject imports.[162] The Commission concluded that there was significant price underselling by subject

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[156] Commissioner Pearson made separate findings regarding price. Second Remand Determination at 2 n.7 and Original Determination at 22-28, Dissenting Views of Chairman Stephen Koplan.

[157] Original Determination at 11-12.

[158] Original Determination at 12.

[159] In 1997, four Japanese bids out of 13 undersold the domestic producers' bids. In 1998, seven out of 16 bids undersold domestic bids. By 1999, the number had risen to 21 out of 25 bids. Compounding this trend was the significant increase in the magnitude of the underselling. In 1997, Japanese bids were generally not underselling domestic bids. In 1998, Japanese bids undersold domestic bids by 0.70 percent on average and by 1999, when subject import volume was greatest, the magnitude of underselling had risen to 5.77 percent on average. Original Determination at 12. Further analysis upon remand incorporated customer-specific prices, added the volumes of sales won based on particular bids, aggregated certain company-specific price data to avoid the appearance of overstating the number of bid comparisons, and included data inadvertently omitted from or misplaced in the original staff report. This analysis generally showed increasing levels of underselling by subject imports over the period of investigation. In addition, the analysis showed that a substantial and increasing volume awarded to Japanese suppliers during 1997-1999 was the result of Japanese bids that were below all U.S. bids. Second Remand Determination, Tables Second Remand 1-3.

[160] Original Determination at 12.

[161] Original Determination at 13.

[162] Original Determination at 16.

merchandise and that significant volumes of subject imports had depressed prices and prevented price increases.[163]

2. First Five-Year Review

In the first five-year review, the Commission again noted that the U.S. market was characterized by a small number of purchasers, who increasingly sought to enter into long-term contracts. The Commission found that Japanese producers could win sales and expand their U.S. market through spot sales, which accounted for a relatively small amount of total sales, or by bidding for and winning new, open contracts. The price effect of any successful bid by Japanese producers would then be magnified throughout the market through an immediate effect on spot sales, new contract negotiations, and existing contracts containing meet competition or similar clauses applicable to imported product.[164]

The Commission found that, although quality was an important factor in purchasing decisions, it did not appear to be the means by which Japanese producers could win contracts in competition with domestic producers. It found that U.S. TCCSS and Japanese TCCSS were generally interchangeable, and exceeding industry standards was of marginal importance to purchasers.[165]

The Commission concluded that, absent other means of competing, the Japanese producers would attempt to win sales contracts through aggressive pricing, as they did prior to the imposition of the order. The Commission found that the U.S. market was price sensitive and characterized by lengthy and intense contract negotiations among a relatively small number of buyers and sellers. The Commission determined that lower prices would be felt immediately on the spot market and would also depress prices that were agreed to during negotiations for new contracts.[166]

3. The Current Review

In considering the likely price effects of subject imports if the order were revoked, we find that the market for TCCSS is price sensitive. Responding purchasers named price, quality, and availability as the top three factors in purchasing decisions.[167] As discussed above in the section on Conditions of Competition, the quality of subject imports and domestically produced TCCSS is generally comparable. Once quality concerns are satisfied, the major factor remaining on which domestic TCCSS and subject imports compete is price.

In order to evaluate price trends over this second five-year review, the Commission obtained quarterly domestic prices for four representative TCCSS products during the period 2006 through 2011.[168] The prices for domestically produced TCCSS fluctuated and increased overall between 2006

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[163] Original Determination at 16.

[164] First Five-Year Review at 25.

[165] First Five-Year Review at 25-26.

[166] First Five-Year Review at 26.

[167] CR/PR at Table II-4. Ten of 11 responding purchasers indicated that "price" is a very important factor, with the remaining purchaser indicating that it was "somewhat important." All 11 responding purchasers indicated that "quality meeting industry standards" is a very important factor, with 10 of 11 indicating that "quality exceeding industry standards" is "very important" or "somewhat important." CR/PR at Table II-5.

[168] CR at V-17, PR at V-8; CR/PR at Table V-5 and Figures V-3 to V-6.

and 2011.[169] Given the virtual absence of subject imports during the period, the record lacks price information for the subject merchandise.

As noted previously, we find that the volume of subject imports would likely be significant if the order were revoked. In evaluating the likely price effects of this significant volume, we again note that the U.S. market is characterized by a small number of large purchasers, which may seek to enter into annual or longer-term contracts, as well as a number of smaller purchasers. If the order were revoked, Japanese producers would be able to win sales and expand their U.S. market share through spot sales, or by bidding for and winning contracts. Successful bids would have an immediate impact on spot sales, new contract negotiations, and existing contracts containing meet-or-release or similar clauses applicable to imported merchandise.[170]

The credible threat of purchasers buying subject imports can put pressure on domestic prices even when the subject producer does not win a sale. Customers refer to competing prices during their contract negotiations with producers; low-price offers from Japanese producers would likely be used as leverage to obtain more favorable prices from domestic producers.[171] Accordingly, low-priced imports from Japan could depress U.S. prices even without gaining significant market share. Further downward pressure on prices would be particularly harmful to U.S. producers given that the U.S. industry is experiencing a damaging cost/price squeeze even without the presence of subject imports.[172]

In sum, we find that Japanese producers are likely to undersell and price aggressively in order to win sales with purchasers. At these aggressive prices, the subject imports would likely have significant depressing or suppressing effects on the prices of the domestic like product.

E. Likely Impact[173]

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to the

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[169] Prices for domestically produced TCCSS increased relatively steadily from 2006 to the third or fourth quarter of 2008. Prices increased sharply in the first quarter of 2009, then began decreasing generally until the first quarter of 2010, after which they increased moderately and steadily into 2011. CR at V-17, PR at V-8 and Figures V-3 to V-6.

[170] Although some of the meet-or-release or similar provisions may only pertain to domestic or North American prices, there is evidence on the record showing that this is not exclusively the case. See CR at V-5, PR at V-4; UPI Posthearing Brief, Exhibit A at 1.

[171] AMUSA Posthearing Brief, Exhibit 1 at 6-10; U.S. Steel Posthearing Brief, Exhibit 4 at 5-6; Japanese Respondents Posthearing Brief, Exhibit 17 at 6 (noting that *** informs suppliers during contract negotiations that the ***).

[172] As a ratio of net sales, the domestic industry's COGS was 99.7 percent in 2006, 102.4 percent in 2007, 104.8 percent in 2008, 90.9 percent in 2009, 99.6 percent in 2010, and 104.1 percent in 2011. CR/PR at Table III-8. See also discussion in Section II.E. below.

[173] Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its expedited second sunset review of the antidumping duty order, Commerce published the following likely dumping margins: Kawasaki Steel Corporation, 95.29 percent; Nippon Steel Corporation, 95.29 percent; NKK Corporation, 95.29 percent; Toyo Kohan Co., Ltd., 95.29 percent; and all others, 32.52 percent. Certain Tin Mill Products from Japan; Final Results of Second Expedited Sunset Review of the Antidumping Duty Order, 76 Fed. Reg. 60001, 60003 (September 28, 2011).

following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[174] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[175] As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.

1. Original Determination[176]

The Commission cited numerous factors in support of its finding of a significant negative impact from subject imports in the original investigation. The Commission found that the domestic industry's production and capacity utilization decreased between 1997 and 1999. The number of production workers producing TCCSS fell, as did hours worked.[177] U.S. producers' market share declined from *** percent in 1997 to *** percent in 1999, and was *** percent in the first quarter of 2000. Subject import volume displaced a substantial volume of U.S. shipments and accounted for the largest portion of the domestic industry's reduced market share. U.S. shipments decreased markedly over the period, and the value of U.S. shipments decreased even more than the volume of those shipments. Despite sustained export sales volumes, overall net sales fell due to declining sales in the United States.[178]

The Commission found that the domestic industry's financial performance deteriorated between 1997 and 1999, with the worst results occurring in 1999 when annual subject import volume was at its peak. Operating losses widened over the period, and operating losses as a ratio to net sales increased as well.[179] The Commission was not persuaded by respondents' claim that the majority of the increase in the volume of subject imports was related to only a few large customers and due to non-price reasons.[180] It found that subject imports were having a significant adverse impact on the domestic industry.[181]

2. First Five-Year Review

The Commission found that the domestic industry was in a relatively weak condition at the time of the first five-year review. The Commission found that the domestic producers' TCCSS capacity decreased significantly during the first five-year review period as the domestic industry consolidated, with production and shipments following the same trend. Inventories decreased overall, but increased toward the end of the period. Capacity utilization increased over the period, albeit irregularly, as the

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[174] 19 U.S.C. § 1675a(a)(4).

[175] 19 U.S.C. § 1675a(a)(4).

[176] Commissioner Pearson made separate findings regarding impact. Second Remand Determination at 2 n.7 and Original Determination at 29, Dissenting Views of Chairman Stephen Koplan.

[177] Original Determination at 17.

[178] Original Determination at 17.

[179] Original Determination at 17-18.

[180] Original Determination at 18.

[181] Original Determination at 19.

industry lost capacity to restructuring. The quantity of net sales decreased as demand decreased.[182] The domestic industry sustained operating losses in every year but one, even though it experienced increased gross profit, and the value of net sales increased, as raw materials and SG&A expenses increased.[183] U.S. producers' market share decreased as nonsubject imports gained market share over the period. As the result of restructuring, the number of production and related workers, hours worked, and total wages decreased, although productivity increased. Finally, capital and R&D expenditures decreased over the period.[184]

The Commission determined that demand was not likely to improve in the reasonably foreseeable future. It found that the domestic industry's performance had been weak throughout the period of review, and the industry faced a cost/price squeeze. In view of the price sensitive nature of the market, the Commission found that the domestic industry was vulnerable to injury by reason of increased subject imports. The Commission concluded that subject imports at the volumes experienced prior to the imposition of the order and even modest price effects would be likely to cause a recurrence of material injury in the reasonably foreseeable future.[185]

3. The Current Review

As in the first five-year review, data in the current review indicate that the domestic industry producing TCCSS continues to struggle. During the period examined, domestic producers' TCCSS capacity decreased.[186] Production and capacity utilization both fluctuated, although both were lower in 2011 than at the beginning of the period.[187] U.S. producers' market share increased slightly over the period.[188]

The quantity of net sales decreased over the period[189] as apparent U.S. consumption decreased.[190] The domestic industry sustained operating losses in every year but one,[191] as well as decreases in gross

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[182] First Five-Year Review at 28.

[183] First Five-Year Review at 28-29.

[184] First Five-Year Review at 29.

[185] First Five-Year Review at 29.

[186] Production capacity was 3.7 million short tons in 2006 and 2007, 3.6 million short tons in 2008, and 3.5 million short tons in 2009 through 2011. CR/PR at Table C-1.

[187] Production was 2.6 million short tons in 2006, 2.5 million short tons in 2007, 2.7 million short tons in 2008, 2.4 million short tons in 2009, 2.6 million short tons in 2010, and 2.2 million short tons in 2011. CR/PR at Table C-1. Capacity utilization was 72.0 percent in 2006, 69.7 percent in 2007, 74.8 percent in 2008, 68.9 percent in 2009, 73.2 percent in 2010, and 61.2 percent in 2011. Id.

[188] U.S. producers' market share, by volume, was 80.5 percent in 2006, 80.6 percent in 2007, 87.4 percent in 2008, 85.6 percent in 2009, 80.2 percent in 2010, and 80.7 percent in 2011. CR/PR at Table I-6.

[189] The quantity of net sales was 2.7 million short tons in 2006, 2.6 million short tons in 2007, 2.8 million short tons in 2008, 2.4 million short tons in 2009, 2.6 million short tons in 2010, and 2.2 million short tons in 2011. CR/PR at Table III-8.

[190] U.S. consumption, as measured by quantity, was 3.3 million short tons in 2006, 3.2 million short tons in 2007, 3.1 million short tons in 2008, 2.7 million short tons in 2009, 3.2 million short tons in 2010, and 2.7 million short tons in 2011. CR/PR at Table C-1.

[191] Operating losses were $106.5 million in 2006, $161.2 million in 2007, $229.2 million in 2008, $78.2 million in 2010, and $198.8 million in 2011. The industry registered an operating income of $173.4 million in 2009. CR/PR at Table III-8. Operating losses as a ratio of net sales were 5.4 percent in 2006, 8.3 percent in 2007, 9.6 percent in 2008, 3.1 percent in 2010, and 9.1 percent in 2011. Operating income as a ratio of net sales in 2009 was 6.7 percent. Id.

profit.[192] Although the value of net sales increased,[193] as did unit values,[194] raw material costs increased even more rapidly, creating a cost/price squeeze.[195] Capital expenditures decreased over the period,[196] as did research and development expenditures.[197]

The domestic industry's employment-related indicators exhibited downward trends as well. The number of production and related workers decreased over the period,[198] as did their hours worked[199] and productivity.[200] Total wages increased slightly.[201] In addition, RG Steel had to idle its tin mill production in 2012, and it is not known when, or even if, it will be able to restart production. In 2011, RG Steel accounted for *** percent of production workers in the TCCSS industry.[202]

In light of the foregoing, as well as the price sensitive nature of the market, we conclude that the domestic industry is currently vulnerable to injury by increased subject imports. The industry's production, capacity utilization, shipments, net sales, operating income margin, production and related workers, and hours worked all decreased during the period. The industry's financial picture was particularly weak, as the industry suffered an operating loss in every year but one. The decreasing demand conditions of the review period are not likely to improve significantly in the reasonably

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[192] Gross profit was $5.0 million in 2006, $234.0 million in 2009, and $9.2 million in 2010. Gross losses were $47.4 million in 2007, $113.9 million in 2008, and $90.4 million in 2011. CR/PR at Table III-8.

[193] The value of net sales was $2.0 billion in 2006, $1.9 billion in 2007, $2.4 billion in 2008, $2.6 billion in 2009, $2.5 billion in 2010, and $2.2 billion in 2011. CR/PR at Table III-8.

[194] Unit values were $739 in 2006, $756 in 2007, $861 in 2008, $1,088 in 2009, $968 in 2010, and $1,012 in 2011. CR/PR at Table III-8.

[195] Raw material costs were $1.3 billion in 2006 and 2007, $1.7 billion in 2008, $1.6 billion in 2009, and $1.7 billion in 2010 and 2011. CR/PR at Table III-8. COGS increased over the period. It was $2.0 billion in 2006 and 2007, $2.5 billion in 2008, $2.3 billion in 2009, $2.5 billion in 2010, and $2.3 billion in 2011. Id. The ratio of raw materials costs to net sales was 64.4 percent in 2006, 65.4 percent in 2007, 71.0 percent in 2008, 60.8 percent in 2009, 69.2 percent in 2010, and 75.5 percent in 2011. Id. As a ratio of net sales, the domestic industry's COGS was 99.7 percent in 2006, 102.4 percent in 2007, 104.8 percent in 2008, 90.9 percent in 2009, 99.6 percent in 2010, and 104.1 percent in 2011. Id.

[196] Capital expenditures were $*** in 2006, $*** in 2007, $*** in 2008, $*** in 2009, $*** in 2010, and $*** in 2011. CR/PR at Table III-13.

[197] Research and development expenditures were $*** in 2006, $*** in 2007, $*** in 2008, $*** in 2009, $*** in 2010, and $*** in 2011. CR/PR at Table III-13.

[198] The number of production and related workers was *** in 2006, *** in 2007, 3,648 in 2008, 3,150 in 2009, 3,200 in 2010, and 2,984 in 2011. CR/PR at Table III-7.

[199] Hours worked were *** in 2006, *** in 2007, 7.0 million in 2008, 6.2 million in 2009, 6.5 million in 2010, and 6.2 million in 2011. CR/PR at Table III-7.

[200] Productivity, as measured in short tons per hour, was *** in 2006, *** in 2007, 387.1 in 2008, 391.0 in 2009, 402.0 in 2010, and 350.7 in 2011. CR/PR at Table III-7.

[201] Wages paid were $*** in 2006, $*** in 2007, $197.8 million in 2008, $183.7 million in 2009, $199.5 million in 2010, and $191.6 million 2011. CR/PR at Table III-7.

[202] Compare RG Steel Producer Questionnaire Response with CR/PR at Table III-7.

foreseeable future.[203] These conditions have left the industry particularly susceptible to injury from reduced sales or lower prices as a result of renewed competition with low-priced subject imports.[204]

We have found that, should the antidumping duty order under review be revoked, the volume of subject imports would likely increase significantly. We have further found that the additional volume of subject imports would be priced in a manner that would likely undersell the domestic like product and have significant depressing or suppressing effects on prices for the domestic like product. Consequently, to compete with the likely additional volume of subject imports, the domestic industry would need to cut prices or restrain price increases. The resulting loss of revenues would likely cause further deterioration in the financial performance of the vulnerable domestic industry.

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[203] Citing 19 U.S.C. § 1675a(a)(1)(b), the Japanese Respondents argue that the statute requires the Commission to examine the condition of the domestic industry to determine if the antidumping duty order has resulted in any significant improvement in the industry's condition and, if not, revoke the order. They claim that the industry has not benefitted from the order and is in many ways in worse condition than when the order was imposed. Japanese Respondents Posthearing Brief at 11-14.

The Statement of Administrative Action ("SAA") makes clear that the existence of other economic factors that may be causing difficulties for a U.S. industry does not preclude a finding that an industry would experience material injury from subject imports:

> If the Commission finds an industry is vulnerable to injury from subject imports, it may determine that injury is likely to continue or recur, even if other causes, as well as future imports, are likely to contribute to future injury. If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of the order or termination of a suspended investigation.

SAA at 885 (emphasis added). Moreover, we do not agree that the domestic industry has not benefitted from the antidumping order on Japanese TCCSS. For example, the industry has been able to increase its productivity by a substantial amount since the time of the original investigation. CR/PR at Table I-1. The fact that many industry output and employment indicators were lower in 2011 than they were during the original investigation period would seem to be the natural result of the shrinkage in the size of the U.S. market for TCCSS over that time, rather than a sign that the order has had no beneficial effect.

[204] Japanese Respondents also suggest that the Commission should discount the condition of domestic TCCSS operations because it is integrally connected to the performance of the overall flat-rolled steel industry. See, e.g., Japanese Respondents Prehearing Brief at 72-79. The statute is quite clear, however, that the relevant operations to be examined are the operations of the industry producing the domestic like product, not operations by overall corporate entities that produce other products as well, such as the "overall flat-rolled steel industry." See, e.g., Allegheny Ludlum Corp. v. United States, 287 F.3d 1365, 1370-73 (Fed. Cir. 2002) (the statute requires the Commission to focus on the operations producing the domestic like product); General Motors Corp. v. United States, 827 F. Supp. 774, 780 (Ct. Int'l Trade 1993) (same).

Moreover, in this case, two of the five domestic producers, Ohio Coatings and UPI, do not produce their own steel and therefore are dependent upon purchases of upstream steel products. CR at III-8, PR at III-6. Ohio Coatings and UPI purchased their steel inputs, which were then coated (in the case of Ohio Coatings) or were rolled from coils into sheet and then coated (UPI). CR at III-14, PR at III-10. We find that the financial performance of ***. CR/PR at Table III-9. Instead, the record shows that, ***, Ohio Coating's operating margin ***, even though ***. CR at III-15, III-18 to III-19, PR at III-10 to III-11. In 2009, the year in which the industry was profitable, ***. Thus, the fact that *** does not appear *** over the integrated producers that are part of the domestic TCCSS industry. Any differences in performance instead appear to be ***.

Finally, we are persuaded that the domestic TCCSS industry operates with the intention of trying to earn a profit and, in fact, made an operating profit in 2009. See, e.g., CR/PR at Table III-8; AMUSA Posthearing Brief, Exhibit 1 at 47-50; U.S. Steel Posthearing Brief, Exhibit 1 at 17-18. Japanese Respondents' attempt to redirect our attention in this review from the domestic TCCSS industry as a whole to the flat-rolled operations of certain integrated producers is unsupported on this record both legally and factually.

We have considered the role of factors other than the subject imports, so as not to attribute likely injury from such factors to subject imports.[205] The share of the U.S. market held by nonsubject imports decreased slightly over the period of review.[206] Given this trend, we see no basis to conclude that nonsubject imports are likely to increase to such an extent as to obviate the impact of likely significant volume and price effects of subject imports.

We conclude that revocation of the antidumping duty order likely would lead to significant increases in the volume of subject imports, which would undersell the domestic like product and significantly depress or suppress U.S. prices. As explained above, we find this industry to be in a vulnerable state, given flat to decreasing trends in demand, the price sensitive nature of the market, the fact that the industry is experiencing a cost/price squeeze, and the fact that its overall financial performance has deteriorated during the period of review, with losses suffered in each year (with the exception of 2009) and its largest operating income margin loss of the period occurring in 2011, despite the restraining effects of the order. On these facts, the likely significant volume and the adverse price effects of the subject imports from Japan would be sufficient to have a significant negative impact on the production, shipments, sales, market share, and revenues of the domestic industry. This would adversely affect the industry's profitability and its ability to raise capital and maintain necessary capital investments.

Accordingly, we conclude that, if the antidumping duty order were revoked, subject imports from Japan would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on TCCSS from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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[205] Japanese Respondents claim that subject imports would simply replace nonsubject imports if the order were revoked. Japanese Respondents Prehearing Brief at 53-61. During the original investigation, shipments of subject and nonsubject imports increased at the same time, but subject imports increased more rapidly. When the order was imposed, the domestic industry regained market share, even though nonsubject market share continued to increase. See First Five-Year Review at 30 & n.206. Absent other evidence, we find, as we did in the first five-year review, that this indicates subject imports would likely reenter the U.S. market and readily compete with the domestic like product and nonsubject imports, and would do so at lower prices to gain market share. Even if Japanese TCCSS were to replace some nonsubject imports, this would still be based on price and have a negative impact on the domestic industry's prices and profitability.

[206] Nonsubject import market share was 19.5 percent in 2006, 19.4 percent in 2007, 12.6 percent in 2008, 14.4 percent in 2009, 19.8 percent in 2010, and 19.3 percent in 2011. CR/PR at Table C-1.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On June 1, 2011, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted a second review to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet ("TCCSS") from Japan would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On September 6, 2011, the Commission determined that it would conduct a full second review pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the schedule of this proceeding:[5]

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

[2] *Tin- and Chromium-Coated Steel Sheet from Japan; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Tin- and Chromium-Coated Steel Sheet from Japan*, 76 FR 31633, June 1, 2011. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission's notice of institution. *Initiation of Five-Year (''Sunset'') Review*, 76 FR 31588, June 1, 2011.

[4] *Tin- and Chromium-Coated Steel Sheet From Japan; Notice of Commission Determination To Conduct a Full Five-Year Review Concerning the Antidumping Duty Order on Tin- and Chromium-Coated Steel Sheet From Japan*, 76 FR 58536, September 21, 2011. The Commission received a response to the notice of institution from the following three domestic producers of TCCSS: ArcelorMittal USA, LLC ("ArcelorMittal"), United States Steel Corp. ("U.S. Steel"), and USS-POSCO Industries ("USS-POSCO"). The Commission found the response of these domestic producers to be individually adequate. Since the responding domestic producers accounted for the majority of domestic production of TCCSS in 2010, the Commission found that the domestic interested party group response to its notice of institution was adequate. The Commission received a response to the notice of institution from the following three Japanese producers of TCCSS: JFE Steel Corp. ("JFE"), Nippon Steel Corp. ("Nippon"), and Toyo Kohan Co. Ltd. ("Toyo"). The Commission found the response of these Japanese producers to be individually adequate. Since the responding Japanese producers accounted for all known Japanese production of TCCSS in 2010, the Commission found that the respondent interested party group response to its notice of institution was adequate. Having found the group responses of the domestic and respondent interested parties to be adequate, the Commission determined to conduct a full review.

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

Effective date	Action
August 28, 2000	Commerce's antidumping duty order on TCCSS from Japan (65 FR 52067)
July 21, 2006	Commerce's continuation of the antidumping duty order following the first review (71 FR 41422)
June 1, 2011	Commission's institution of the second five-year review (76 FR 31633)
June 1, 2011	Commerce's initiation of second five-year review (76 FR 31588)
September 6, 2011	Commission's determination to conduct a full second five-year review (76 FR 58536, September 21, 2011)
September 28, 2011	Commerce's final results of the second expedited five-year review of the antidumping duty order on TCCSS from Japan (76 FR 60001)
December 5, 2011	Commission's scheduling of the second review (76 FR 77013, December 9, 2011)
April 11, 2012	Commission's hearing[1]
May 15, 2012	Commission's vote
May 25, 2012	Commission's determination transmitted to Commerce

[1] A list of witnesses appearing at the hearing is presented in app. B.

The Original Investigation

The original investigation resulted from petitions filed by Weirton Steel Corp., Weirton, WV,[6] the Independent Steelworkers Union, and the United Steelworkers of America, AFL-CIO on October 28, 1999, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of TCCSS from Japan. Following notification of a final determination by Commerce that imports of TCCSS from Japan were being sold at LTFV, the Commission determined on August 9, 2000, that a domestic industry was materially injured by reason of LTFV imports of TCCSS from Japan.[7] Commerce published the antidumping duty order on TCCSS from Japan on August 28, 2000.[8]

Subsequent Proceedings

As noted above, the Commission issued its original injury determination in the antidumping investigation covering TCCSS from Japan in August 2000.[9] In September 2000, the Japanese respondents appealed the Commission's affirmative determination to the U.S. Court of International Trade ("CIT"). On December 31, 2001, the CIT remanded the Commission's pricing and impact analysis for a "more complete analysis."[10]

In March 2002, the Commission issued its first remand determination.[11] After reconsidering the record, the Commission again determined that the domestic TCCSS industry was materially injured by reason of the subject imports from Japan.[12] On August 9, 2002, the CIT issued its second decision in the proceeding.[13] In that opinion, the CIT vacated the Commission's affirmative material injury determination and expressly ordered the Commission to enter a negative determination.[14]

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[6] Weirton Steel Corp. filed for bankruptcy in 2003 and its Weirton, WV mill subsequently was acquired by ArcelorMittal.

[7] *Tin- and Chromium-Coated Steel Sheet From Japan*, Inv. No. 731-TA-860 (Final), USITC Publication 3337 (August 2000).

[8] *Certain Tin Mill Products from Japan: Notice of Antidumping Duty Order*, 65 FR 52067, August 28, 2000.

[9] *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Final), USITC Publication 3337 (August 2000) ("Original Determination").

[10] *Nippon Steel Corp. v. United States*, 182 F. Supp.2d 1330 (Ct. Int'l Trade 2001)("*Nippon I*") p. 1356.

[11] Views of the Commission on Remand, *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Remand), USITC Publication 3493 (March 2002) ("First Remand Determination").

[12] Ibid., pp. 2-14.

[13] *Nippon Steel Corp. v. United States*, 223 F. Supp.2d 1349 (Ct. Int'l Trade 2002) ("*Nippon II*").

[14] *Nippon II*, pp. 1371-72.

The Commission appealed *Nippon II* to the U.S. Court of Appeals for the Federal Circuit ("CAFC"). On October 3, 2003, the CAFC vacated the CIT's decision in *Nippon II*.[15] The CAFC held that the CIT went "beyond its statutorily-assigned role to 'review'" because "it engaged in refinding facts (e.g., by determining witness credibility), or interposing its own determinations on causation and material injury itself." However, because of the "multiplicity, specificity, and cogency" of the CIT's critiques of the Commission's remand determination, the CAFC stated that the Commission should on remand "attend to all the points made by the CIT, especially those of {Nippon II} which the Commission has not yet had the opportunity to address."[16]

On February 23, 2004, the Commission issued an affirmative determination on its second remand.[17] On October 14, 2004, the CIT issued its third opinion in the appeal and concluded, the "record fully supports a negative determination and will not support an affirmative one."[18] The CIT therefore remanded the Commission's second remand determination with "instructions to issue a negative material injury determination."[19]

On December 13, 2004, the Commission issued its third remand determination, finding in the negative as ordered by the CIT. The Commission also issued a negative threat determination, stating that this was "dictated by the CIT's findings in *Nippon IV*" and noting it would not have made such a determination "in the absence of {the CIT's} findings."[20] The CIT affirmed the determination[21] and its decision was appealed to the CAFC. The case was argued before the CAFC on March 7, 2006. On August 10, 2006, the CAFC reversed the CIT's decision vacating the Commission's affirmative determination, instructed the CIT to vacate the Commission's negative injury and threat determinations issued pursuant to the lower court's orders, and directed the CIT to "reinstate the Commission's affirmative material injury determination" in the investigation.[22]

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[15] *Nippon Steel Corp. v. International Trade Commission*, 345 F.3d 1379, 1381-82 (Fed. Cir. 2003) (*"Nippon III"*).

[16] *Nippon III*, p. 1382.

[17] Views of the Commission on Second Remand, *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Second Remand), USITC Publication 3674 (February 2004) ("Second Remand Determination").

[18] *Nippon Steel Corp. v. United States*, 350 F.Supp.2d 1186 (Ct. Int'l Trade 2004) (*"Nippon IV")*, pp. 64-65 (emphasis in original).

[19] Ibid., p. 66.

[20] Third Remand Determination, p. 10.

[21] *Nippon Steel Corp. v. United States*, Slip Op. 05-38 (CIT March 23, 2005).

[22] *Nippon Steel Corporation, et al. v. United States*, 458 F. 3d 1345 (Fed. Cir. 2006).

First Five-Year Review

In June 2006, the Commission completed a full five-year review of the subject order and determined that revocation of the antidumping duty order on TCCSS from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[23] Following an affirmative determination in the first five-year review by Commerce and the Commission,[24] Commerce issued a continuation of the antidumping duty order on imports of TCCSS from Japan, effective July 1, 2006.[25]

SUMMARY DATA

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

[23] *Tin-and Chromium-Coated Steel Sheet From Japan*, Inv. No.731-TA-860 (Review), USITC Publication 3860 (June 2006).

[24] *Tin- and Chromium-Coated Steel Sheet From Japan: Determination*, 71 FR 37944, July 3, 2006; *Certain Tin Mill Products from Japan; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 70 FR 67448, November 7, 2005.

[25] *Certain Tin Mill Products from Japan: Continuation of Antidumping Duty Order*, 71 FR 41422, July 21, 2006.

Table I-1
TCCSS: Comparative data from the original investigation and the first review and current review

(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit expenses are *per short ton*; and period changes=*percent*, except where noted)

Item	1997	1998	1999	2000	2001	2002
U.S. consumption quantity:						
Amount	***	***	***	3,730,105	3,313,671	3,396,584
Producers' share[1]	***	***	***	85.8	85.6	88.9
Importers' share:[1]						
Japan [2]	***	***	***	2.6	0.0	0.0
Other sources[3]	***	***	***	11.6	14.4	11.1
Total	***	***	***	14.2	14.4	11.1
U.S. consumption value:						
Amount	***	***	***	2,190,903	1,960,275	2,030,780
Producers' share[1]	***	***	***	85.6	85.9	89.3
Importers' share:[1]						
Japan [2]	***	***	***	2.7	0.0	0.0
Other sources[3]	***	***	***	11.7	14.1	10.7
Total	***	***	***	14.4	14.1	10.7
U.S. imports from--						
Japan:[2]						
Quantity	182,157	242,081	329,645	95,533	0	0
Value	120,997	154,488	196,185	58,990	0	0
Unit value	$664	$638	$595	$617	([4])	([4])
Other sources:[3]						
Quantity	***	***	***	433,139	476,063	375,797
Value	***	***	***	256,462	277,161	216,736
Unit value	$***	$***	$***	$592	$582	$577
All sources						
Quantity	***	***	***	528,672	476,063	375,797
Value	***	***	***	315,452	277,161	216,736
Unit value	$***	$***	$***	$597	$582	$577
U.S. producers'--						
Capacity quantity	4,855,145	4,869,145	4,607,145	4,591,145	3,777,878	3,629,045
Production quantity	3,728,441	3,425,572	3,433,592	3,333,869	2,916,110	3,125,623
Capacity utilization[1]	76.8	70.4	74.5	72.6	77.2	86.1
U.S. shipments:						
Quantity	3,554,766	3,283,424	3,227,134	3,201,433	2,837,608	3,020,787
Value	2,192,160	2,003,321	1,898,063	1,875,451	1,683,114	1,814,044
Unit value	$617	$610	$588	$586	$593	$601
Ending inventory quantity	360,768	354,047	346,375	349,202	331,964	324,275
Inventories/total shipments[1]	9.6	10.2	10.0	10.3	11.3	10.4
Production workers	6,922	6,224	6,004	5,794	5,256	4,637
Hours worked (*1,000 hours*)	15,287	13,854	13,297	15,399	10,918	9,874
Wages paid (*1,000 dollars*)	380,470	346,345	344,320	334,330	287,189	265,145

Table I-1--*Continued*

2003	2004	2005	2006	2007	2008	2009	2010	2011
3,213,793	3,366,940	3,089,023	3,283,229	3,159,210	3,139,040	2,749,044	3,212,052	2,683,441
88.2	86.8	83.8	80.5	80.6	87.4	85.6	80.2	80.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	13.2	16.2	19.5	19.4	12.6	14.4	19.8	19.3
11.8	13.2	16.2	19.5	19.4	12.6	14.4	19.8	19.3
1,953,562	2,226,330	2,312,653	2,424,428	2,400,865	2,724,437	3,026,986	3,164,231	2,778,297
88.3	87.3	83.5	80.6	80.2	86.7	84.6	78.8	78.9
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.7	12.7	16.5	19.4	19.8	13.3	15.4	21.2	21.1
11.7	12.7	16.5	19.4	19.8	13.3	15.4	21.2	21.1
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
([4])	([4])	([4])	([4])	([4])	([4])	([4])	([4])	([4])
378,237	443,508	501,668	639,023	613,755	396,448	394,514	636,373	518,383
229,490	282,991	380,475	471,015	475,101	362,537	465,472	671,825	586,977
$607	$638	$758	$737	$774	$914	$1,180	$1,056	$1,132
378,237	443,508	501,668	639,023	613,755	396,448	394,514	636,373	518,383
229,490	282,991	380,475	471,015	475,101	362,537	465,472	671,825	586,977
$607	$638	$758	$737	$774	$914	$1,180	$1,056	$1,132
3,670,240	3,670,240	3,670,240	3,653,000	3,653,000	3,627,720	3,543,000	3,543,000	3,543,000
2,934,465	2,946,392	2,738,382	2,631,713	2,546,797	2,714,429	2,442,402	2,594,982	2,168,240
80.0	80.3	74.6	72.0	69.7	74.8	68.9	73.2	61.2
2,835,556	2,923,432	2,587,355	2,644,206	2,545,455	2,742,592	2,354,530	2,575,679	2,165,058
1,724,072	1,943,339	1,932,178	1,953,413	1,925,764	2,361,900	2,561,514	2,492,406	2,191,320
$608	$665	$747	$739	$757	$861	$1,088	$968	$1,012
363,429	262,974	307,218	249,005	234,647	249,449	341,928	319,182	297,562
12.4	8.6	11.4	***	***	***	***	***	***
4,331	3,857	3,769	***	***	3,648	3,150	3,200	2,984
8,609	8,136	7,665	***	***	7,013	6,247	6,455	6,183
222,495	223,492	232,355	***	***	197,843	183,735	199,460	191,594

Table I-1--*Continued*
TCCSS: Comparative data from the original investigation and the first review and current review

(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit expenses are *per short ton*; and period changes=*percent*, except where noted)

Item	1997	1998	1999	2000	2001	2002
Hourly wages	$24.89	$25.37	$25.89	$21.71	$26.30	$26.85
Productivity (*short tons per 1,000 hours*)	243.9	250.9	258.2	216.5	267.1	316.6
Net sales:						
Quantity	3,742,829	3,476,048	3,472,054	3,358,878	2,940,949	3,132,312
Value	2,308,486	2,120,926	2,034,967	1,975,725	1,740,481	1,872,924
Unit value	$617	$610	$586	$588	$592	$598
Cost of goods sold	2,224,570	2,075,245	2,061,471	1,958,057	1,732,228	1,805,419
Gross profit or (loss)	83,916	45,681	(26,504)	17,668	8,253	67,505
Operating income or (loss)	(20,977)	(64,125)	(132,484)	(79,653)	(73,712)	(11,766)
Unit cost of goods sold	$594	$597	$594	$583	$589	$576
Unit operating income or (loss)	($6)	($18)	($38)	($24)	($25)	($4)
Cost of goods sold/sales[1]	96.4	97.8	101.3	99.1	99.5	96.4
Operating income or (loss)/sales[1]	(0.9)	(3.0)	(6.5)	(4.0)	(4.2)	(0.6)

[1] In *percent*.
[2] To maintain a public presentation of data, subject imports are treated as zero during 2006-11 but actually are ***. The actual share of U.S. consumption is ***.
[3] To maintain a public presentation of data, official Commerce statistics are used for nonsubject imports even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included.
[4] Not applicable.

Table I-1--*Continued*

2003	2004	2005	2006	2007	2008	2009	2010	2011
$25.84	$27.47	$30.31	$***	$***	$28.21	$29.41	$30.90	$30.99
340.9	362.1	357.3	***	***	387.1	391.0	402.0	350.7
2,936,145	3,048,847	2,695,138	2,678,947	2,561,155	2,763,295	2,364,130	2,590,379	2,166,858
1,778,843	2,016,042	2,016,252	1,979,671	1,937,407	2,377,902	2,571,572	2,507,635	2,193,349
$606	$661	$748	$739	$756	$861	$1,088	$968	$1,012
1,622,522	1,923,537	1,920,750	1,974,716	1,984,764	2,491,823	2,337,536	2,498,443	2,283,740
156,321	92,505	95,502	4,955	(47,357)	(113,921)	234,036	9,192	(90,391)
22,643	(18,460)	(14,742)	(106,478)	(161,234)	(229,202)	173,408	(78,230)	(198,794)
$553	$631	$713	$737	$775	$902	$989	$965	$1,054
$8	($6)	($5)	($40)	($63)	($83)	$73	($30)	($92)
91.2	95.4	95.3	99.7	102.4	104.8	90.9	99.6	104.1
1.3	(0.9)	(0.7)	(5.4)	(8.3)	(9.6)	6.7	(3.1)	(9.1)

Note.--During 1997-99, U.S. imports from sources other than Japan were obtained from official Commerce import statistics modified by deducting excluded tin mill products.

Source: Data for 1997-99 compiled from data in the original confidential staff report (INV-X-160), table C-1; data for 2000-05 are compiled from data in *Tin-and Chromium-Coated Steel Sheet From Japan, Inv. No. 731-TA-860 (Review)*, USITC Publication 3860, June 2006, table C-1; and data for 2006-11 are compiled from data submitted in response to Commission questionnaires and official Commerce statistics.

RELATED INVESTIGATION

In 2001, the Commission was evenly divided as to whether tin mill products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles. The three affirmative-voting Commissioners recommended an additional tariff decreasing from 40 percent to 31 percent over four years (Commissioners Bragg and Devaney) or from 20 percent to 11 percent over four years (Commissioner Miller).[26] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to tin mill products consisted of an additional tariff for a period of three years and one day (30 percent *ad valorem* on imports in the first year, 24 percent in the second year, and 18 percent in the third year).[27] Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S.

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

[27] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[28] On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury–

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> (C) *whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

[28] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) *the existence of barriers to the importation of such merchandise into countries other than the United States, and*

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

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

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

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

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

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

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

Organization of the Report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for TCCSS as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of five U.S. producers of TCCSS that are believed to have accounted for all domestic production of TCCSS in

2011. U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 21 U.S. importers of TCCSS that are believed to have accounted for virtually all subject U.S. imports from Japan and other sources during 2011. Foreign industry data and related information are based on the questionnaire responses of three producers of TCCSS accounting for all production in Japan. Responses by U.S. producers, importers, purchasers, and foreign producers of TCCSS to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation of that order are presented in appendix E.

COMMERCE'S REVIEWS

Administrative Reviews

There have been no administrative reviews by Commerce. U.S. Steel requested administrative reviews for the periods August 1, 2009, through July 31, 2010 and August 1, 2010, through July 31, 2011, but rescinded both requests.[29]

Changed Circumstances Reviews

Commerce has conducted three changed circumstances reviews with respect to TCCSS from Japan. On October 12, 2001, Commerce published its final results of the first review in the *Federal Register*.[30] The antidumping duty order was revoked, in part, with respect to certain double reduced (CADR8 temper) electrolytically chromium coated steel,[31] based on the fact that Weirton Steel expressed no interest in the continuation of the order with respect to these steel products.

On July 1, 2002, Commerce published its final results of the second review in the *Federal Register*.[32] The antidumping duty order was revoked, in part, with respect to certain chromium

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[29] *Certain Tin Mill Products From Japan: Rescission of Antidumping Duty Administrative Review*, 76 FR 14902, March 18, 2011 and *Certain Tin Mill Products From Japan: Rescission of Antidumping Duty Administrative Review*, 77 FR 5767, February 6, 2012.

[30] *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 66 FR 52109, October 12, 2001.

[31] Specifically, the order was revoked for electrolytically chromium coated steel with chromium oxide at a level of 1.6 mg/sq. ft. (#0.9), having a base box weight of 60 pounds (nominal thickness of 0.0066 inch (#5% tolerance)), and a surface with a 7C stone finish, lubricated with butyl stearate oil (BSO) or dioctyl sebacate oil (DSO) with the level ranging from 0.22 to 0.32 gm/hase box. The material is 31.5 inches in actual width (-0/+1/16 inch width tolerance) and made from fully deoxidized (killed) continuous cast and continuous annealed steel that is free of detrimental non-metallic inclusions (i.e., clean steel) with earing hazard minimized. The maximum edge wave is 1/8 inch, with crossbow controllable to less than 2 inches per sheet. The maximum camber per three feet is 0.020 inch, the maximum burr is 0.001 inch, and the maximum pinholes per coil is 0.2%. The maximum coil weight is 25,000 pounds, with an interior coil diameter of 16 inches to 16.5 inches, and an exterior coil diameter of 36 inches to 60 inches. When loaded for shipment, the coil is placed on the pallet with the eye of the coil standing vertical, with each side of the pallet being 60 inches having 4 x 4 runners, and outside runners placed a minimum of 37 inches apart. Ibid.

[32] *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 67 FR 44177, July 1, 2002.

coated steel,[33] based on the fact that Weirton Steel expressed no interest in the continuation of the order with respect to these steel products.

On February 7, 2003, Commerce published its final results of the third review in the *Federal Register*.[34] The antidumping duty order was revoked, in part, with respect to certain laminated tin-free steel,[35] based on the fact that domestic interested parties expressed no interest in the continuation of the order with respect to these steel products.

Commerce has conducted no other changed circumstances reviews concerning imports of TCCSS from Japan.

Five-Year Reviews

Commerce has issued the final results of its second expedited review. Table I-2 presents the dumping margins calculated by Commerce in its original investigation and subsequent reviews.

Table I-2
TCCSS: Commerce's original, first and second five-year review dumping margins for producers/exporters[1]

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin *(percent)*
Kawasaki Steel Corp.[2]	95.29	95.29	95.29
Nippon	95.29	95.29	95.29
NKK Corp.[2]	95.29	95.29	95.29
Toyo	95.29	95.29	95.29
All others	32.52	32.52	32.52

[1] *Certain Tin Mill Products from Japan: Notice of Antidumping Duty Order*, 65 FR 52067, August 28, 2000; *Certain Tin Mill Products from Japan; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 70 FR 67448, November 7, 2005; *Certain Tin Mill Products From Japan; Final Results of the Second Expedited Sunset Review of the Antidumping Duty Order*, 76 FR 60001, September 28, 2011.

[2] Kawasaki Steel Corp. and NKK Corp. merged in 2002 creating a new entity JFE. JFE Holdings Co., "Consolidation Marks Launch of JFE Group," News release, September 2002, http://www.jfe-holdings.co.jp/en/release/nkk/42-7/art01.html.

Source: Cited *Federal Register* notices.

[33] Specifically, the order was revoked for steel coated with a metallic chromium layer between 100-200 mg/m^2 and a chromium oxide layer between 5-30 mg/m^2; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.06% maximum manganese, 0.02% maximum sulfur; magnetic flux density ("Br") of 10 kg minimum and a coercive force (Hc") of 3.8 Oe minimum. Ibid.

[34] *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 68 FR 6412, February 7, 2003.

[35] Specifically, the order was revoked for tin free-steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: lmg/kg BADGE (MisPhenol-A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol-F Di-glycidyl Ether), and 3 mg/kg BPA (BisPhenol-A). Ibid.

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported product subject to the antidumping duty order under review, as defined by Commerce in its original order, is as follows.[36]

> tin mill flat-rolled products that are coated or plated with tin, chromium or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such and scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are within the scope of this investigation unless specifically excluded.

Commerce's original antidumping duty order on TCCSS specifically excluded seven forms of tin mill products. As noted above, Commerce has excluded additional forms through subsequent changed circumstances reviews. A listing of all excluded forms of tin mill products appears in appendix D.

Tariff Treatment

TCCSS is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheadings 7210.11.00, 7210.12.00, 7210.50.00, 7212.10.00, and 7212.50.00 if of nonalloy steel or under subheadings 7225.99.00 and 7226.99.01 (statistical reporting numbers 7225.99.0090 and 7226.99.0180) if of alloy steel (other than stainless steel).[37] At the time of the original investigations general U.S. tariffs on TCCSS, applicable to U.S. imports that are products of Japan and classified under these headings, ranged from 1.4 to 2.6 percent ad valorem. By January 1, 2004, these tariffs had been eliminated, resulting in a general duty rate of "Free."

THE PRODUCT

Description and Applications

Tin Plate

Tin plate is a tin-coated flat-rolled steel product that is manufactured from black plate, an uncoated flat-rolled steel which is the basic material for the production of tin mill products. To create tin plate, black plate is coated on both sides with commercially pure tin via electrolytic deposition. Tin coatings vary by thickness, depending on intended end use. A common commercial coating weight for

[36] *Certain Tin Mill Products from Japan: Notice of Antidumping Duty Order*, 65 FR 52067, August 28, 2000.

[37] In 2007, subheading 7226.99.00 was deleted from the HTS and subheading 7226.99.01 and statistical reporting number 7226.99.0180 were added.

tin is 20 pounds/base box.[38] In addition, tin plate is available with different coating weights on the two sides of the sheet. Single-reduced electrolytic tin plate is commonly produced in thicknesses of 0.38 mm and lighter while double-reduced electrolytic tin plate is normally produced in thicknesses of 0.28 mm and lighter. Tin plate is manufactured to a number of American Society for Testing and Materials ("ASTM") Standard Specifications, including A623, A624, and A626.

Chromium-Coated Steel Sheet

Chromium-coated steel sheet, also known in the industry as "tin-free steel" or "TFS," generally consists of black plate that is further processed via the electrolytic deposition of metal chromium and chromium oxide on both sides. Single-reduced chromium-coated steel sheet is commonly available in thicknesses of 0.38 mm and lighter, while double-reduced electrolytic chromium-coated steel sheet is normally available in thicknesses of 0.28 mm and lighter. Minimum and maximum coating weights for chromium-coated steel sheet range from 3 to 13 milligrams per square foot of metallic chromium and 0.7 to 2.5 milligrams per square foot of chromium oxide. Chromium-coated steel sheet is manufactured to ASTM Standard Specification A657.

Applications

Major end uses of tin plate are in the manufacture of welded food, beverage, aerosol, and paint cans. Chromium-coated steel sheet is used primarily for beer and soft drink two-piece drawn cans and ends, as well as ends for food cans and caps and crowns for glass containers.[39] Tin plate is used for the can itself because it imparts a shinier surface than chromium coating while chromium-coated steel sheet, with its duller surface finish, is considered adequate for use in the ends of cans. According to data published by the American Iron and Steel Institute ("AISI"), 88.8 percent of all U.S. shipments of tin plate in 2010 were used in container, packaging, and shipping applications, including cans, compared to 90.1 percent for such applications in 2006. Of U.S. shipments of tin-free steel in 2010, 93.7 percent were used in container, packing, and shipping applications, including cans, crown caps, and other closures, compared to 93.8 percent for such applications in 2006.[40] There are applications for tin-coated sheet steel other than can manufacturing. For example, one excluded tin mill product is used to manufacture 35mm film canisters. Fuji Photo Film, Inc. and Nippon Steel requested that this product be excluded from the scope of this investigation as they claimed that this tin-free steel product requires strict specifications and is claimed not to be available from U.S. producers. Another excluded product is used to produce cable sheathing. A third excluded product is certain ultra-flat chromium-coated sheet used in the manufacture of letterpress and flexographic printing plates to be utilized in newspaper and magazine publishing.[41]

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[38] "Base box" is a unit for measuring the quantity of TCCSS and is equivalent to 31,360 square inches or 217.78 square feet.

[39] Three-piece cans have long been the traditional type of can produced in canning facilities. These cans consist of a body and two ends. The can body is typically seamed either by soldering, cementing, or welding after the body blank has been lacquered and decorated. Seamless two-piece can technologies have emerged to replace the three-piece can for certain applications, resulting in diminished market share for the three-piece can and lowered volumes of TCCSS sold. *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, p. 1154.

[40] AISI, Publication 16C for 2006 and 2010.

[41] *Tin-and Chromium-Coated Steel Sheet From Japan*, Inv. No.731-TA-860 (Final), USITC Publication 3337, August 2000, pp. I-2 to I-4.

Manufacturing Processes

Both tin plate and chromium-coated steel sheet are manufactured in five major steps. The processes for producing both products and the production workers employed are identical until the final coating stage.

Hot Rolling and Cold Reduction[42]

Both tin plate and chromium-coated steel sheet are produced from molten steel that is either cast into slabs or poured as ingots which are rolled into slabs in a separate mill. While hot, the slabs are reduced in thickness and greatly elongated by further rolling through a series of roughing and finishing stands in a hot strip mill. The hot strip passes between rolls and in successive passes is reduced to a predetermined thickness, typically between 1.6 and 2.5 mm. On leaving the last finishing stand, the strip is coiled. After cooling, the hot-rolled strip is uncoiled and pickled by passing it through a series of tanks or sprays of diluted acid to remove the oxide scale formed in the hot-rolling process. The pickled strip is then typically dried, oiled, and recoiled. The oil serves as a protection against rusting prior to, and as a lubricant during, cold reduction. The hot-rolled and pickled strip is then generally cold reduced by passing it through a series of rollers, in much the same manner as in the hot-rolling operation except that a lubricant is applied between the stands as an aid in reduction and to prevent undue heating of the rolls and strip. The cold-reduction process hardens the strip, requiring it to be subsequently annealed.[43]

Annealing[44]

There are two basic types of annealing operations. In *batch annealing* the coiled strips are placed in a sealed container and slowly heated to, and cooled from, a subcritical temperature to soften the steel and to relieve stresses produced during reduction. A relatively bright surface finish is obtained and oxidation is reduced by the introduction of an inert or slightly reducing gas into the container during the operation. Batch annealing produces a steel product with greater flexibility. *Continuous annealing* takes place by passing the cold-reduced strip through a series of vertical passes within a furnace consisting of heating, soaking, and cooling zones. Continuous annealing results in a steel product with less flexibility than batch annealed steel. The strip is heated rapidly to the desired temperature and cooled before leaving the furnace.

Temper Rolling[45]

After annealing, single-reduced strip is rolled in one or more passes through a temper mill. The object of temper rolling is to improve mechanical and surface properties by imparting the desired degree

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[42] This section is based on information that appears in "Tin Mill Products," *Steel Products Manual*, Iron and Steel Society, pp. 5-11.

[43] Not all TCCSS manufacturers perform all of the production steps noted because they need not make their own steel but can acquire steel inputs from outside the company. For example, USS-POSCO obtains hot-rolled steel in coils from its parent companies, U.S. Steel and the Korean company POSCO, and begins its manufacturing process with cold reduction of the hot rolled coils. USS-POSCO website, "Production Process," http://www.uss-posco.com/production_Process.shtml. ***.

[44] This section is based on information provided in *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, p. 1144.

[45] Ibid.

of stiffness and hardness, minimizing fluting and stretcher straining, and producing the type or texture of surface desired.

Additional Cold Reduction

Double-reduced strip is typically not temper rolled; instead, it is subjected to a second cold reduction process after annealing to impart mechanical and surface properties to the steel. This reduction is accomplished by passing the strip through either one or a series of rollers using a suitable lubricant. This second cold reduction supplies the final thickness and finish and the desired stiffness, strength, and flatness and produces a stronger, lighter-weight product. After final reduction, the coils are ready to be trimmed and sheared, which occurs in a series of operations. Because this "black plate" is highly susceptible to rusting in storage and transportation, it is typically oiled, or chemically treated and then oiled, after cold reduction. The oil is then removed prior to coating.

Double-reduction is a common production step. The Commission obtained pricing data on four TCCSS products representing 67 percent of commercial shipments during 2006-11.[46] Two of the products were single-reduced and two were double-reduced. Double-reduced products accounted for more than 40 percent of shipments of the pricing products. The share of pricing product shipments accounted for by double-reduced products increased during the period as shown in the tabulation below.

Year	Share of pricing-product shipments *(percent)*
2006	***
2007	***
2008	***
2009	***
2010	***
2011	***

Coating[47]

In the electroplating process, the temper-rolled or double-reduced coiled strip travels through a lower and upper plating unit where individual plating cells are arranged in tandem. The plating cells contain the plating solution, a halogen plating solution for tin plate and a chromate solution for chromium-coated steel sheet. A conductor roll at the end of each cell rides along the top surface of the strip and serves as the cathode while the tin- or chromium-coating material is deposited in the bottom of each cell and serves as the anode. The coating solution dissolves into the plating solution and is electrochemically deposited on the steel substrate. The electroplating process is followed by rinsing, drying, quenching, and application of a lubricating film.

[46] *See* section V of the report.

[47] *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, p. 1153.

Tin plate and chromium-coated steel sheet are produced in varying coating weights and can also be differentially coated, where the heavier coated surface is employed as the more protected inside of the materials and to lower container costs. Most producers that manufacture both tin plate and chromium-coated steel sheet do so in the same mill, but on different coating lines.[48] Although the coating process is similar for both products, it is impractical to shift product to another production line because of the expense that would be involved in retrofitting the production line.

After coating, the coiled sheets are further processed, typically by the can manufacturers (the end users) and in a location close to the packing facility. Here the coil may be cut into sheets or slit into several coils of narrow width and decorated by applying lacquer to either one or both sides, before being sliced into can bodies and welded into a can.[49]

Producers need not engage in all five production steps as steel inputs can be obtained from outside a production facility. U.S. Steel and RG Steel are integrated producers who make their own steel and perform all five production steps. The other U.S. production facilities skip some of the production steps. Although ArcelorMittal USA's Weirton facility does not make its own steel and does not have a hot-strip mill, it obtains hot-rolled sheet from other ArcelorMittal USA steel mills.[50] Ohio Coatings neither produces steel nor does any rolling. The company obtains black plate and begins its production process with the coating step.[51] USS-POSCO obtains hot-rolled steel in coils from its parent companies, U.S. Steel and the Korean company POSCO, and begins its manufacturing process with cold reduction of the hot-rolled coils.[52]

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission defined the domestic like product as consisting of all domestically produced tin- and chromium-coated steel sheet corresponding to Commerce's definition of the scope of the investigation.[53] In its notice of institution in the current five-year review, the Commission solicited comments from interested parties regarding the appropriate domestic like product

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[48] For example, both tin plate and tin-free steel are produced at U.S. Steel's East Chicago and Midwest Division mills on separate coating lines. U.S. Steel website, "Company: Facilities, " found at http://www.uss.com/corp/facilities/facilities.asp.

[49] Downstream container manufacturing technology has evolved over time to reduce the amount of TCCSS required in cans. Two such technologies are drawn and ironed (D&I) and draw and redraw. D&I can technology uses a multiple cupping press to form multiple cups per stroke from a coil of tin plate that is unwound, lubricated and fed into the cupping press. The cups are fed into "ironers" where they are re-lubricated, redrawn and ironed into can bodies. This two-piece can-making technology has been developed to replace three-piece can design in an effort to achieve metal savings over the 3-piece can design.

Draw and redraw can technology involves cutting a blank from a previously lacquered sheet, drawing the blank through a die, thus forming a cup, and redrawing the cup to form a can of desired height and diameter. These operations are typically performed on a press. Draw and redraw and D&I technology achieves cost savings from the reduction of steel needed for one of the eliminated can ends, and from the greater reduction in metal waste achieved by utilizing greater widths of tin-coated steel. *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, pp. 1153-56. ***.

[50] Metal Bulletin, "ArcelorMittal to close Weirton hot-strip mill {UPDATE}," October 18, 2007.

[51] Ohio Coatings, "Tin Plating Process," http://www.ohiocoatingscompany.com/tin-plating-process/, retrieved April 23, 2012. Ohio Coatings ***. Ohio Coating's producer questionnaire response, section III-7 and ***.

[52] USS-POSCO, "Production Process," http://www.uss-posco.com/production_Process.shtml, retrieved April 23, 2012.

[53] *Tin- and Chromium-Coated Steel Sheet from Japan*, Inv. No. 731-TA-860 (Final), USITC Publication 3337, August 2000, p. 5.

and domestic industry.[54] Both domestic and respondent interested parties agreed with the Commission's definition of the domestic like product although respondent interested parties reserve the right to further analyze the issue.[55] No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires. No interested party has provided further comment on the domestic like product.

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigation, seven firms supplied the Commission with information on their U.S. operations with respect to TCCSS. These firms accounted for all U.S. production of TCCSS in 1999.[56] During the first review, consolidation in the U.S. TCCSS industry reduced the number of U.S. producers to four, all of which provided the Commission with information on their operations.[57] In these current proceedings, the Commission issued producers' questionnaires to six firms, five of which provided the Commission with information on their TCCSS operations.[58] The number of production locations has not changed from the previous review, but there have been changes in ownership (discussed in detail in part III). These firms are believed to account for all U.S. production of TCCSS in 2011. Presented in table I-3 is a list of current domestic producers of TCCSS and each company's position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of TCCSS in 2011.

[54] *Tin- and Chromium-Coated Steel Sheet from Japan; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Tin- and Chromium-Coated Steel Sheet from Japan*, 76 FR 31633, June 1, 2011.

[55] Joint *Substantive Response* of ArcelorMittal, U.S. Steel, and USS-POSCO, p. 21; *Substantive Response* of JFE, p. 12; *Substantive Response* of Nippon, p. 12; and *Substantive Response* of Toyo, p. 11.

[56] The seven U.S. producers that supplied the Commission with usable questionnaire information during the original investigation were: Bethlehem Steel Corp., LTV Corp. National Steel, Ohio Coatings, U.S. Steel, USS-POSCO, and Weirton Steel Corp.

[57] The four firms were: Mittal, Ohio Coatings, U.S. Steel, and USS-POSCO.

[58] One tin mill at Sparrows Point, MD, has had three owners during 2006-11; ArcelorMittal (2006-May 2008), Severstal Holdings, LLC (May 2008 - March 2011), and RG Steel (March 2011 - present). U.S. producer questionnaires were sent to all three firms; ArcelorMittal and RG Steel provided questionnaire responses while Severstal, which is no longer a TCCSS manufacturer with the sale of the Sparrows Point operation, did not. ArcelorMittal provided Sparrows Point data for the period it owned the Sparrows Point operation (2006-May 2008) and RG Steel's data were used for the Sparrows Point operation during May 2008-December 2011.

Table I-3
TCCSS: U.S. producers, positions on the orders, U.S. production locations, related and/or affiliated firms, and shares of 2011 reported U.S. production

Firm	Position on continuation of the orders	U.S. production location(s)	Related and/or affiliated firms	Share of production (*percent*)
ArcelorMittal	***	Sparrows Point, MD (2006 - May 2008); Weirton, WV	ArcelorMittal S.A. ("AM") (Luxembourg) - Parent ArcelorMittal International North America (Chicago, IL) - AM subsidiary, U.S. importer ArcelorMittal Dofasco ("AM Dofasco") (Canada) - AM subsidiary, U.S. importer and Canadian producer Other TCCSS-producing AM subsidiaries in: Algeria (1), Belgium (1), France (3), Kazakhstan (1), South Africa (1), Spain (2)	***
Ohio Coatings	***	Yorkville, OH	RG Steel (Sparrows Point, MD) parent (***% ownership) TCC Steel (Korea) parent and TCCSS producer (***% ownership)	***
RG Steel	***	Sparrows Point, MD	Ohio Coatings (Yorkville, OH) - RG Steel has ***% ownership along with TCC Steel (Korea)	***
U.S. Steel	***	East Chicago, IN; Gary, IN; Portage, IN	U.S. Steel Kosice, s.r.o. (Slovak Republic) - subsidiary TCCSS producer USS-POSCO (Pittsburg, CA) - has ***% ownership along with POSCO (Korea)	***
USS-POSCO	***	Pittsburg, CA	U.S. Steel owns ***% of USS-POSCO along with POSCO (Korea)	***

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

As indicated in table above, ArcelorMittal, Ohio Coatings, U.S. Steel, and USS-POSCO are related to foreign producers of the subject merchandise and ArcelorMittal is related to a U.S. importer of the subject merchandise. No U.S. producers directly import the subject merchandise and none purchase the subject merchandise from U.S. importers.

U.S. Importers

In the original investigation, 18 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of TCCSS, accounting for virtually all U.S. imports from Japan and 51.4 percent of U.S. imports from nonsubject countries. During the first review, 27 U.S. importing firms provided information accounting for virtually all imports from Japan and nonsubject countries. In these current proceedings, 21 U.S. importing firms provided information accounting for 88.2 percent of total imports (subject and excluded) from Japan and virtually all imports from nonsubject countries during 2011.[59] No U.S. producer imported TCCSS. Table I-4 lists all responding U.S. importers of TCCSS from Japan and other sources, their locations, and their shares of U.S. imports in 2011.

[59] ***.

Table I-4
TCCSS: U.S. importers, source(s) of imports, U.S. headquarters, and shares of reported imports in 2011

Firm	Headquarters	Source of imports	Share of reported imports *(percent)*		
			Japan	Other	Total
AM Dofasco	Canada	***	***	***	***
ArcelorMittal International America ("AMI")	Chicago, IL	***	***	***	***
Arizona Canning Co., LLC	Tucson, AZ	***	***	***	***
Crown Cork and Seal, USA Inc.	Philadelphia, PA	***	***	***	***
FRAM Group Operations, LLC	Danbury, CT	***	***	***	***
Island Can Caribbean, Inc.	Bayamon, PR	***	***	***	***
JFE Shojii Trade America, Inc.	Japan	***	***	***	***
Kanematsu USA, Inc.	Japan	***	***	***	***
Kemeny Overseas Products Corp.	Chicago, IL	***	***	***	***
Marubeni-Itochu Steel America, Inc. ("Marubeni")	Japan	***	***	***	***
Metal One America, Inc .	Rosemont, IL	***	***	***	***
Mitsubishi Electric Automotive America, Inc.	Cypress, CA	***	***	***	***
Mitsui & Co. (U.S.A.)	Japan	***	***	***	***
Nippon Steel Trading America	Japan	***	***	***	***
Samuel Son and Co., Ltd.	Canada	***	***	***	***
SteelSummnit International, Inc. "(SteelSummit")	New York, NY	***	***	***	***
Sumitomo Corp. Of America ("Sumitomo")	Japan	***	***	***	***
Tata Steel IJmuiden BV ("Tata IJmuiden")	India	***	***	***	***
Tata Steel International (Americas) ("Tata Americas")[2]	Wilmington, DE	***	***	***	***
Titan Steel Corp.	Baltimore, MD	***	***	***	***
Toyota Tyusho Corp.	Japan	***	***	***	***
Total			100.0	100.0	100.0

[1] Less than 0.05 percent.
[2] ***.

Note.–Because of rounding, totals may not add to 100 percent.

Source: Compiled from data submitted in response to Commission questionnaires and proprietary Customs data for ***.

U.S. Purchasers

Purchaser questionnaires were received from 11 purchasers; nine of these were end users and two were distributors. End uses for their products included containers for pet food (5 firms), food (5), aerosols (3), paint (2), and "other" (6). Other includes closures, specialty cans, bake-ware, ***, heat cans, and beverage crowns. All but one *** purchaser reported purchasing domestic product, none purchased Japanese product, and all but one *** purchaser reported purchasing some nonsubject product. The largest purchasers were ***. These three firms accounted for *** percent of apparent consumption in 2011, while the other eight firms accounted for *** percent of apparent consumption in 2011. The

three largest purchasers reported purchases from Canada (*** firms), Netherlands (***), China (***), Germany (***), France(***), Korea (***), and UK (***).

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of TCCSS during the period for which data were collected in this proceeding are shown in table I-5 and figure I-1.

Table I-5
TCCSS: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2006-11

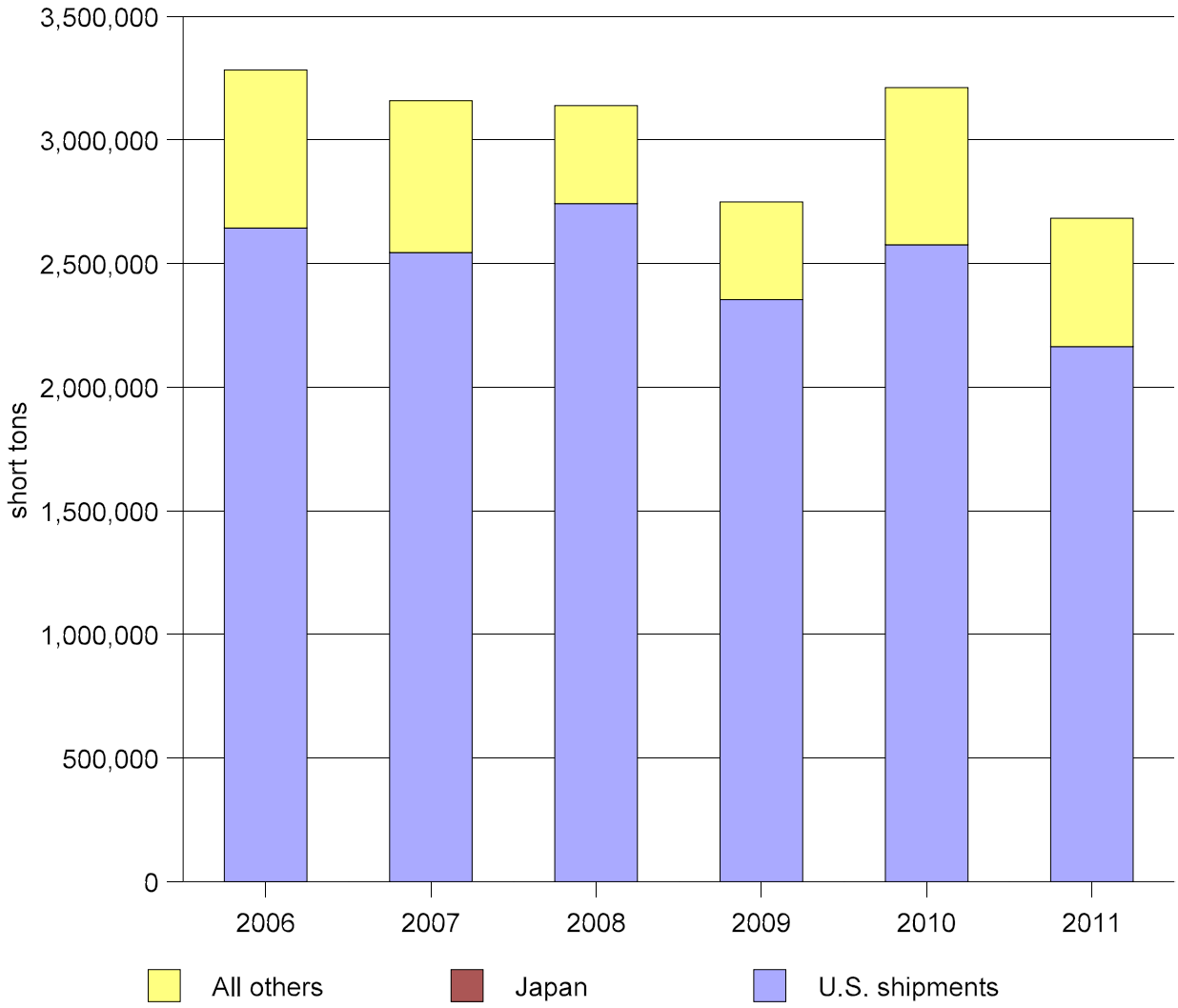
Item	Calendar year					
	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
U.S. producers' U.S. shipments	2,644,206	2,545,455	2,742,592	2,354,530	2,575,679	2,165,058
U.S. imports from:[1]						
Japan	0	0	0	0	0	0
Nonsubject countries	639,023	613,755	396,448	394,514	636,373	518,383
Total U.S. imports	639,023	613,755	396,448	394,514	636,373	518,383
Apparent U.S. consumption	3,283,229	3,159,210	3,139,040	2,749,044	3,212,052	2,683,441
	Value (*1,000 dollars*)					
U.S. producers' U.S. shipments	1,953,413	1,925,764	2,361,900	2,561,514	2,492,406	2,191,320
U.S. imports from:[1]						
Japan	0	0	0	0	0	0
Nonsubject countries	471,015	475,101	362,537	465,472	671,825	586,977
Total U.S. imports	471,015	475,101	362,537	465,472	671,825	586,977
Apparent U.S. consumption	2,424,428	2,400,865	2,724,437	3,026,986	3,164,231	2,778,297

[1] To maintain a public presentation of data, subject imports are treated as zero during 2006-11 but actually are *** and official Commerce statistics are used for nonsubject imports even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included.

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

Source: Compiled from data submitted in response to Commission questionnaires for U.S. producers' U.S. shipments and from official Commerce statistics for imports from nonsubject countries.

Figure I-1
TCCSS: Apparent U.S. consumption, by sources, 2006-11



Note.--To maintain a public presentation of data, subject imports are treated as zero during 2006-11 but actually are *** and official Commerce statistics are used for nonsubject imports even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included.

Source: Table I-5.

U.S. MARKET SHARES

U.S. market share data are presented in table I-6.

Table I-6
TCCSS: U.S. consumption and market shares, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (*short tons*)						
Apparent U.S. consumption	3,283,229	3,159,210	3,139,040	2,749,044	3,212,052	2,683,441
Value (*1,000 dollars*)						
Apparent U.S. consumption	2,424,428	2,400,865	2,724,437	3,026,986	3,164,231	2,778,297
Share of quantity (*percent*)						
U.S. producers' U.S. shipments	80.5	80.6	87.4	85.6	80.2	80.7
U.S. imports from[1]–						
Japan	0.0	0.0	0.0	0.0	0.0	0.0
Nonsubject countries	19.5	19.4	12.6	14.4	19.8	19.3
All countries	19.5	19.4	12.6	14.4	19.8	19.3
Share of value (*percent*)						
U.S. producers' U.S. shipments	80.6	80.2	86.7	84.6	78.8	78.9
U.S. imports from[1]–						
Japan	0.0	0.0	0.0	0.0	0.0	0.0
Nonsubject countries	19.4	19.8	13.3	15.4	21.2	21.1
All countries	19.4	19.8	13.3	15.4	21.2	21.1

[1] To maintain a public presentation of data, subject imports are treated as zero during 2006-11 but actually are *** and official Commerce statistics are used for nonsubject imports even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included.

Source: Compiled from data submitted in response to Commission questionnaires for U.S. producers' U.S. shipments and from official Commerce statistics for imports from nonsubject countries.

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

U.S. MARKET CHARACTERISTICS

Between 2006 and 2011, U.S. production accounted for between 87.4 percent (2008) and 80.2 percent (2010) of apparent U.S. consumption of TCCSS, and most recently accounted for 80.7 percent in 2011. Imports of TCCSS from nonsubject countries accounted for between 19.8 percent (2010) and 12.6 percent of apparent U.S. consumption (2008). Imports of subject TCCSS from Japan totaled *** between 2006 and 2011. Apparent U.S. consumption declined from 3.3 million short tons in 2006 to 2.7 million short tons in 2011. TCCSS continues to be an important component in the manufacture of containers, especially cans, but faces competition from substitute materials as well as pressure to reduce the weight of TCCSS used per container.[1]

CHANNELS OF DISTRIBUTION

More than 90 percent of all shipments of TCCSS in the United States during 2006-11 were made directly to end users, generally can manufacturers. U.S. importers sold *** to end users, as shown in table II-1.

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling TCCSS to all regions in the contiguous United States except the Mountains region (table II-2) while importers reported selling to all regions in the contiguous United States.[2] The largest share of U.S.-produced TCCSS was sold in the Midwest (44 percent) followed by the Southeast (28 percent), the Pacific Coast (15 percent), the Northeast (12 percent), and the Central Southwest (2 percent). Two responding U.S. producers reported selling the majority of their product within 100 miles of their plant (***). Three producers sold the majority of their product over 100 miles distance but under 500 miles (***). Producers sold from 2 to 28 percent of their TCCSS at distances of 501 to 1,000 miles, and all reported selling *** percent at distances over 1,000 miles. Three of the 10 responding importers sold the majority (*** percent) of their product within 100 miles of their shipping point, four sold half or more (*** percent) of their product between 100 miles and 500 miles distance, and three sold half or more (*** percent) of their product over 500 miles but under 1,000 miles. Only two importers reported selling any product (*** and *** percent) greater than 1,000 miles distances from their shipping facilities.

USS-POSCO contends that it is particularly vulnerable to imports from Japan because these imports would most likely arrive in the Pacific Coast region where it has most of its sales.[3] USS-POSCO reported selling *** percent of its TCCSS on the West Coast and "nearly all its customers are located in California."[4] The only other U.S. producers selling on the West Coast were *** percent of their TCCSS on the West Coast.

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[1] Apparent U.S. consumption is measured by weight. Some purchasers are shifting their purchases to lighter weight TCCSS, thereby reducing the per unit usage of TCCSS. This will reduce consumption in terms of weight. Hearing transcript, p. 214 (Arena).

[2] Importers reported selling very little product in the Mountains region; the only importer selling in that region (***) sold only *** percent of its nonsubject imports in this region.

[3] Hearing transcript, p. 120 (Peterson).

[4] Hearing transcript, p. 35 (Peterson).

Table II-1
TCCSS: U.S. producers' and importers' U.S. shipments of TCCSS, by sources and channels of distribution, 2006-11

Item	Period					
	2006	2007	2008	2009	2010	2011
	Share of reported shipments (*percent*)					
U.S. producers' U.S. shipments of TCCSS to:						
Distributors	8.8	7.8	8.9	7.5	7.2	6.7
End users	91.2	92.2	91.1	92.5	92.8	93.3
U.S. importers' U.S. shipments of TCCSS from Japan:						
Distributors	***	***	***	***	***	***
End users	***	***	***	***	***	***
U.S. importers' U.S. shipments of TCCSS from all other countries to:						
Distributors	***	***	***	***	***	***
End users	***	***	***	***	***	***

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

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

Region	U.S. producers	Imports from Japan	Imports from other countries
	Number of firms		
Northeast	4	***	5
Midwest	5	***	7
Southeast	4	***	6
Central Southwest	2	***	3
Mountains	0	***	1
Pacific Coast	3	***	1
Other[1]	0	***	2

[1] All other U.S. markets, including AK, HI, PR, VI, among others.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. TCCSS producers are able to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced TCCSS to the U.S. market. The main contributing factors to the moderate of responsiveness of supply are the availability of unused capacity and the existence of some inventories.

Industry capacity

Reported domestic capacity decreased from 3.7 million short tons in 2006 to 3.5 million short tons in 2011. Capacity utilization fell from 72.0 percent to 61.2 percent between 2006 and 2011. This relatively low level of capacity utilization suggests that U.S. producers may have substantial capacity to increase production of TCCSS in response to an increase in prices.

Alternative markets

U.S. producers' exports decreased irregularly from *** short tons in 2006 to *** short tons in 2011. As a share of total shipments, exports by U.S. producers declined from *** percent of shipments in 2006 to *** percent in 2011. These data indicate that U.S. producers may have limited ability to shift shipments between the U.S. market and other markets in response to price changes. U.S. producers reported that although it is possible to ship to other markets, particularly Canada and Mexico, when conditions are favorable, exports face such challenges as lower foreign prices, prohibitive transportation costs, and excess global capacity. No U.S. producers reported any other tariff or barriers to trade.

Inventory levels

U.S. producers' inventories increased irregularly from 249,005 short tons in 2006 to 297,562 short tons in 2011; and their inventories as a ratio to total shipments increased irregularly from *** percent in 2006 to *** percent in 2011. These inventory levels suggest that U.S. producers may have some ability to use inventories to respond to changes in demand.

Production alternatives

One of five responding producers stated that it could switch production from TCCSS to other products. However, when asked about which other products, this firm, ***, reported that while ***.

Two of five responding producers indicated that they produced, or anticipate producing in the future, other products on the same equipment and machinery used in the production of TCCSS and/or using the same production and related workers employed to produce TCCSS. Both (***) reported upstream production steps such as cold rolling, annealing, and tempering.

Subject Imports from Japan

Based on available information, Japan producers have the ability to respond to changes in demand with moderate changes in the quantity of shipments of TCCSS to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the availability of unused capacity and the existence of alternate markets.

Industry capacity

Japanese capacity allocated to TCCSS fell from 2.0 million short tons in 2006 to 1.8 million short tons in 2011. Japanese producers' reported capacity utilization rates increased from 75.7 percent in 2006 to 83.0 percent in 2011. This level of capacity and utilization rate indicates that Japanese producers have some unused capacity with which they could increase production of TCCSS in the event of a price change.

Respondents contend that the Commission should not include the production capacities of Toyo Kohan because it focuses "almost exclusively on the Japanese market, exporting only small quantities... and exporting virtually nothing to the United States." Thus according to the respondents, "there is virtually no likelihood of any capacity at Toyo Kohan affecting future shipments to the United States in any material way."[5] NSC and JFE had *** capacity utilization rates than Toyo Kohan; combined their capacity utilization rate ranged from *** percent in 2006 to *** percent in 2010. Respondents report that over time they increased the number of products they produce to meet specific customer needs, this increases their down time and reduces their capacity.[6]

ArcelorMittal opposes excluding Toyo Kohan, noting that Toyo Kohan has ***.[7]

U.S. Steel questions the capacity levels reported by the Japanese producers, particularly ***.[8] In addition, U.S. Steel questioned the significance of reported ***.[9] U.S. Steel observes that Japanese producers ***.[10]

Domestic interested parties report that ***. Domestic interested parties report that differences in harvest times among Japan's markets would lessen the risk that seasonal bottlenecks would curtail expansion into the U.S. market.[11]

Alternative markets

Japanese producers reported no shipments of subject TCCSS to the United States.[12] Shipments to other export markets increased from *** percent to *** percent of total shipments between 2006 and 2011. In 2011, *** percent of shipments went to Asia, *** percent to the EU, and *** percent went to other markets. Shipments to the Japanese home market decreased from *** percent of shipments in 2006 to *** percent of shipments in 2011. These data suggest that producers in Japan can divert shipments from alternative markets to the U.S. market in response to changes in the price of TCCSS, but have little ability at the present time to shift shipments to these alternative markets from the U.S. market since little product is currently sold in the U.S. market.

Respondent interested parties stated that Japanese producers have formed a number of joint ventures in China, Thailand, and other countries that use black plate from Japanese producers. These relationships, they contend, limit the ability of Japanese producers to shift sales from these markets to the

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[5] Respondent interested parties' prehearing brief, pp. 12-13.

[6] Respondent interested parties' posthearing brief, exhibit 1, p. 16.

[7] ArcelorMittal's posthearing brief, p. 2.

[8] U.S. Steel's prehearing brief, pp. 29-30.

[9] U.S. Steel's prehearing brief, pp. 29-31.

[10] U.S. Steel's prehearing brief, pp. 32-33.

[11] ArcelorMittal's prehearing brief, pp. 10-12.

[12] Importers, however, report some imports of Japanese product, which fell from *** short tons in 2006 to *** short tons in 2011. This was *** percent of Japanese shipments in 2006 through 2011.

U.S. market.[13] They report that demand in many of these markets is growing making these markets more attractive, while demand in the U.S. and Japanese markets is not.[14] [15] Respondents also report that demand for canned Asian seafood has increased and will continue to increase.[16]

In contrast, domestic interest parties report that Japanese mills are "chasing tin mill orders all over the world" and would return to the large and attractive U.S. market.[17] U.S. Steel reports that the Japanese producers are facing growing barriers in their export markets including: increased Chinese capacity to produce both black plate and TCCSS,[18] which has reduced demand for Japanese TCCSS in China (Chinese imports of Japanese tin mill products fell from 50,000 tons in 2006 to just over 10,000 tons in 2011);[19] increased Chinese exports to Japan's export markets; new capacity in Southeast Asia, which has reduced the demand for Japanese TCCSS in this region; and falling fish stocks, which has reduced demand for TCCSS to use in canning fish.[20] U.S. Steel also reports that Japanese exports of tin mill products have not increased substantially since 2006.[21]

Inventory levels

Japanese producers' inventories, as a share of their total shipments, increased from *** percent in 2006 to *** percent in 2011. These data indicate that Japanese producers have a some limited ability to use inventories as a means of increasing shipments of TCCSS to the U.S. market.

Production alternatives

*** of the three responding Japanese producers indicated that they produced, or anticipate producing in the future, other products on the same equipment and machinery used in the production of TCCSS and/or using the same production and related workers employed to produce TCCSS. Other products included other tin-mill products and other unspecified products.

Nonsubject Imports

The largest sources of nonsubject imports during 2006-11 were Canada, Germany, the Netherlands, China, and Korea. Combined, these countries accounted for 95.5 percent of imports from nonsubject sources in 2011. German imports fell from 21.4 percent of nonsubject imports in 2006 to 5.8 percent in 2011 while Chinese imports increased from 4.5 percent of nonsubject imports in 2006 to 11.7 percent of imports in 2011.

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[13] Respondent interested parties' prehearing brief, pp. 22-26.

[14] Respondent interested parties' prehearing brief, pp. 17-19.

[15] They report that Chinese TCCSS tends to be of low quality, and not usable in food applications, while Japanese TCCSS is of high quality and thus usable in very fast, efficient canning. The difference between most Chinese and Japanese product means that the direct competition is diminished and demand for both can grow in the same market. Nonetheless, respondents report that Baosteel and Japanese joint ventures in China do produce high quality TCCSS that is competitive with Japanese product. Hearing transcript, p. 179 (Aoyama).

[16] Respondent interested parties' posthearing brief, exhibit 1, p. 54 and exhibit 24.

[17] Hearing transcript, p. 16 (Hetch).

[18] U.S. Steel's prehearing brief, pp. 17-19.

[19] Hearing transcript, p. 19 (Hetch).

[20] U.S. Steel's prehearing brief, p. 13.

[21] U.S. Steel's posthearing brief, exhibit 1, p. 15.

Based on available information, nonsubject imports of TCCSS are likely to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is reflected by the large year-to-year changes in the amount imported from a number of country sources.

Three of 5 responding U.S. producers and 3 of 11 responding importers indicated that the availability of nonsubject imported TCCSS has changed since 2006. Two of these producers and two of these importers mentioned Chinese TCCSS. In addition, one importer reported reduced imports from South America, one producer reported increased shipments from Korea, and one producer (***) reported increased shipments from European producers Tata and Rasselstein.

Respondent interested parties contend that ArcelorMittal ***.[22] ArcelorMittal reports producing different products at its Dofasco and Weirton facilities.[23]

Delivery Delays

Eight of 11 responding purchasers indicated that their firms had experienced delivery delays from suppliers of TCCSS since 2006. Many of these purchasers reported that delayed deliveries were common.[24] Five of 11 responding purchasers also reported supply issues particularly in 2008 when demand for steel was high and producers allocated minimal steel to TCCSS in order to sell other, more profitable, products.[25] Three purchasers reported that delays had resulted in shutdowns, two purchasers reported delayed customer shipments, two reported that delays had caused them to use alternative steels, and three reported that inventories reduced the impact of these delayed deliveries or prevented shutdowns.[26]

ArcelorMittal reported that ***.[27] U.S. Steel suggested that these problems were mainly in the past with purchasers reporting recent improvements in reliability of deliveries. In addition, U.S. Steel relates that purchasers' "frequent changes" in their orders is a cause of delivery delays.[28]

New Suppliers

Two of nine responding purchasers reported that new suppliers have entered the U.S. market since 2006, and two expect additional entrants. Purchasers cited Baosteel and mills in Asia/China as new suppliers and mills in Asia/China as future suppliers.

U.S. Demand

Based on available information, the overall demand for TCCSS is likely to have a moderate change in response to changes in price. The main contributing factors to the moderate degree of responsiveness of demand is the increasing development and availability of substitute products for TCCSS and the moderate-to-high cost share of TCCSS, both of which increase responsiveness to prices. This responsiveness is somewhat mitigated by the investment required for users to change from use of cans to other material and the stable-to-growing demand for containers.

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[22] Respondent interested parties' prehearing brief, p. 81.

[23] Hearing transcript, p. 99 (Mull).

[24] For example, ***.

[25] For example, ***.

[26] A number of purchasers reported multiple responses to late deliveries.

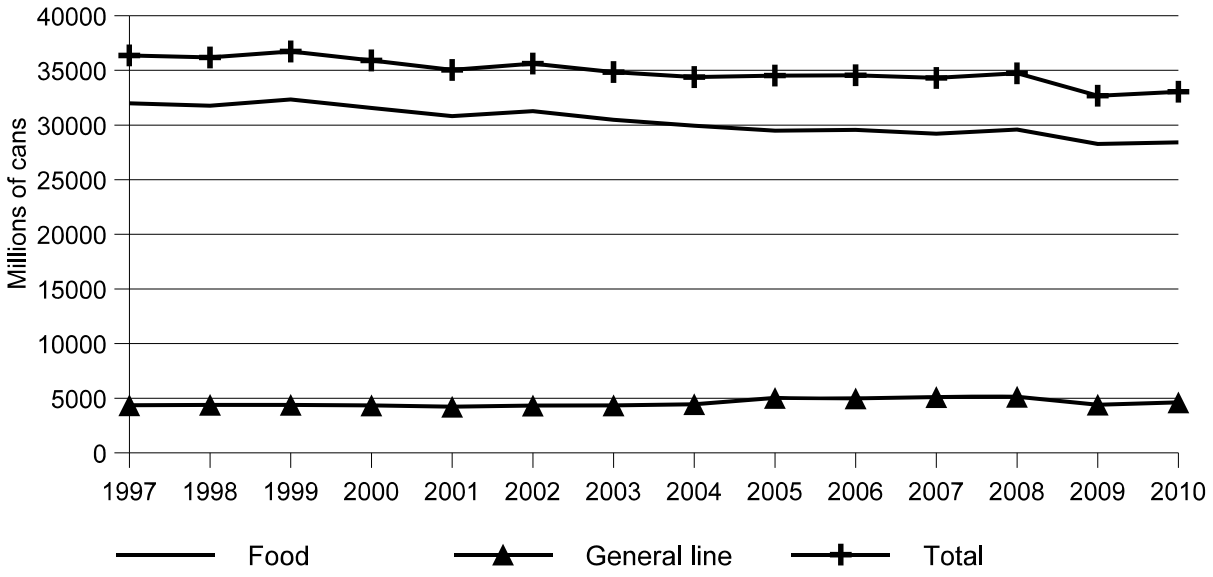
[27] ArcelorMittal's posthearing brief, exhibit 3, p 3.

[28] U.S. Steel's posthearing brief, exhibit 1, pp. 28-30.

End Uses

Demand for TCCSS depends on the level of demand for the intermediate products in which it is used such as cans used for food and other products (see figure II-1 for can consumption data). These data show that overall can consumption has declined over the longer term (1997-2010) as well as more recently (particularly during 2009 and 2010), with the number of cans used falling for all product lines between 2006 and 2010.[29]

Figure II-1
Cans: U.S. can consumption, 1997-10



Source: Can Manufacturers Institute's 2010, 2007, 2004, and 2001 Annual Reports and Can Manufacturers Institute's 1970-2005 food can history and general line can shipments. (Where amounts from these sources differ, data from the Annual Reports were used.) Note the cans reported include some cans not made from TCCSS. http://www.cancentral.com/content.cfm retrieved April 13, 2012.

End uses reported include: EZ-open closures, paint cans, metal bakeware, printing plates, food cans, petfood cans, aerosol cans, tops and bottoms for composite cans, and heat cans. Four of the 5 responding producers, all 14 responding importers, and 9 of 11 purchasers reported no changes in end uses. Changes in end use include: sanitary cans/ends shifting between being made from aluminum and being made from TCCSS; food companies moved to paper, plastic, and foil pouches; general line containers such as paint cans have moved to plastic; increased use of lighter gauge TCCSS; and increased use of easy open ends. Purchasers reported changes in filling speeds, greater cost comparability and protective properties; new laminated steel used in two piece cans; and increased number of suppliers. Both of the purchasers that expecting changes expected increased use of thinner gauges. One importer expected change in consumption (***). Three purchasers and one producer expected continued

[29] Between 2006 and 2010 the number of cans produced in the United States fell for each of the major categories reported including vegetables, non-vegetable food, pet food, aerosols, and other general line cans. Total consumption fell from 34.560 billion cans in 2006 to 33.064 billion cans in 2010, a decline of 4.3 percent from 2006 to 2010. Can Manufacturers Institute's 2010 Annual Report. Some of the cans may not be made from TCCSS.

movement away from cans made from TCCSS; purchasers also noted that once users stop using cans made from TCCSS they are not likely to return to them.

When asked about demand for their end-use product, six purchasers reported that demand had decreased and three reported that it had increased; all of these purchasers reported that this downstream demand change had affected their demand for TCCSS. Reported changes included increased use of substitutes in response to higher prices of tin plate and the availability of substitutes. Two firms reporting increased demand reported details including: attempts to qualify (more) U.S. suppliers and increases in manufacturing capabilities.

Most food cans are coated with an epoxy which contains bisphenol A (BPA).[30] Concerns have been raised about BPA's safety. The FDA ruled that there was no scientific evidence supporting a ban on BPA in its current uses.[31] Canada, however, declared BPA to be a toxic substance.[32]

Cost Share

TCCSS accounts for a moderate-to-large share of the cost of the end-use products in which it is used. Reported cost shares for some end uses are as follows:

- 10 percent for food cans
- 33 percent for printing plates
- 48 to 60 percent for aerosol cans
- 52 percent for ring and membrane style closures
- 57 percent for heat cans
- 59 to 65 percent for EZ open closure, metal bakeware, food cans, and pet food cans
- 70 percent for paint cans
- 73 percent for tops and bottoms used in composite cans.

Business Cycles

Two of 5 responding producers, 3 of 10 responding importers, and 8 of 11 responding purchasers indicated that the market was subject to business cycles or special conditions of competition. Producers and importers reported a number of reasons that the industry was subject to demand changes including: shifting away from steel cans to alternative products, harvest levels, use of corn for ethanol rather than as canned food, the overall economy affected demand for aerosol cans, and housing sales affected demand for paint cans. Purchasers reported both supply and demand cycles. Some purchasers reported that supply was sometimes limited because feed stocks were diverted to other products, and that this supply cycle typically lasted from 6 to 12 months. Some purchasers (***) reported annual demand cycles (with higher demand in the second and third quarter of the year due to the harvest cycle) and that demand varied depending on crop yields. One purchaser reported that steel prices could be affected by export demand even when the U.S. economy was soft.

None of the 5 responding producers, 1 of 10 responding importers, and 3 of 9 responding purchasers reported changes in business cycles or conditions of competition since 2006. Changes reported include: U.S. producers can control raw material costs, which enables U.S. producers to offer

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[30] "Bisphenol A under scrutiny." *Chemical and Engineering News*. 2 June 2008; 86(22):36–39.

[31] Hearing transcript p. 144, Kopf. U.S. Department of Health and Human Services U.S. Food & Drug Administration, Food Ingredients & Packaging > Bisphenol A (BPA) March 30, 2012 http://www.fda.gov/food/foodingredientspackaging/ucm166145.htm, retrieved May 1, 2012.

[32] The Globe and Mail "Canada first to declare bisphenol A toxic," http://www.theglobeandmail.com/news/national/Canada-first-to-declare-bisphenol-a-toxic, October 13 and 14, 2010, retrieved April 18, 2012.

annual contracts while importers have difficulty offering annual contracts because they have less control over these costs; TCCSS is of declining importance for U.S. mills; world demand caused input costs to rise and therefore prices to increase, with some softening of input costs in the last few years; and the consolidation of U.S. producers has increased their leverage, particularly when demand for other steel products is high, as it was in 2008.

Apparent Consumption

Available data indicate that apparent U.S. consumption of TCCSS declined irregularly from 3.3 million short tons in 2006 to 2.7 million short tons in 2011. Overall, apparent U.S. consumption of TCCSS in 2011 was 18.3 percent lower than in 2006 in terms of quantity. As discussed above, can consumption reportedly fell by 4.3 percent between 2006 and 2010. Therefore a portion of the reduction in apparent U.S. consumption likely reflects the shift in consumption to lighter weight, but more heavily processed TCCSS, as well as partial substitution for other materials (e.g., the use of foil for certain container tops).

ArcelorMittal and U.S. Steel report that the Commission should focus on the TCCSS volume in terms of weight rather than make any adjustment for the shift to thinner material because, they contend, the U.S. producers have not been able to increase prices for thinner products adequately to reap any benefits from this new material.[33]

Demand Perceptions

No firms reported increased U.S. demand since 2006; most reported demand had decreased or was unchanged (table II-3). Firms expect similar demand changes in the future for U.S. demand. Two of 5 responding producers, 5 of 13 responding importers, and 7 of 9 responding purchasers reported that demand for TCCSS in the U.S. market has decreased since 2006. Two producers, six importers, two purchasers, and one responding Japanese producer indicated that U.S. demand had not changed since 2006; one U.S. producer and two importers reported fluctuating demand. Firms reporting a decline in demand cited: a shift toward alternative types of packaging (as a result of increased steel prices, consumer preferences, or the availability of newer alternatives); lighter gauge tin products; closure of canning plants; and a shift from canned to fresh, prepared, and frozen foods.

Six of nine responding purchasers (***) reported that demand for their products using TCCSS has decreased since 2006; the other three purchasers reported that demand for their products has increased. All nine responding purchasers reported that demand for their products using TCCSS had changed and indicated that this caused similar changes in their TCCSS demand. Reasons for decreased demand included fewer sales and the move to alternative packaging which some purchasers attributed to the increasing cost of TCCSS.[34]

No firms anticipated that U.S. demand for TCCSS would increase. No change in demand was anticipated by 3 of 5 responding producers, 8 of 13 responding importers, and 2 of 10 responding purchasers. One producer, three importers, and eight purchasers anticipated declining U.S. demand.[35] Reasons reported for the anticipated decline in U.S. demand are product substitution, shifts in consumer preferences, increased costs of cans making canned food more expensive; and slow economic growth.

[33] ArcelorMittal's posthearing brief, exhibit 1, p. 85 and U.S. Steel's posthearing brief, exhibit 1, pp. 45-46.

[34] Two of the three largest purchasers reported reasons for declining demand including ***.

[35] The remaining one producer and two importers expected fluctuations in future demand.

Table II-3
TCCSS: Firms' perceptions regarding demand inside the United States

Item	Number of firms reporting			
	Increase	Decrease	Fluctuate	No change
U.S. demand since 2006				
U.S. producers	0	2	1	2
Importers	0	5	2	6
Purchasers	0	7	0	2
Foreign producers	0	0	0	1
U.S. future demand				
U.S. producers	0	1	1	3
Importers	0	3	2	8
Purchasers	0	8	0	2
Foreign producers	0	0	0	1
Demand for purchasers' final products since 2006				
U.S. purchasers	3	6	0	0
Source: Compiled from data submitted in response to Commission questionnaires.				

Substitute Products

All 5 responding U.S. producers, 10 of 14 responding importers, 7 of 8 responding purchasers, and 2 of 3 responding Japanese producers reported substitutes for TCCSS. These substitutes include aluminum, plastic, PET, pouches, tetra boxes, paper, multilayer composites, glass, cardboard, and fiber laminate cartons.[36] Substitutes were used in beverage and food cans, packaging, aerosol containers, paint cans, and closures. Three of the four responding U.S. producers, one purchaser, two of nine responding importers, but no Japanese producers indicated that changes in the prices of substitute products affected the price for TCCSS. Those reporting that substitutes affect the price of TCCSS reported that TCCSS can be more or less competitive depending on the price of petroleum, plastics, and aluminum futures prices and that lower cost composites' market share has increased.

Two of 5 responding U.S. producers, 2 of 14 responding importers, 2 of 11 responding purchasers,[37] and none of the responding Japanese producers indicated that they had seen changes in substitutes since 2006. No U.S. or Japanese producer, no importer, but 3 of 11 responding purchasers anticipate changes in the substitutability of other products for TCCSS in the future including continued shifting to plastic containers and laminated aluminum containers.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported TCCSS depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, leadtimes between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a moderate degree of substitutability between U.S.-produced TCCSS and that imported from Japan and other countries.

[36] Excluded tin products and galvanized steel were reported to be substitutes for oil filters and printing plates.

[37] Among the changes reported by purchasers were changes in filling speeds, cost, protective properties, number of viable suppliers, and the use of new laminated steel as two-piece cans replace three-piece cans.

Knowledge of Country Sources

Ten of 11[38] responding purchasers indicated they had marketing/pricing knowledge of domestic TCCSS, one reported knowledge of Japanese TCCSS, and eight reported knowledge of product from other sources including China, Korea, and the Netherlands (all mentioned by three firms); Canada (mentioned by two firms); and Mexico, Germany, Philippines, Taiwan, UK, and "Europe" (all mentioned by one firm).[39]

As shown in the following tabulation, all but one purchaser indicated that their firm at least sometimes makes purchasing decisions for TCCSS based on the producer, but 6 of 11 purchasers indicated that they never make purchasing decisions based on the country of origin of TCCSS. Seven of 10 responding purchasers indicated that their customers "never" base their purchasing decisions on the producer of TCCSS and all 10 responding purchasers reported that their customers "never" make purchasing decisions based on the country of origin of TCCSS. Reasons purchasers always made decisions based on the producer include: must approve/qualify suppliers; contracts; and source decided based on price, quality, and reliability.

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	5	3	2	1
Purchaser's customer makes decision based on producer	0	2	1	7
Purchaser makes decision based on country	2	0	3	6
Purchaser's customer makes decision based on country	0	0	0	10

Four of 11 responding purchasers indicated that certain grades/types/sizes of TCCSS are available from only a single source. All these purchasers reported that some products were not available from U.S. producers, although some of these were available from a number of foreign sources. Products not widely available included: 65# single reduced steel; DR TFS in gauges below 55#; SR ETP in gauges below 70#; coil width in excess of 40" for D&I can manufacturing; and polymer laminated steel.[40] [41]

Factors Affecting Purchasing Decisions

The most often cited top three factors firms consider in their purchasing decisions for TCCSS were quality (10 firms), price (10 firms), and availability (6 firms) (table II-4). Quality was the most frequently cited as the most important factor (8 firms); price was the most frequently reported second-most important factor (5 firms) and third-most important factor (4 firms).

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[38] One purchaser reported only knowing about nonsubject product from ***.

[39] Of the three largest purchasers, *** reported marketing or pricing knowledge of Japanese TCCSS; *** of the largest purchasers knew about some nonsubject country product.

[40] 65# single reduced steel is tinplate cold rolled once with a base box weight of 65 pounds (U.S. mills must cold roll the material twice to get this thinness). DR TFS in gauges below 55 - tin free steel is chromium-coated steel cold rolled twice with a base box weight of less than 55 pounds. SR ETP in gauges below 70# is tinplate cold rolled once with a base box weight of less than 70 pounds. Coil width in excess of 40" for D&I can manufacturing. (A wider coil allows firms to punch out more cups at one time). Polymer laminated steel is tinplate laminated with a polymer. All these products are within the scope of the antidumping duty order.

[41] *** reported that wide product was only available from a single source.

Table II-4
TCCSS: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting			
	First	Second	Third	Total
Quality	8	1	1	10
Price/economic package	1	5	4	10
Availability/reliability of supply	0	3	3	6
Delivery/on time delivery/lead time	0	0	3	3
Other[1]	2	2	0	4

[1] Other factors include consistent product and *** as the first factor, service and "qualification" as the second factor. Two firms also reported technical support and payment terms as additional factors.

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

The majority of purchasers (6 of 11) reported that they only "sometimes" purchase the lowest-priced product, one "always" purchased the lowest-priced product, three "usually" purchased the lowest-priced, and one "never" purchased the lowest-priced product.[42]

The eight purchasers who reported that they purchased TCCSS from one source although a comparable product was available at a lower price from another source cited: using multiple suppliers for risk management; using many sources to hedge against supply disruptions due to mill lateness; protection in the event producers decide to exit the market; delivery and terms; meeting contractual volume commitments; quality or performance; cleanness of steel; width capabilities allow more efficient use; lead times/availability; and prefer U.S. suppliers for reliability.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-5). The factors rated as "very important" by the majority of the responding purchasers were availability, product consistency, quality meets industry standards, and reliability of supply (11 each), delivery time and price (10 each), technical support (9), discounts offered (7), and delivery terms and U.S. transportation cost (6). Firms also reported other factors not listed in the question that were important, including communications, strategic importance, local technical support, and a history of contract compliance.

[42] *** purchasers reported that they *** purchase at the lowest price.

Table II-5
TCCSS: Importance of purchase factors, as reported by purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	11	0	0
Delivery terms	6	4	1
Delivery time	10	1	0
Discounts offered	7	3	1
Extension of credit	5	4	2
Minimum quantity requirements	3	2	6
Packaging	5	3	3
Price	10	1	0
Product consistency	11	0	0
Quality meets industry standard	11	0	0
Quality exceeds industry standard	3	7	1
Product range	3	7	1
Reliability of supply	11	0	0
Technical support/service	9	2	0
U.S. transportation costs	6	4	1

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

Factors determining quality

Nine purchasers named factors they consider in evaluating quality including: usability (ability to run on the purchasers' equipment or processes and ability to run in customers' filling operations); meeting specifications (purchaser or ASTM); surface quality (appearance, plating consistency, and cleanness (minimal inclusions or contamination)); shape (flatness, consistent thickness, and ability to run lower gauges); low defect rate; mechanical properties; chemistry; and oiling levels.

Specifications

Purchasers were asked the number of different specifications of TCCSS they used and the sources for these specifications. The number of specifications reported by a single firm ranged from 1 to 400, with two firms purchasing 1 specification, ***, four firms purchasing 40 to 90 specifications, and the three largest purchasers purchasing between *** specifications. Most of these specifications (94 percent) were purchased from U.S. producers and the others were purchased from nonsubject countries.[43] Reasons that other sources were used include: product not available from domestic mills; backup sources; to create competition; for small runs; purchaser used different sources for its different locations; and U.S. producers are not able to produce wide TCCSS for use in D&I.

[43] ***.

Purchasers were asked the number of specifications they purchased exclusively from U.S. sources and the share of their purchases these represented. Seven purchasers reported purchasing some specifications only from U.S. producers (the number of specifications ranged from 1 to 372), and of these, five reported purchasing 97 percent or more of their specifications only from U.S. producers. No purchasers reported purchasing any subject Japanese material. Five purchasers reported purchasing 2 to 12 specifications exclusively from nonsubject sources (up to 12 percent from nonsubject sources). Two of these reported purchasing wide coil for D&I.

Supplier certification

All 11 responding purchasers require certification of all the TCCSS they purchase. The time required to qualify a new supplier ranged from 60 to 365 days for can producers,[44] with seven purchasers reporting times over 150 days.

Three purchasers reported a single qualification for all specifications, seven purchasers reported qualification for groups of products, and three reported qualification by individual product.[45] [46] When asked if any Japanese firms were currently qualified to provide TCCSS, one of eight responding purchasers reported that Japanese producers JFE and Nippon were qualified, no purchasers reported that Japanese product was in the process of becoming qualified, and two of nine responding purchasers reported that Japanese producers could become qualified. Six of 11 responding purchasers reported that since 2006 one or more domestic or foreign suppliers had failed in their attempts to qualify product, or have lost their approved status including: Severstal/RG Steel (poor quality, poor delivery, and excess defect rate that reduced plant efficiency); USS-POSCO (flatness); U.S. Steel (high tooling wear costs); ArcelorMittal (excessive defects); Tata/Corus (performance disqualified from some applications); Baosteel China (formability issues and ***); and Comat China (lead in tin coating).[47]

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2006 (table II-6). Purchasers reported that purchases of U.S. product had fluctuated with overall demand and availability of foreign product. Purchasers reported that purchases of U.S. product declined because of poor quality, not making certain specifications, price, and generally declining U.S. demand. Purchasers reported that increased purchases of U.S. product was due to higher international prices, business growth, and effort to qualify domestic source. Two purchases reported not purchasing Japanese product because of the antidumping duties. Purchasers reduced purchase of imports because of the "weak" U.S. dollar/low U.S. prices relative to those in Europe and delivery issues, while purchasers increased imports because of quality specifications and price. Seven of 10 responding purchasers reported that they had changed suppliers since 2006. Specifically, firms dropped or reduced purchases from CSN Brazil (poor quality, communication, and delivery), Severstal/RG Steel (poor quality, delivery, fiscal stability of company, reliability of supply, and required price change in agreed contract), Mitsui (price), and Rasselstein (price). Firms added or increased purchases from TCC Korea (produce light gauge single reduction specification, to develop an Asian source, quality, and price); Baosteel (quality,

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[44] ***.

[45] One firm reported both qualification by groups and individual products. It reported that qualification varies by manufacturing location because of different equipment.

[46] Silgan reported that some suppliers could be qualified for some products but not for others. Respondent interested parties' posthearing brief, exhibit 17, paragraph 4.

[47] ***.

Table II-6
TCCSS: Changes in purchase patterns from U.S., Japanese, and nonsubject sources

Source of purchase	Increased	Constant	Decreased	Fluctuated	Did not purchase
U.S.	3	2	2	3	1
Japan	0	0	0	0	9
Other	1	1	5	2	0

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

price, and diversify supply base); and Tata (no reason given). Three of 11 responding purchasers identified new suppliers in China including Baosteel, Comat, and ZY-POSCO.

Importance of purchasing domestic product

Seven of 11 responding purchasers reported that U.S. production of TCCSS was not an important factor in their purchasing decisions. The remaining four reported that purchases of U.S.-produced TCCSS was required, though not by law or by their customers; two of these purchasers preferred U.S. product because of shorter lead time, and two had lease agreements that require purchases of domestic product.[48] The firms reporting lease agreements reported these agreements required purchases of *** percent of their product from U.S. producers.

Ball reported that one of the important reasons it purchases U.S. produced product is that Ball can change orders close to the delivery data.[49] ArcelorMittal reported that although purchasers sometimes change orders within a week of production of shipment, ***."[50] In addition, can manufacturers must produce cans in advance of when they are used allowing them to use imported TCCSS.[51]

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Purchasers were asked to compare TCCSS produced in the United States, Japan, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-7) for which they were asked to rate the importance. Four purchasers compared U.S. and Japanese TCCSS. The majority of those making the comparison reported that U.S. product was superior for delivery time and price. The majority of responding purchasers found U.S. product to be either comparable or superior for all the remaining factors. For U.S.-nonsubject comparisons, with the exception of extension of credit, product consistency, packaging, and quality exceeds industry standards, a majority of purchasers found U.S. product to be superior or comparable for all remaining factors (and a large majority indicating that the United States was superior for delivery time). No purchasers compared Japanese product with nonsubject product.

[48] *** and *** reported lease agreements. Together these firms accounted for *** percent of reported TCCSS purchases in 2011.

[49] Hearing transcript, p. 168 (Cosio).

[50] ArcelorMittal's posthearing brief exhibit 3, paragraphs 17 and 18.

[51] Ibid.

Table II-7
TCCSS: Comparisons between U.S.-produced, subject and nonsubject imported product as reported by U.S. purchasers

Factor	U.S. vs Japan			U.S. vs Nonsubject[1]		
	S	C	I	S	C	I
Availability	2	2	0	7	8	1
Delivery terms	1	2	0	1	13	2
Delivery time	3	1	0	11	3	2
Discounts offered	1	2	1	2	13	0
Extension of credit	1	2	1	0	6	10
Minimum quantity requirements	2	2	0	1	15	0
Packaging	0	3	1	0	5	11
Price [2]	2	1	0	0	15	1
Product consistency	0	3	1	2	4	10
Quality meets industry standard	0	4	0	2	12	2
Quality exceeds industry standard	0	3	1	1	6	9
Product range	0	3	1	7	5	4
Reliability of supply	1	3	0	3	10	3
Technical support/service	1	2	1	3	10	3
U.S. transportation costs [2]	1	3	0	2	14	0

[1] A number of purchasers compared U.S. product with product for more than one nonsubject country. If responses of a single company differed by country of origin they were reported individually.
[2] A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. No firm compared Japanese with nonsubject product.

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

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

Table II-8
TCCSS: Perceived interchangeability between TCCSS produced in the United States, Japan, and nonsubject countries[1]

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. Japan	4	1	0	0	1	4	1	1	2	2	1	0
U.S. vs. nonsubject	3	2	0	0	1	5	6	1	1	5	3	0
Japan vs. nonsubject	2	1	0	0	0	4	3	1	1	3	1	0

[1] Producers, importers, and purchasers were asked if TCCSS produced in the United States and in other countries can be used interchangeably.

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

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

All five responding U.S. producers, five of seven responding importers, and four of five responding purchasers reported that U.S. and Japanese TCCSS were "always" or "frequently" used interchangeably. Importer *** stated that U.S. producers do not offer the full range of products including light gauge product. Another importer, ***, stated that Japanese producers can manufacture distinct products including 42-inch wide material, clean steel, and laminate tin-free steel. Among purchasers, *** stated that most of its purchases of foreign product is sheet wider than 40 inches, which U.S. mills cannot produce, and *** stated that D&I material has been the product least interchangeable between the U.S. and foreign (including Japan) sources. *** contends that off-shore supply is not a perfect substitute for domestic supply and that about *** of the specifications (such as *** steel) it currently purchases from off-shore mills are not available from U.S. mills. *** indicates that since 2006, all of its purchases from off-shore suppliers were products that cannot be produced by the U.S. mills.

For U.S. and Japanese TCCSS compared to TCCSS from nonsubject sources, all responding producers reported that product from all country pairs were "always" or "frequently" interchangeable. Most importers reported that U.S. and nonsubject, and Japanese and nonsubject product were either "frequently" or "sometimes" interchangeable. Most purchasers reported that U.S. and nonsubject TCCSS, and Japanese and nonsubject TCCSS were "frequently" interchangeable.

As can be seen from table II-9, 5 of 10 responding purchasers reported that domestically produced TCCSS "usually" meets minimum quality specifications while 2 reported "sometimes", 2 reported "always", and 1 reported "rarely or never." Two of four responding purchasers reported that Japanese TCCSS "always" meets minimum quality specifications, and two reported that it "usually" meets minimum quality specifications. Half or more of the purchasers reported that product "usually" meets minimum quality specifications for all listed nonsubject countries except the Netherlands, for which most purchasers reported that it "always" meets minimum quality specifications.

Table II-9
TCCSS: Ability to meet minimum quality specifications, by source

Country[2]	Number of firms reporting[1]			
	Always	Usually	Sometimes	Rarely or never
United States	2	5	2	1
Japan	2	2	0	0
Canada	2	4	1	1
China	1	3	1	0
Netherlands	5	4	0	0

[1] Purchasers were asked how often domestically produced or imported TCCSS meets minimum quality specifications for their own or their customers' uses.
[2] Countries listed were those on the questionnaire. Firms also responded for Korea (2 "usually"), Germany, (1 "always"), and Brazil (1 "usually").

Source: Compiled from responses to Commission questionnaires.

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of TCCSS from the United States, Japan, or nonsubject countries. As seen in table II-10, most producers reported that differences other than price were "sometimes" or "never" important for all country pairs, with one producer responding that there were "frequently" differences other than price between U.S. product and product from both Japan and nonsubject countries. Two of the four responding importers reported that U.S. and Japanese TCCSS "frequently" had differences other than price and one each reported "sometimes" and "never." For the other country pairs, most importers reported that there were "sometimes" differences other than price. Two of the three responding purchasers reported that there were "frequently" differences other than price between U.S. and Japanese TCCSS. For the other country pairs, most purchasers reported there were either "frequently" or "sometimes" differences other than price.

Table II-10
TCCSS: Perceived significance of differences other than price between TCCSS produced in the United States, Japan, and nonsubject countries[1]

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. Japan	0	1	2	2	0	2	1	1	0	2	1	0
U.S. vs. nonsubject	0	1	3	1	0	1	8	1	2	3	5	0
Japan vs. nonsubject	0	0	2	1	0	0	4	1	0	1	2	0

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

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

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

Firms identified various factors that contributed to perceived differences other than price. Two importers specifically compared U.S. and Japanese product, reporting that Japanese had poor availability and that Japanese product is higher quality and has a better on-time delivery record. Other factors cited by importers and purchasers include: lead time; delivery; quality; technical support; availability of wide width in Canada and Europe; particular specifications; availability of laminated polymer coatings; product eliminates production steps and need for environmental monitoring; thick coatings to act as a gasket when sealing aerosol valve cups; and specialized anti-counterfeiting holographic coatings.

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates. No parties provided comments on these estimates.

U.S. Supply Elasticity[52]

The domestic supply elasticity for TCCSS measures the sensitivity of the quantity supplied by U.S. producers to a change in the U.S. market price of TCCSS. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to the production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced TCCSS. Analysis of these factors earlier indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market given a change in price levels. Staff estimates that the supply elasticity is likely between 3 and 6.

U.S. Demand Elasticity

The U.S. demand elasticity for TCCSS measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of TCCSS. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of TCCSS in the production of downstream products. Based on available information, the demand elasticity for TCCSS is likely to be in the range of -0.85 to -1.35.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[53] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, surfaces, coil sizes) and conditions of sale (e.g., service, availability, delivery). Based on this and other available information, the elasticity of substitution between U.S.-produced TCCSS and subject imported TCCSS is likely to be in the range of 2 to 4.[54]

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

[53] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and U.S. domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject product (or vice versa) when prices change.

[54] Additionally, the elasticities of substitution between U.S.-produced TCCSS and nonsubject imports and between subject imports and nonsubject imports are likely to be in the same range.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

During the original investigation, the U.S. TCCSS industry consisted of seven firms with nine production locations.[1] Bankruptcies, acquisitions, and consolidations reduced the number of firms to four and the number of production locations to seven over the course of the first review.[2] In the current proceedings, the number of firms increased due to a legally mandated divestiture and ownership of two production locations changed; these changes are explained in detail in table III-1. However, the production locations are the same as at the end of the period examined in the first review. Unless otherwise noted, data in this section were obtained from questionnaire responses of all current U.S. producers.

Table III-1 summarizes important industry events that have taken place in the U.S. industry since January 1, 2006.

Table III-1
TCCSS: Survey of industry events since January 1, 2006

Period	Company	Description of event (acquisition, bankruptcy, merger, shutdown)
June 2006	ArcelorMittal	**Merger**: Mittal Steel (prior owner of the Sparrows Point, MD and Weirton, WV TCCSS mills) and Arcelor announce an agreement to merge the two companies and create a new entity - ArcelorMittal. Prior to the merger, Arcelor did not produce TCCSS in the United States but owned Dofasco, a TCCSS producer in Canada.
August 2006	ArcelorMittal	**Proposed divestiture**: The U.S. Department of Justice files suit to block Mittal's merger with Arcelor unless one of the three North American TCCSS mills that will be owned by the new entity is divested. Best efforts are to be made to divest Dofasco. If that proves not possible, a divestment of either the Sparrows Point, MD or the Weirton, WV mill is required.

Table continued on next page.

[1] Original Investigation Staff Report (INV-X-160, July 18, 2000), table III-1.

[2] U.S. Steel acquired LTV's tin mill facilities in March 2001 but opted not to lease the land or take title to the Aliquippa tin mill operations, leading to the closure of the facility. U.S. Steel closed the tin mill operations at its Fairless Hills facility. *Tin-and Chromium-Coated Steel Sheet From Japan*, Inv. No.731-TA-860 (Review), USITC Publication 3860 (June 2006), pp. I-21-I-22.

Table III-1--Continued
TCCSS: Survey of industry events since January 1, 2006

Period	Company	Description of event (acquisition, bankruptcy, merger, shutdown)
December 2007	ArcelorMittal	**Production change:** The hot-strip mill at Weirton, WV is shutdown. Prior to the shutdown, the Weirton mill hot-rolled slab from other ArcelorMittal plants. Now, Weirton will be supplied with hot-rolled steel from other ArcelorMittal plants.
May 2008	ArcelorMittal	**Divestiture:** OAO Severstal acquires the Sparrows Point, MD mill from ArcelorMittal.
March 2011	RG Steel	**Acquisition:** RG Steel acquires the Sparrows Point, MD mill from Severstal Holdings, LLC.
October 2011	RG Steel	**Production shutdown:** A fire causes a temporary halt to TCCSS production.
	***	***.[1]
December 2011	RG Steel	**Production shutdown:** Steelmaking and hot-rolling operations are shutdown in late December. Reportedly, RG Steel's original lenders froze the company's liquidity and the shutdown was a cash conservation move.
January 2012	RG Steel	**Production resumption:** RG Steel gets cash infusion from the equity firm Cerberus Capital Management LP and restarts its steelmaking and hot-rolling operations.
April 2012	RG Steel	**Production shutdown:** The tin mill operations at Sparrows Point, MD are temporarily idled. RG Steel is serving its customers from production at Ohio Coatings.

[1] ***.

Source: ArcelorMittal, "Arcelor recommends improved Mittal Steel offer," News release, June 25, 2006, http://www.arcelormittal.com/corp/news-and-media/press-releases/2006/jun/25-06-2006?lang=english, retrieved March 12, 2012; U.S. Department of Justice, "Justice Department Requires Divestiture in Mittal Steel's Acquisition of Arcelor: Tin Mill Divestiture Needed to Protect Competition," News release, August 1, 2006, http://www.justice.gov/atr/public/press_releases/2006/217516.htm ; American Metal Market, "Fire halts output at RG Steel tin mill," October 3, 2011; "RG Steel confirms idling of Md. mill operations," April 13, 2012; Metal Bulletin, "ArcelorMittal to Close Weirton Hot-Strip Mill," October 18, 2007"; "Severstal finalizes $810M buy of Sparrows Point mill," May 7, 2008; "Sparrows Point melting, hot-rolling said idled," December 24, 2011; "RG ramps up furnace, reviews new inquiries," January 18, 2012; "RG Steel gets capital infusion from Cerberus," January 19, 2012.

GENERAL STEEL CAPACITY ISSUES

Table III-2 presents U.S. producers' capacity to produce products on the same equipment and machinery used to produce TCCSS from 2006 to 2011. No U.S. firm reported producing excluded tin mill products during this period. *** reported producing *** on shared equipment.[3]

[3] ***'s producer questionnaire response, section II-5.

Table III-2
Tin mill products: U.S. producers' total capacity, production, and capacity utilization of products on the same equipment and machinery used in the production of TCCSS,[1] 2006-11

	Quantity *(short tons)*					
Item	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Average overall production capacity	***	***	***	***	***	***
Production - all products	***	***	***	***	***	***
Production - TCCSS	2,632,324	2,545,842	2,713,556	2,448,139	2,586,537	2,170,499
Production - excluded tin mill products	0	0	0	0	0	0
Production - other products	***	***	***	***	***	***
Capacity utilization - all products (*in percent)*	***	***	***	***	***	***

[1] ***.

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

Table III-3 presents the total steel producing capacity for all stages of production for the five firms in the TCCSS industry for 2011. There is excess capacity at all stages of production, especially from cold-rolling to the last production steps. Producers mentioned the following constraints on TCCSS production and product switching; (1) ***;[4] (2) *** ***; (3) ***; (4) ***; (5) ***.[5]

Not all firms perform all of the production steps noted in the table. RG Steel and U.S. Steel are integrated steelmakers who make their own steel and perform all of the production steps. ArcelorMittal's Weirton facility does not make its own steel and does not have a hot-strip mill, it obtains hot-rolled sheet from other ArcelorMittal USA steel mills and begins its production process with cold rolling.[6] Ohio Coatings neither produces steel nor does any rolling. The company obtains black plate and begins its production process with the coating step.[7] USS-POSCO hot-rolled steel in coils from its parent companies, U.S. Steel and the Korean company POSCO, and begins its manufacturing process with cold reduction of the hot-rolled coils.[8]

[4] ***.

[5] Producer questionnaire responses of ***, sections II-6 and II-7.

[6] Metal Bulletin, "ArcelorMittal to close Weirton hot-strip mill {UPDATE}," October 18, 2007.

[7] Ohio Coatings, "Tin Plating Process," http://www.ohiocoatingscompany.com/tin-plating-process/, retrieved April 23, 2012. Ohio Coatings ***. Ohio Coating's producer questionnaire response, section III-7 and ***.

[8] USS-POSCO, "Production Process," http://www.uss-posco.com/production_Process.shtml, retrieved April 23, 2012

Table III-3
Steel products: U.S. producers' capacity, production, and capacity utilization of all steel products,[1] 2011

Item	Capacity (*short tons*)	Production (*short tons*)	Capacity utilization (*percent*)
Melt/raw steel	***	***	***
Slabs	***	***	***
Hot rolling	***	***	***
Cold rolling	4,267,000	1,966,687	46.1
Annealing	2,757,000	1,755,381	63.7
Tempering	3,610,000	1,752,802	48.6
Tin coating	2,812,000	1,716,891	61.1
Chromium coating	731,000	432,379	59.1

[1] ***.

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

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for TCCSS are presented in table III-4. ***. Production decreased irregularly during 2006-11 by 17.6 percent.

Production decreased in 2007, 2009, and 2011; the largest annual production decrease occurred during 2010-11 and amounted to 16.4 percent. ***.[9]

Table III-4
TCCSS: U.S. capacity, production, and capacity utilization, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Capacity (*short tons*)	3,653,000	3,653,000	3,627,720	3,543,000	3,543,000	3,543,000
Production (*short tons*)	2,631,713	2,546,797	2,714,429	2,442,402	2,594,982	2,168,240
Capacity utilization (*percent*)	72.0	69.7	74.8	68.9	73.2	61.2

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

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of TCCSS are presented in table III-5. No U.S. producer had internal consumption or transfers and export shipments accounted for only a minor share of total

[9] ***'s producer questionnaire responses, section II-2. RG Steel announced the idling of its tin mill operations at Sparrows Point, MD in April 2012 (American Metal Market, "RG Steel confirms idling of Md. mill operations," April 13, 2012). The Sparrows Point facility had TCCSS capacity of *** short tons in 2011, when it produced *** short tons.

shipments. Although the U.S. shipment quantity decreased by 18.1 percent during 2006-11, the value of those shipments increased during the same period by 12.2 percent, influenced by increased TCCSS prices.[10] Export shipments decreased noticeably during 2006-11, as measured by quantity or by value (despite higher average unit values during 2009-11). The average unit values of export shipments during 2006-11 were higher than those for U.S. shipments in three years and lower in three years.

Table III-5
TCCSS: U.S. producers' shipments, by types, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
U.S. commercial shipments	2,644,206	2,545,455	2,742,592	2,354,530	2,575,679	2,165,058
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
	Value (*1,000 dollars*)					
U.S. commercial shipments	1,953,413	1,925,764	2,361,900	2,561,514	2,492,406	2,191,320
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
	Unit value (*dollars per short ton*)					
U.S. commercial shipments	739	757	861	1,088	968	1,012
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
	Share of quantity (*percent*)					
U.S. commercial shipments	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0

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

U.S. PRODUCERS' INVENTORIES

Table III-6, which presents end-of-period inventories for TCCSS, shows that inventories increased during 2006-11 by 19.5 percent. Inventories reached their peak in 2009, increasing by 37.1 percent from their 2008 levels.

[10] TCCSS prices increased by 48.7 percent during 2006-11 according to the AMM (American Metal Market) price series for double-reduced, electrolytic, .25 lb. TCCSS.

Table III-6
TCCSS: U.S. producers' end-of-period inventories, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Inventories (*short tons*)	249,005	234,647	249,449	341,928	319,182	297,562
Ratio to production (*percent*)	9.5	9.2	9.2	14.0	12.3	13.7
Ratio to U.S. shipments (*percent*)	9.4	9.2	9.1	14.5	12.4	13.7
Ratio to total shipments (*percent*)	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.						

U.S. PRODUCERS' IMPORTS AND PURCHASES

Neither Ohio Coatings nor USS-POSCO make their own steel so they are dependent upon purchases of upstream steel products. Ohio Coatings ***.[11] USS-POSCO purchases hot bands from its parent companies and processes them into black plate before coating the sheet with tin.[12] However, there were no purchases or imports of TCCSS by any U.S. producer.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for TCCSS are presented in table III-7. Employment decreased by *** percent during 2006-11 with steep declines during 2006-07 (*** percent) and 2008-09 (13.7 percent). Most of the 2006-07 and 2008-09 declines are accounted for by ***.

Table III-7
TCCSS: U.S. producers' employment-related data, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Production and related workers (PRWs)	***	***	3,648	3,150	3,200	2,984
Hours worked by PRWS (*1,000 hours*)	***	***	7,013	6,247	6,455	6,183
Wages paid (*$1,000*)	***	***	197,843	183,735	199,460	191,594
Hourly wages	$***	$***	$28.21	$29.41	$30.90	$30.99
Productivity (*short tons produced per 1,000 hours*)	***	***	387.1	391.0	402.0	350.7
Unit labor costs (*per short ton*)	$***	$***	$72.89	$75.23	$76.86	$88.36
Source: Compiled from data submitted in response to Commission questionnaires.						

[11] Ohio Coating's producer questionnaire response, section III-7.

[12] USS-POSCO obtains hot-rolled steel in coils from its parent companies, U.S. Steel and the Korean company POSCO, and begins its manufacturing process with cold reduction of the hot-rolled coils. USS-POSCO website, "Production Process," http://www.uss-posco.com/production_Process.shtml.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Each of the five producers[13] that provided trade data also provided usable financial data. Each of the firms reported on a *** basis. Although each of the firms produced TCCSS, their production processes, and therefore their cost structures, differ to some extent. No firm reported either internal consumption or transfers to related firms. Exports (to Canada) constituted a small and declining share of total net sales between 2006 and 2011.

Operations on TCCSS

Aggregate income-and-loss data for the five firms on their operations producing TCCSS are presented in table III-8. Net sales quantities declined irregularly by 19.1 percent from 2006 to 2011. Net sales values increased by 10.8 percent over that same period because average unit sales values were higher (by 36.9 percent) in 2011 than in 2006; sales values rose irregularly and peaked in 2009 at $2.6 billion, declined in 2010 and then fell to $2.2 billion in 2011. The domestic industry as a whole was profitable only in 2009 (a 6.7 percent operating income margin); U.S. producers collectively generated operating losses in the other yearly periods, with the operating loss margins varying from a negative 9.6 percent (in 2008) to a negative 3.1 percent (in 2010); the operating loss margin was a negative 9.1 percent in 2011. The average unit value of sales in 2009 was the highest during the six year period; the metal margin (sales values minus raw material costs) was at it highest as well in that year and increased by approximately 46 percent from 2008, from $690.5 million to more than $1 billion (or from $250 per short ton to $426 per short ton). After peaking in 2009, the metal margin declined on a value basis as well as on a per-unit basis in both 2010 and 2011.[14] U.S. firms responded to questions posed at the Commission's hearing regarding the industry's lack of profitability,[15] citing, in part, the reliance on fixed

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[13] These firms are: ArcelorMittal; Ohio Coatings; RG Steel; U.S. Steel; and USS-POSCO. Arcelor owned/operated Weirton (Weirton, WV) throughout the period; Mittal owned/operated the Sparrows Point (formerly, Bethlehem Steel, which had been purchased from bankruptcy in 2001 by ISG) from 2006 through May 2008. When Arcelor and Mittal merged in 2007, the U.S. Department of Justice ordered that Sparrows Point be divested, and the mill was sold May 2008 to Severstal. Severstal, in turn, operated the Sparrows Point mill from the purchase date in May 2008 until it was sold to the Renco Group in March 2011 together with other Severstal mills–Wheeling-Pittsburgh in Wheeling, WV, and WCI in Warren, OH. Using Severstal's records that it obtained during the purchase, RG Steel provided data for the period May 2008 through 2011. Ohio Coatings is a stand-alone rolling mill with coating lines; it is ***. U.S. Steel reported for its three mills, located in Gary, IN; East Chicago, IN (formerly LTV, termed "East Chicago Tin"); and Portage, IN (formerly, National Steel, termed "Midwest Plant") that produce TCCSS. USS-POSCO, located in Pittsburg, CA, purchases hot-rolled steel ("hot bands") from its joint corporate parents (POSCO in Korea and U.S. Steel), which it rolls and coats.

[14] U.S. producers stated that the industry has experienced a cost-price squeeze that they attributed in large part to annual contracts with fixed pricing under which they cannot recover raw material cost increases. One exception to this is posed by the contract pricing for 2009, negotiated in 2008 when raw material costs were high. Hearing transcript, p. 61 (Scherrbaum) and p. 69 (Mull). ***. Posthearing brief of ArcelorMittal, exh. 3 *** and exh. 8 ***.

[15] Posthearing brief of ArcelorMittal, exh. 1, pp. 47-50 and 58-59, and exh. 3 ***, citing ***. During the hearing industry witnesses stated that tin mill products are generally the most expensive to make and require specialized production facilities. Hearing transcript, p. 25 (Scherrbaum). They also indicated that "costs have soared;" costs include iron ore, coking coal, tin, electricity and other forms of energy (natural gas), most of which is purchased on the open market. Hearing transcript, p. 27 (Scherrbaum). The witnesses for ArcelorMittal and USS-POSCO also cited declining demand, rising raw material costs, and a cost-price squeeze as contributing to the industry's lack of profitability. Hearing transcript, p. 32 (Mull) and p. 37 (Peterson). Japanese respondents state that *** are largely

(continued...)

price annual contracts with major purchasers (and the pricing power of those major purchasers), reduced demand for TCCSS, and idle costs of unused capacity.[16]

Comparing the industry data for 2006-11 with data from the previous review that covered the period 2000-05, indicates that while per-unit sales rose (and were well above the levels from 2000 to 2005) so did unit operating costs (COGS plus SG&A expenses combined). On average, sales values during 2006-11 exceeded those during 2000-05 by $361.2 million (about 19 percent) because of higher unit values. However, sales volume was noticeably lower during 2006-11 compared with 2000-05, on average nearly 500,000 short tons, or 16.5 percent (see table I-1 presented earlier in this report).[17] Reasons cited by domestic steelmakers included the increasing availability of substitute products (changing consumer preferences and shift to frozen and fresh foods, for example) and alternative packaging; the use of lighter gauges of steel in making cans; the use of two-piece and easy opening lids versus three-piece cans; and the closure of canning plants.[18]

Data for the industry for the period 2006-11 are shown in table III-8, while table III-9 provides operating data on a firm-by-firm basis.

[15] (...continued)
self-sufficient with regard to iron ore and coking coal inputs. ***.

[16] Posthearing brief of ArcelorMittal, exh. 1, pp. 63-64. Hearing transcript, p. 35 (Peterson). With regard to potential supply, one example cited is that the current closure of RG Steel "has barely made a ripple in this market." It should be noted that while raw material costs are variable, producers continue to incur fixed costs even when production capacity is not used (i.e., variable costs are zero). Production that is capital intensive incurs relatively high fixed costs. When production falls those fixed costs are spread over or absorbed by smaller amount. Hence, unit fixed costs rise. Many firms measure this as an unfavorable production or overhead variance in an account called "idle costs." For steel makers with high fixed costs, idle costs can have a substantial effect on profitability.

[17] Compare table III-8 here with table III-8 in USITC, *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Review), USITC publication 3860, June 2006, p. III-9.

[18] Prehearing brief of ArcelorMittal, p. 4. Hearing transcript, pp. 38-39 (Peterson).

Table III-8
TCCSS: Results of operations of U.S. firms, fiscal years 2006-11

Item	Fiscal years					
	2006	2007	2008	2009	2010	2011
	Quantity (*short tons)*					
Total net sales	2,678,947	2,561,155	2,763,295	2,364,130	2,590,379	2,166,858
	Value (*$1,000*)					
Total net sales	1,979,671	1,937,407	2,377,902	2,571,572	2,507,635	2,193,349
COGS:						
Raw materials	1,274,865	1,267,116	1,687,386	1,564,339	1,735,536	1,654,949
Direct labor	261,774	266,129	270,930	274,436	285,326	271,855
Other factory costs	438,077	451,519	533,507	498,761	477,581	356,936
Total COGS	1,974,716	1,984,764	2,491,823	2,337,536	2,498,443	2,283,740
Gross profit or (loss)	4,955	(47,357)	(113,921)	234,036	9,192	(90,391)
SG&A expenses	111,433	113,877	115,281	60,628	87,422	108,403
Operating income or (loss)	(106,478)	(161,234)	(229,202)	173,408	(78,230)	(198,794)
Other income or (expense), net	(52,290)	(64,774)	(75,345)	(62,081)	(25,406)	(31,882)
Net income or (loss)	(158,768)	(226,008)	(304,547)	111,327	(103,636)	(230,676)
Depreciation/amortization	35,237	32,881	35,919	39,715	37,106	31,256
Cash flow	(123,531)	(193,127)	(268,628)	151,042	(66,530)	(199,420)
	Ratio to total net sales (*percent*)					
COGS:						
Raw materials	64.4	65.4	71.0	60.8	69.2	75.5
Direct labor	13.2	13.7	11.4	10.7	11.4	12.4
Other factory costs	22.1	23.3	22.4	19.4	19.0	16.3
Total COGS	99.7	102.4	104.8	90.9	99.6	104.1
Gross profit or (loss)	0.3	(2.4)	(4.8)	9.1	0.4	(4.1)
SG&A expenses	5.6	5.9	4.8	2.4	3.5	4.9
Operating income or (loss)	(5.4)	(8.3)	(9.6)	6.7	(3.1)	(9.1)
Net income or (loss)	(8.0)	(11.7)	(12.8)	4.3	(4.1)	(10.5)

Table continued on following page.

Table III-8--*Continued*
TCCSS: Results of operations of U.S. firms, fiscal years 2006-11

Item	Fiscal years					
	2006	2007	2008	2009	2010	2011
	Unit value (*dollars per short ton*)					
Total net sales	739	756	861	1,088	968	1,012
Cost of goods sold:						
Raw materials	476	495	611	662	670	764
Direct labor	98	104	98	116	110	125
Other factory costs	164	176	193	211	184	165
Total COGS	737	775	902	989	965	1,054
Gross profit or (loss)	2	(18)	(41)	99	4	(42)
SG&A expenses	42	44	42	26	34	50
Operating income or (loss)	(40)	(63)	(83)	73	(30)	(92)
	Number of firms reporting[1]					
Operating losses	3	3	4	1	2	4
Data (sales)	4	4	5	5	5	5

[1] Each of the firms reported for all periods ***.
Reporting firms are: ArcelorMittal ***; Ohio Coatings ***; RG Steel ***; U.S. Steel ***; and USS-POSCO ***.

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

Selected company-by-company data are presented in table III-9. These data generally illustrate the operational and cost differences between the different producers. In particular, the integrated producers–ArcelorMittal, RG Steel, and U.S. Steel–produced raw steel, hot-rolled, and cold-rolled steel, which they then coated, while Ohio Coatings and USS-POSCO purchased their steel inputs, which were then coated (in the case of Ohio Coatings), or rolled the coils into sheet and then coated (USS-POSCO). Accordingly, ArcelorMittal, RG Steel, and U.S. Steel had relatively lower raw material costs and relatively higher conversion (labor and factory overhead) costs compared with Ohio Coatings and USS-POSCO.[19] For example, the raw material costs of integrated producers RG Steel and U.S. Steel) are *** lower than the same costs of ***. This is because the purchased inputs include both the raw material costs of making the input as well as the conversion costs (labor and overhead).[20] As a result, the metal

[19] According to the data submitted by ***, its ***.

[20] Section III-8 of the Commission's questionnaire instructed U.S. producers to report inputs from related firms at cost, i.e., to eliminate all inter- or intracompany profit on inputs purchased or transferred from related parties so that the transfer would include only the cost of the input. Each of the responding U.S. producers, ***, checked "yes" that it had complied with the Commission's instructions. *** stated that section III-7, which asked firms to identify inputs from related parties used in the production of TCCSS, was "not applicable," and skipped section III-8. U.S. Steel stated that it complied with the Commission's costing practice for inputs from affiliates in its posthearing brief, indicating that to do otherwise would contravene longstanding Commission practice (posthearing brief of U.S. Steel, exh. 1, p. 18). At the Commission's hearing, a witness for ArcelorMittal stated that "all raw materials consumed from ArcelorMittal mines that can be practically sold on the open market are transferred at market prices." Hearing transcript, p. 53 (Goedeke). ArcelorMittal's Annual Report for 2011 states that "all production that can practically

(continued...)

margins (sales prices minus raw materials cost) for the integrated producers are generally larger than those for the non-integrated producers (table III-10). Ohio Coatings and USS-POSCO generally have lower conversion costs (direct labor and factory overhead) because their costs are limited to cold rolling and coating while RG Steel and U.S. Steel incur conversion costs in steel production, hot-rolling, cold-rolling, and coating operations.[21]

Table III-9
TCCSS: Results of operations of U.S. firms, by firm, fiscal years 2006-11

* * * * * * *

Table III-10
TCCSS: Raw material costs and metal margins of U.S. firms, by firm, fiscal years 2006-11

* * * * * * *

U.S. Steel, with three facilities is the largest domestic producer and ***. U.S. Steel is ***.[22] Tin-mill products accounted for about 8 percent of U.S. Steel's reportable segment, "Flat-rolled products," in 2011.[23] Commission staff verified U.S. Steel's sales and costs in 2010 and reconciled those data with U.S. Steel's accounting records and financial statements.[24] As noted earlier, U.S. Steel was not ***.[25] With regard to 2009, U.S. Steel stated that it ***.[26]

ArcelorMittal, the second-largest U.S. producer was ***. As noted earlier, it closed the hot-strip mill at Weirton in November-December 2006 and sources hot-bands for its tin-line from ArcelorMittal's mills in Cleveland and Indiana Harbor; it also operated the Sparrows Point mill in 2006, 2007, and January-May of 2008. Hence, its costs are similar to those of other integrated mills. Although

[20] (...continued)
be sold outside the group is now either transferred to internal customers at market prices or sold to third parties through the business's global marketing arm. Production from captive mines–where marketing to third parties is limited by logistics or quality–continues to be transferred on a cost-plus basis to the group's steel facilities." (2011 Annual Report, p. 32). Commission staff contacted counsel for ArcelorMittal specifically citing these two statements and received the confirmation that no profit was included on transfers of iron ore and/or coal/coke from ArcelorMittal's mining division to its steelmaking division. E-mail to Commission staff from ***, April 13, 2012. EDIS document 478879, April 24, 2012. For argument that *** see prehearing brief of U.S. Steel, pp. 55-57.

[21] ArcelorMittal reported for the mills at Weirton (all periods) and Sparrows Point (2006, 2007, and January-May of 2008). Although raw steelmaking and the hot-strip mill were shut down in early 2006 at Weirton, steel sheet used as an input for the coating line has been sourced from other mills within ArcelorMittal. ArcelorMittal ***.

[22] U.S. Steel's ***. As noted in the previous review, U.S. Steel assimilated the former National Steel facilities during 2003-05.

[23] U.S. Steel Corporation's 2011 Form 10-K. The short tons reported in form 10-K includes tin mill products produced at the mill in Hamilton, ONT, which is part of U.S. Steel's flat-rolled steel products segment. It noted that sales diminished between 2010 and 2011 following the recession that began in the latter part of 2008; also that operating results in 2011 were impacted by higher raw material costs.

[24] See note to file, March 20, 2012. EDIS document 475365, March 21, 2012.

[25] Posthearing brief of U.S. Steel, pp. 4 and 11-12, exh. 4 ***, and exh. 27 ***. The contract with ***. "U.S. Steel anticipates that ***. Ibid., p. 35.

[26] Posthearing brief of U.S. Steel, exh.1, p. 34 and exh. 4 ***.

ArcelorMittal's unit sales values ***.[27] ArcelorMittal reconciled its questionnaire response for the Weirton facility with its accounting records. Certain costs were reduced as were the firm's ***.[28]

The unit net sales values of the only West Coast producer, USS-POSCO's were ***. However, its combined unit costs (COGS and SG&A expenses) ***, and it reported ***. Its unit operating costs were ***.[29]

Ohio Coatings was ***. The company is a non-integrated producer (it purchases ***; it reported ***. The firm's relative ***.[30]

Variance Analysis

The variance analysis showing the effects of prices and volume on U.S. producers' net sales of TCCSS, and of costs and volume on their total expenses, is presented in table III-11. The information for this variance analysis is derived from table III-8.[31] The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. The variance analysis is summarized at the bottom of the table and shows generally that the increase in the operating losses of the industry as a whole from 2006 to 2011 reflects a favorable price variance (higher unit prices) that was overwhelmed by the unfavorable net cost/expense variance (higher unit costs). This was the case for all periods except 2009-10 when an unfavorable price variance (lower unit sales values) was much greater than a favorable variance on net cost/expense (lower unit costs).

[27] ArcelorMittal's unit SG&A expenses ***.

[28] See note to file, March 16, 2012. EDIS document 475361, March 21, 2012.

[29] USS-POSCO ***. Figure V-1 in Part V of this report presents prices for hot-rolled and cold-rolled steel sheet, by month, January-December 2006-11 as published by the American Metal Market.

[30] Posthearing brief of ArcelorMittal, exh. 1, pp. 52-53. Also, *see* discussion of pricing power of food can producers, exh. 1, pp. 13-19 and exh. 3 ***. Also, *see* posthearing brief of U.S. Steel, exh. 1, p. 40.

[31] A variance analysis is calculated in three parts: sales variance, cost of sales variance, and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense (cost/expense) variance (in the case of the cost of sales and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table III-11
TCCSS: Variance analysis on U.S. firms' operations, fiscal years 2006-11

Item	Fiscal years					
	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
	Value (*$1,000*)					
Total net sales:						
Price variance	592,098	44,781	287,585	537,164	(310,038)	95,707
Volume variance	(378,420)	(87,045)	152,910	(343,494)	246,101	(409,993)
Total net sales variance	213,678	(42,264)	440,495	193,670	(63,937)	(314,286)
Cost of sales:						
Cost variance	(686,497)	(96,875)	(350,411)	(205,663)	62,797	(193,787)
Volume variance	377,473	86,827	(156,648)	359,950	(223,704)	408,490
Total cost variance	(309,024)	(10,048)	(507,059)	154,287	(160,907)	214,703
Gross profit variance	(95,346)	(52,312)	(66,564)	347,957	(224,844)	(99,583)
SG&A expenses:						
Expense variance	(18,271)	(7,344)	7,584	38,000	(20,992)	(35,274)
Volume variance	21,301	4,900	(8,988)	16,653	(5,802)	14,293
Total SG&A variance	3,030	(2,444)	(1,404)	54,653	(26,794)	(20,981)
Operating income variance	(92,316)	(54,756)	(67,968)	402,610	(251,638)	(120,564)
Summarized as:						
Price variance	592,098	44,781	287,585	537,164	(310,038)	95,707
Net cost/expense variance	(704,768)	(104,219)	(342,827)	(167,663)	41,805	(229,061)
Net volume variance	20,354	4,682	(12,725)	33,109	16,595	12,790

Note.–These data are consistent with table III-8. Unfavorable variances are shown in parentheses; all others are favorable.

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

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of TCCSS to compute return on investment ("ROI") for 2006-11 (table III-12). The data for total net sales and operating losses are from table III-8. Total operating loss was divided by total assets. ROI generally followed changes in operating income (discussed earlier in connection with table III-8), i.e., was negative in each year except 2009. The value of total assets fell noticeably from 2007 to 2008, increased to nearly the same level in 2009 as in 2007, fell again in 2010, and declined to a lower level in 2011 compared with 2010. Some of the changes in fixed assets was undoubtedly the acquisition and later sale of mills, while some of the changes were due to the allocation of costs, expenses, and assets to TCCSS. Hence, ROI was influenced by changes in the industry's total value of assets as well as by changes in operating income or loss.

Table III-12
TCCSS: Value of assets used in production, warehousing, and sales, and return on investment, fiscal years 2006-11

Item	Fiscal year					
	2006	2007	2008	2009	2010	2011
	Value (*$1,000*)					
Total current assets	1,260,247	1,060,490	784,228	1,016,688	756,704	676,251
Noncurrent assets:						
Original cost of property, plant, and equipment	1,886,654	2,039,935	1,324,122	2,519,216	1,805,478	1,543,759
Accumulated depreciation	831,934	856,982	744,408	1,486,766	1,124,516	1,010,416
Book value of property, plant, and equipment	1,054,720	1,182,953	579,714	1,032,450	680,962	533,343
Other noncurrent assets	21,793	17,265	34,816	40,537	71,652	48,666
Total assets	2,336,760	2,260,708	1,398,758	2,089,675	1,509,318	1,258,260
	Return on investment ratio (*percent*)					
Return on investment	(4.6)	(7.1)	(16.4)	8.3	(5.2)	(15.8)
Source: Compiled from data submitted in response to Commission questionnaires.						

Total current assets and book value are approximately twice the value each in 2006 compared with the same categories of assets reported in 2005 in the first review (on the other hand, the category of other noncurrent assets in 2006 is much less than that in 2005).[32] This is probably due to differences in allocation of assets to TCCSS as well as the ***. Total assets in 2008 and subsequent years were similar to those reported during 2000-05.

Capital Expenditures and Research and Development Expenses

U.S. producers' data on their capital expenditures and research and development ("R&D") expenses for their operations on TCCSS are shown in table III-13.

[32] Compare table III-12 here with table III-12 in USITC, *Tin- and Chromium-Coated Steel Sheet from Japan,* Investigation No. 731-TA-860 (Review), USITC publication 3860, June 2006, p. III-17.

Table III-13
TCCSS: U.S. firms' capital expenditures and research and development expenses, fiscal years 2006-11

* * * * * * *

ArcelorMittal ***.[33] ArcelorMittal also accounted for ***.

Ohio Coatings ***.[34]

RG Steel identified its capital expenditures as pertaining to ***.[35]

U.S. Steel reported in its form 10-K that it has invested in improving production efficiencies at its mill in Gary, IN.[36]

USS-POSCO reported that all of its capital expenditures in ***.[37] USS-POSCO noted that it is working with ***, to create demand for cans (hence, demand for TCCSS).[38]

[33] E-mail to Commission staff from ***, March 14, 2012. EDIS document 475382, March 21, 2012.

[34] E-mail to Commission staff from *** on March 14, 2012. EDIS document 475394, March 21, 2012.

[35] E-mail to Commission staff from ***, March 19, 2012. EDIS document 475383, March 21, 2012.

[36] According to U.S.Steel's 2010 Annual Report and Form 10-K, this involves reducing energy costs per short ton of steel and investing in coke and coke substitute technology to reduce reliance on coke (an input for the blast furnace) and carbon emissions. Annual Report, pp. 2-3 and Form 10-K, p. 12. Expenditures in 2009 and 2010 also included implementation of an enterprise resource planning ("ERP") system. 2010 Form 10-K, p. 71. Expenditures in 2011 are for environmental and strategic infrastructure improvements. 2010 Form 10-K, p. 72. Counsel for U.S. Steel stated that ***. E-mail to Commission staff from Stephen Vaughn, counsel to U.S. Steel, March 15, 2012. EDIS document 475385, March 21, 2012.

[37] E-mail to Commission staff from *** on March 14, 2012. EDIS document 475387, March 21, 2012.

[38] Posthearing brief of USS-POSCO, exh. A, p. 7. The firm noted that it ***. *Ibid.*, exh. D.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

Overview

The Commission issued questionnaires to 50 firms believed to have imported TCCSS between 2006 and 2011. Twenty-one firms provided data and information in response to the questionnaires. Based on official Commerce statistics for imports of TCCSS, importers' questionnaire data accounted for approximately 80 percent of imports from nonsubject countries in 2006, 86 percent in 2007, 88 percent in 2008, and virtually all in 2009-11.[1] Virtually all imports from Japan, both subject and excluded, during 2006-10 and 88 percent during 2011 are accounted for by questionnaire data. Staff believes that virtually all subject TCCSS during 2006-11, virtually all excluded tin mill products during 2006-10, and the great majority of excluded tin mill products from Japan during 2011 are accounted for by questionnaire data.

To maintain a public presentation of data, subject imports from Japan are treated as zero during 2006-11 but actually are *** and official Commerce statistics are used to present data for imports from nonsubject countries even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included.[2] Import data also include entries through a Free Trade Zone.[3]

Imports from Subject and Nonsubject Countries

Table IV-1 presents data for U.S. imports of TCCSS from Japan and all other sources. The largest sources of imports in 2011 are, in descending order of magnitude: Canada, the Netherlands, China, Korea, and Germany; Canada accounted for 42.7 percent of imports from nonsubject countries, the Netherlands 29.4 percent, China 11.7 percent, Korea 5.9 percent, and Germany 5.8 percent; together they accounted for 95.5 percent of imports from nonsubject countries (by quantity). Canada and the Netherlands were major suppliers during the first five-year review. Imports from China more than doubled during 2006-11, however, and in 2011 China was the third largest supplier of TCCSS.[4] U.S. imports from Germany, in contrast, decreased by 78.2 percent between 2006 and 2011. Overall, the quantity of imports from nonsubject countries declined by 18.9 percent but the value of those imports increased by 24.6 percent during 2006-11, reflecting substantially higher average unit values.

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[1] ***.

[2] Official Commerce import statistics for HTS subheadings 7210.11.00, 7210.12.00, 7210.50.00, and 7212.10.00 are used in the report. Commerce's scope also includes imports entering under subheading 7212.50.00 and statistical reporting numbers 7225.99.0090 and 7226.99.0180. Staff believe that the great majority of imports entering under these broad HTS numbers are outside the scope of this review. In 2007, subheading 7226.99.00 was deleted from the HTS and subheading 7226.99.01 and statistical reporting number 7226.99.0180 were added.

[3] ***. reported entering TCCSS through a Free Trade Zone.

[4] Two importers noted increased supply from China during the review period. ***'s importer questionnaire response, section III-17.

Table IV-1
TCCSS: U.S. imports, by sources, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
Japan	0	0	0	0	0	0
Other sources:						
Canada	188,813	188,883	191,306	198,730	248,275	221,577
Netherlands	127,518	100,008	78,704	70,987	176,201	152,504
China	28,987	29,596	17,496	47,905	59,309	60,457
Korea	12,875	3,130	19,800	33,029	57,381	30,559
Germany	136,962	140,004	57,486	24,837	63,611	29,902
All other sources	143,868	152,134	31,656	19,024	31,596	23,385
Subtotal	639,023	613,755	396,448	394,514	636,373	518,383
Total	639,023	613,755	396,448	394,514	636,373	518,383
	Value (*1,000 dollars*)[1]					
Japan	0	0	0	0	0	0
Other sources:						
Canada	146,899	154,425	173,692	259,787	273,376	260,729
Netherlands	91,707	75,509	64,304	72,085	171,963	160,543
China	20,107	21,768	14,961	49,362	54,782	60,290
Korea	10,461	2,977	22,276	35,323	66,011	38,191
Germany	91,601	99,989	57,031	28,381	70,057	38,290
All other countries	110,241	120,433	30,275	20,535	35,637	28,933
Subtotal	471,015	475,101	362,537	465,472	671,825	586,977
Total	471,015	475,101	362,537	465,472	671,825	586,977
	Unit value (*dollars per short ton*)					
Japan	([2])	([2])	([2])	([2])	([2])	([2])
Other sources:						
Canada	778	818	908	1,307	1,101	1,177
Netherlands	719	755	817	1,015	976	1,053
China	694	736	855	1,030	924	997
Korea	813	951	1,125	1,069	1,150	1,250
Germany	669	714	992	1,143	1,101	1,281
All other countries	766	792	956	1,079	1,128	1,237
Subtotal	737	774	914	1,180	1,056	1,132
Total	737	774	914	1,180	1,056	1,132
	Share of quantity (*percent*)					
Japan	0.0	0.0	0.0	0.0	0.0	0.0
Other sources:						
Canada	29.5	30.8	48.3	50.4	39.0	42.7
Netherlands	20.0	16.3	19.9	18.0	27.7	29.4
China	4.5	4.8	4.4	12.1	9.3	11.7
Korea	2.0	0.5	5.0	8.4	9.0	5.9
Germany	21.4	22.8	14.5	6.3	10.0	5.8
All other countries	22.5	24.8	8.0	4.8	5.0	4.5
Subtotal	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table IV-1--*Continued*
TCCSS: U.S. imports, by sources, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
	Share of value (*percent*)					
Japan	0.0	0.0	0.0	0.0	0.0	0.0
Other sources:						
Canada	31.2	32.5	47.9	55.8	40.7	44.4
Netherlands	19.5	15.9	17.7	15.5	25.6	27.4
China	4.3	4.6	4.1	10.6	8.2	10.3
Korea	2.2	0.6	6.1	7.6	9.8	6.5
Germany	19.4	21.0	15.7	6.1	10.4	6.5
All other countries	23.4	25.3	8.4	4.4	5.3	4.9
Subtotal	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Landed, duty-paid.
[2] Not applicable.

Note.–-Because of rounding, figures may not add to totals shown. U.S. imports from other sources (i.e., countries other than Japan) include U.S. shipments of TCCSS content contained in products transformed in an FTZ (as reported by ***), and imports of excluded tin mill products from nonsubject countries of *** tons in 2010 and *** tons in 2011 (as reported by ***).

Source: To maintain a public presentation of data, Japan subject imports are treated as zero during 2006-11 but actually are ***, and official Commerce statistics are used to present data for imports from nonsubject countries even though a small amount of excluded tin mill products in 2010 of *** short tons and in 2011 of *** short tons is included

Imports from Canada

Canada is the largest source of U.S. imports and AM Dofasco is the sole TCCSS producer in Canada. However, not all U.S. imports from Canada were imported directly from AM Dofasco; some imports were came from other Canadian sources. Included in these other sources are Canadian processors.[5]

Respondent interested parties state that ArcelorMittal's acquisition of a TCCSS producer in Canada[6] is a change in the conditions of competition and "requires the Commission to consider the

[5] The processors obtain master coils of TCCSS and cut the coils to the length and width their U.S. customers request before shipping to the United States. Although the TCCSS master coils may not have been manufactured in Canada, the processing performed by these processors makes Canada the country of origin for import purposes. For example, ***, describing its shipments to a U.S. customer said, "*** purchases master tin plate coils from CA{nada}, US, KR {Korea}, DE {Germany} for this account. All material is shipped from the mill to CA{nada}, processed (c-t-l) {cut to length} in CA{nada} and shipped to the US." ***'s importer questionnaire response, cover page.

[6] Before the merger of Arcelor S.A. and Mittal Steel Co. N.V., the Canadian TCCSS producer Dofasco was owned by Arcelor while Mittal owned the Sparrows Point, MD and Weirton, WV TCCSS operations. The U.S. Department of Justice ("DOJ") objected to the merger because, "Prior to Mittal's acquisition of Arcelor, two large firms—Mittal and one other integrated steel producer—accounted for more than 74 percent of all tin mill product sales in the eastern United States, but Arcelor, together with its subsidiary Dofasco, which operates a large integrated mill in Ontario, provided a significant competitive constraint on these two firms. The proposed acquisition would have removed that constraint and made anticompetitive coordination more likely." DOJ, "Justice Department Requires Divestiture in Mittal Steel's Acquisition of Arcelor: Tin Mill Divestiture Needed to Protect Competition,"

(continued...)

impact that business decisions made by the U.S. producer to cede business opportunities in the U.S. market and to shift production volume to its affiliated Canadian supplier have had on reported industry performance.[7] ArcelorMittal denies that it is shifting production to Canada or reducing production at Weirton because of imports from Dofasco.[8]

Table IV-2 presents information on imports into the United States and production in the United States by ArcelorMittal-related entities and their shares of U.S. consumption. U.S. imports from AM Dofasco account for *** of U.S. imports from Canada and increased by *** percent during 2006-11. ArcelorMittal's U.S. shipments decreased by *** percent during the same period. However, much of the decrease in shipments is related to ArcelorMittal's sale of its Sparrows Point operations in May 2008. U.S. imports from ArcelorMittal International America decreased from ***.[9]

Table IV-2
ArcelorMittal operations in the United States: Shares of U.S. TCCSS consumption, 2006-11

Item	2006	2007	2008	2009	2010	2011
	Quantity *(short tons)*					
U.S. imports from AM Dofasco	***	***	***	***	***	***
U.S. imports from Canada: other sources	***	***	***	***	***	***
Total imports from Canada	188,813	188,883	191,306	198,730	248,275	221,577
U.S. imports from AMI[1]	***	***	***	***	***	***
ArcelorMittal's U.S. shipments	***	***	***	***	***	***
U.S. consumption	3,283,229	3,159,210	3,139,040	2,749,044	3,212,052	2,683,441

Table continued on next page.

[6](...continued)
News release, August 1, 2006, http://www.justice.gov/atr/public/press_releases/2006/217516.htm . DOJ required the divestiture of one of the three aforementioned steel mills, preferably Dofasco. Divestment of Dofasco could not be done in a timely fashion and so the newly-created entity, ArcelorMittal, divested the Sparrows Point operation. ArcelorMittal's posthearing brief, p. 61, fn. 28.

[7] Respondent interested parties' prehearing brief, pp. 79-80.

[8] Hearing transcript, p. 33 (Daniel Mull, Executive Vice President, Sales and Marketing, ArcelorMittal).

[9] According to ArcelorMittal, ". . . our sister companies in Europe used to ship a significant amount of product, tin mill product into the United States. We have made the strategic decision that in order to give us an opportunity to keep Weirton alive and to move forward we do not have anything coming in from Europe at this time." Hearing transcript, pp. 99-100 (Daniel Mull, Executive Vice President, Sales and Marketing, ArcelorMittal). ArcelorMittal International America ***.

Table IV-2--*Continued*
ArcelorMittal operations in the United States: Shares of U.S. TCCSS consumption, 2006-11

Item	2006	2007	2008	2009	2010	2011
	Share of U.S. consumption *(percent)*					
U.S. imports from AM Dofasco	***	***	***	***	***	***
U.S. imports from Canada: other sources	***	***	***	***	***	***
Total imports from Canada	5.8	6.0	6.1	7.2	7.7	8.3
U.S. imports from AMI[1]	***	***	***	***	***	***
ArcelorMittal's U.S. shipments	***	***	***	***	***	***
ArcelorMittal's U.S. shipments and U.S. shipments from Dofasco	***	***	***	***	***	***
ArcelorMittal's U.S. shipments, U.S. imports from Dofasco, and U.S. imports from AMI	***	***	***	***	***	***

[1] ***.

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

Table IV-3 presents reported U.S. imports of excluded tin mill products, largely from Japan. The volumes of excluded tin mill products reported by U.S. importers for most of the 2006-11 period are close to the volumes of exports of such merchandise to the United States reported by Japanese producers.

Table IV-3
Excluded tin mill products: U.S. imports, by sources, 2006-11

* * * * * * *

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2011

The Commission requested importers to indicate whether they had imported or arranged for the importation of TCCSS from Japan for delivery after December 31, 2011. *** had the following response: ***.

U.S. IMPORTERS' INVENTORIES

Table IV-4 presents data for inventories of U.S. imports of TCCSS from Japan and all other sources held in the United States. Inventories from all sources aggregated decreased by over ***percent annually during 2006-08 before increasing during 2009-11.

Table IV-4
TCCSS: U.S. importers' end-of-period inventories of imports, by source, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Imports from Japan:						
Inventories (*short tons*)	***	***	***	***	***	***
Ratio to U.S. imports (*percent*)	***	***	***	***	***	***
Ratio to total shipments of imports (*percent*)	***	***	***	***	***	***
Imports from all other sources:						
Inventories (*short tons*)	***	***	***	***	***	***
Ratio to U.S. imports (*percent*)	***	***	***	***	***	***
Ratio to total shipments of imports (*percent*)	***	***	***	***	***	***
Imports from all sources:						
Inventories (*short tons*)	***	***	***	***	***	***
Ratio to U.S. imports (*percent*)	***	***	***	***	***	***
Ratio to total shipments of imports (*percent*)	***	***	***	***	***	***

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

THE INDUSTRY IN JAPAN

Overview

The three firms producing TCCSS in Japan and production locations have not changed since the previous review. Table IV-5 presents data on their production locations and share of 2011 production. *** accounted for *** production.

Table IV-5:
TCCSS: Japan's producers, production locations, and their shares of production, 2011

Firm	Location	Share of 2011 production (*percent*)
JFE	West Japan Works (Fukuyama) East Japan Works (Chiba)	***
Nippon	Hirohata Works - Himeji Nagoya Works - Tokai City Yawata Works - Kitakyushu	***
Toyo	Kudamatsu plant - Yamaguchi	***

Source: Compiled from data submitted in response to Commission questionnaires, The Canmaker, "JFE increases tinplate capacity in Japan," March 24, 2010, http://www.canmaker.com/news/index.php?option=com_content&view=article&id=1167&catid=1:news&Itemid=57, Nippon, "Outline of manufacturing base," http://www.nsc.co.jp/en/company/pdf/nscguide2011_e_065.pdf.

General Steel Capacity Issues

Table IV-6 presents data on the capacity and production of the Japanese industry to produce products on the same equipment and machinery used to produce TCCSS from 2006 to 2011. ***.

Table IV-6
Tin mill products: Japan's total capacity, production, and capacity utilization of products on the same equipment and machinery used in the production of TCCSS, 2006-11

* * * * * * *

Table IV-7 presents the total steel producing capacity for all stages of TCCSS production in Japan in 2011. JFE and Nippon are integrated steel producers that perform every production step noted in table IV-6.[10] Toyo does not make its own steel; it purchases hot-rolled steel and begins production from the cold rolling step.[11] Capacity utilization is more than *** percent at every stage except the cold rolling and the annealing steps when capacity utilization drops to *** and *** percent, respectively. ***.[12]

Producers described the following constraints on TCCSS production and product switching:[13]

***.

[10] JFE, "Products: Sheet Steels, production process, Tinplate/TFS production process," http://www.jfe-steel.co.jp/en/products/sheets/process.html#, Nippon, "Outline of manufacturing base," http://www.nsc.co.jp/en/company/pdf/nscguide2011_e_065.pdf.

[11] Toyo, "Products: Tinplate Manufacturing Process," http://www.toyokohan.co.jp/en/products/tinplate/process.html, "Material Procurement," http://www.toyokohan.co.jp/en/profile/supply.html

[12] JFE's and Nippon's foreign producer questionnaire response, sections II-8b and II-9.

[13] Foreign producer questionnaire responses, sections II-8b and II-9.

***.

***.

***.

Table IV-7
Steel products: Japanese producers' capacity, production, and capacity utilization of all steel products, 2011

Item	Capacity (*short tons*)	Production (*short tons*)	Capacity utilization (*percent*)
Melt/raw steel	***	***	***
Slabs	***	***	***
Hot rolling	***	***	***
Cold rolling	***	***	***
Annealing	***	***	***
Tempering	***	***	***
Tin coating	***	***	***
Chromium coating	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.			

Black plate production and production capacity are not included in table IV-6. Table IV-8 present data on Japanese producers' black plate production, capacity, and shipments.

Table IV-8
Black plate: Production capacity, production, and shipments in Japan, 2006-11

* * * * * * *

TCCSS Operations

As presented in Table IV-9, production was about the same at the beginning and end of the period with some fluctuation during 2006-11, while capacity declined by 8.8 percent. Although there were reports in the trade press of JFE's plans to start up a new tinplate line at its Fukuyama Works in January 2011, ***.[14] ***. Home market shipments decreased by 22.4 percent over the period and annually except during 2009-10, continuing the home market shipment decline during the previous review. Exports increased by *** percent over the same period and the quantity decrease of home market shipments, 224,766 short tons, was *** the quantity growth of exports, ***. The largest export region

[14] The Canmaker, "JFE increases tinplate capacity in Japan," March 24, 2010, http://www.canmaker.com/news/index.php?option=com_content&view=article&id=1167&catid=1:news&Itemid=5, JFE's foreign producer questionnaire response, section II-17.

consisted of ***. Markets in Asia included ***. Inventories increased over the period, both in terms of quantity and as a share of production - from *** percent in 2006 to *** percent in 2011.

Table IV-9
TCCSS: Japan's capacity, production, shipments, and inventories, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
Capacity	1,996,035	1,866,282	1,890,929	1,875,220	1,838,415	1,821,137
Production	1,510,575	1,573,235	1,704,239	1,454,236	1,680,946	1,511,188
End of period inventories	***	***	***	***	***	***
Shipments:						
Internal consumption	0	0	0	0	0	0
Commercial home market shipments	1,002,403	972,313	919,192	756,704	852,283	777,637
Exports:						
United States[1]	0	0	0	0	0	0
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	***	***	***	***	***	***
Total exports	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
	Value (*$1,000*)					
Commercial shipments:						
Home market	838,202	807,232	1,036,916	1,021,903	1,216,778	1,370,719
Exports to--						
United States[1]	0	0	0	0	0	0
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	***	***	***	***	***	***
Total exports	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***

Table continued on next page.

Table IV-9--*Continued*
TCCSS: Japan's capacity, production, shipments, and inventories, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
	Average unit value (*dollars per short ton*)					
Commercial shipments: Home market	836	830	1,128	1,350	$1,428	1,763
Exports to-- United States[1]	([2])	([2])	([2])	([2])	([2])	([2])
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	***	***	***	***	***	***
Total exports	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
	Ratios and shares (*percent*)					
Capacity utilization	75.7	84.3	90.1	77.6	91.4	83.0
Inventories to production	***	***	***	***	***	***
Inventories to total shipments	***	***	***	***	***	***
Share of total quantity of: Internal consumption	0.0	0.0	0.0	0.0	0.0	0.0
Home market	***	***	***	***	***	***
Exports to-- United States[1]	0.0	0.0	0.0	0.0	0.0	0.0
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	***	***	***	***	***	***
Total exports	***	***	***	***	***	***

[1] U.S. TCCSS imports were reported in the responses to the importer's questionnaire. *See* table IV-1.
[2] Not applicable.

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

Production, production capacity, and capacity utilization data for the TCCSS industry in Japan, by firm, are presented in table IV-10.

Table IV-10
TCCSS: Production capacity, production, and shipments in Japan, by firm, 2006-11

* * * * * * *

Home market and export shipment data for the industry in Japan, by firm, are reported in table IV-11.

Table IV-11
TCCSS: Home market shipments, exports, and total shipments in Japan, by firm, 2006-11

* * * * * * *

As opposed to TCCSS, production of excluded tin mill products increased steadily during 2006-11 with the exception of a decrease during 2009 (table IV-12). However, peak production of *** is still lower than production in 2005, the lowest level of production in the previous review. Exports for both TCCSS and excluded tin mill products increased over the period accounting for almost *** of total shipments by 2011.

Table IV-12
Excluded tin mill products: Japan's capacity, production, shipments, and inventories, 2006-11

* * * * * * *

Japan's Global Exports

Japan exports tin mill products to many countries around the world but its top five export markets in 2011 accounted for approximately 56 percent of total exports (table IV-13). Exports are widely dispersed outside of the top five markets, with none of the remaining 63 markets accounting for as much as five percent of total exports.

Table IV-13
TCCSS: Japan's exports, by export market, 2006-11

Export market	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
Mexico	164,174	169,013	221,099	227,494	208,193	217,128
Philippines	106,646	132,843	157,050	119,064	156,128	140,571
Australia	1,326	38,597	80,797	65,428	80,320	55,434
Netherlands	36,482	33,672	9,169	3,844	14,122	49,041
Peru	20,757	22,872	49,868	33,558	51,950	47,273
All other	381,755	382,212	398,511	356,822	421,134	405,621
Total	711,140	779,209	916,494	806,210	931,847	915,068

Table continued on next page.

Table IV-13–*Continued*
TCCSS: Japan's exports, by export market, 2006-11

Export market	2006	2007	2008	2009	2010	2011
	Value (*$1,000 dollars*)					
Mexico	116,746	122,262	216,259	226,401	197,401	225,368
Philippines	88,271	116,427	173,323	120,026	176,239	168,526
Australia	1,072	30,229	82,492	62,006	83,034	63,610
Netherlands	25,855	24,633	7,212	4,184	11,864	49,864
Peru	17,920	19,541	53,388	34,127	53,574	57,395
All other	295,451	306,716	417,488	320,007	436,550	441,618
Total	545,315	619,808	950,162	766,751	958,662	1,006,381
	Unit value *(dollars per short ton)*					
Mexico	711	723	978	995	948	1,038
Philippines	828	876	1,104	1,008	1,129	1,199
Australia	808	783	1,021	948	1,034	1,148
Netherlands	709	732	787	1,089	840	1,017
Peru	863	854	1,071	1,017	1,031	1,214
Average, all other	774	802	1,048	897	1,037	1,089
Average, all	767	795	1,037	951	1,029	1,100

Source: Global Trade Atlas for HTS subheadings 7210.1, 7210.12, 7210.50, and 7212.10.

GLOBAL MARKET

Production

As reflected in table IV-14, global production of tin mill products was relatively stable during 2001-07 with a 0.2 percent production decrease during the period. The largest production increase was in China where production increased by 124.5 percent. Production also increased in the European Union, by 4.0 percent. In North America, on the other hand, production decreased by 14.3 percent.

Table IV-14
Tin mill products: Global production, by country and region, 2001-07

Region	Calendar year						
	2001	2002	2003	2004	2005	2006	2007
	Quantity (*1,000 short tons*)						
North America	3,714	3,909	4,004	3,741	3,343	3,364	3,181
European Union (27)	5,096	5,101	5,180	5,505	5,400	5,353	5,300
Asia, excluding China	4,368	4,206	4,189	4,224	3,830	3,864	3,733
China	1,135	1,279	1,345	1,499	1,444	1,642	2,549
Other	2,317	2,400	2,632	2,222	2,357	2,037	1,839
Total	16,630	16,895	17,349	17,191	16,375	16,260	16,602

Source: World Steel Association, *Steel Statistical Yearbook 2011.*

Because of reporting inconsistencies in publicly-available data, more recent and projected data are drawn from a commercial database.[15] According to ***, production in the major producing regions and countries decreased in 2008-09 during the global financial crisis (table IV-15). By 2010, production increased for the countries and regions noted in table IV-15 but is estimated to decrease in 2011 for the European Union and most of the specified countries. Forecasted production during 2012-13 increases from 2011 levels but remaining below 2010 levels for the United States and the European Union.

Table IV-15
Tin mill products: Actual, estimated, and forecasted production, by selected countries and the European Union, 2008-13

* * * * * * *

Consumption

As shown in table IV-16, consumption decreased during the global financial crisis in 2008-09 in major consuming regions, such as the European Union, and major consuming countries such as the United States and Japan. Consumption rebounded in the United States in 2010, but is expected to decrease again in 2011 before projected increases in 2012-13. Consumption in the European Union is expected to increase steadily from 2010 to 2013.

Table IV-16
Tin mill products: Actual, estimated, and forecasted apparent consumption, by selected countries and the European Union, 2008-13

* * * * * * *

[15] ***.

U.S. producers, U.S. importers, purchasers, and producers in Japan were asked about TCCSS demand outside the United States. The only responding U.S. producer, 4 of 12 responding importers, and 3 of 7 responding purchasers indicated that demand for TCCSS outside the U.S. market was unchanged since 2006. Two purchasers and four importers indicated that it had increased, and one importer and one purchaser reported that demand had decreased. The increase in demand was typically attributed to the growing affluence in developing countries, while declining demand was attributed to reduced demand in developed countries.

Importers and purchasers were optimistic about future TCCSS demand outside the United States; 4 of 12 importers and 4 of 8 purchasers expected increased demand outside the U.S. market, while only 1 importer and 1 purchaser expected declining demand. Reasons for expected increased demand outside the United States include: economic development would lead to increased consumption of canned foods; movement from rural to urban areas; improved transportation; growing middle class; and increased used in China. In addition, increased production in China was expected to encourage consumption.

The three responding foreign producers agreed that demand had increased since 2006 and was expected to continue increasing in markets other than Japan and the United States. Regarding Japan, one each reported that demand had (and was expected to) decrease, fluctuate, or not change. Increased demand was reported in China, ASEAN countries, South and Central America, the Middle East, and Africa, and one firm attributed increased demand to increased population.

Imports

Data on imports of the top ten importing countries is presented in table IV-17.

Table IV-17
TCCSS: Top ten importing countries, 2006-11

Importing country	2006	2007	2008	2009	2010	2011
			Quantity (*short tons*)			
Italy	664,403	737,368	742,066	651,189	713,705	746,400
United States	674,076	648,396	433,116	414,678	654,158	551,452
Mexico	337,748	298,106	332,030	432,091	293,131	347,076
Belgium	232,013	258,361	256,787	249,474	260,929	310,949
France	322,685	356,397	311,222	292,175	308,167	290,971
Thailand	151,760	197,821	218,944	145,812	274,025	277,723
Spain	298,227	347,525	275,679	268,685	297,740	276,988
Germany	222,162	279,591	304,647	178,310	224,631	243,642
Netherlands	266,024	314,990	273,381	208,686	218,972	195,098
Philippines	146,416	162,294	177,625	149,772	207,811	177,247
All others	3,292,840	3,910,398	3,452,412	3,405,300	3,365,625	2,786,152
Total	6,608,354	7,511,247	6,777,910	6,396,172	6,818,894	6,203,698

Table continued on next page.

Table IV-17–*Continued*
TCCSS: Top ten importing countries, 2006-11

Importing country	2006	2007	2008	2009	2010	2011
Value (*$1,000 dollars*)						
Italy	598,871	713,752	789,938	747,834	722,400	896,047
United States	468,669	468,943	372,222	463,279	648,329	590,615
Mexico	299,143	269,561	339,683	381,082	300,377	395,405
Belgium	163,888	193,564	224,813	198,526	199,689	262,746
France	313,856	376,969	334,926	341,400	317,396	342,084
Thailand	129,097	182,291	252,660	148,582	301,564	319,266
Spain	284,793	346,248	282,139	287,371	313,306	345,325
Germany	207,638	299,722	323,439	199,086	224,561	273,684
Netherlands	225,468	308,298	294,628	256,280	236,882	242,425
Philippines	108,886	121,397	169,280	138,502	201,465	166,365
All others	2,722,456	3,036,418	3,461,410	3,019,748	3,423,694	3,313,048
Total	5,522,764	6,317,161	6,845,136	6,181,691	6,889,663	7,147,010
Unit values *(dollars per short ton*)						
Italy	901	968	1,065	1,148	1,012	1,200
United States	695	723	859	1,117	991	1,071
Mexico	886	904	1,023	882	1,025	1,139
Belgium	706	749	875	796	765	845
France	973	1,058	1,076	1,168	1,030	1,176
Thailand	851	921	1,154	1,019	1,100	1,150
Spain	955	996	1,023	1,070	1,052	1,247
Germany	935	1,072	1,062	1,117	1,000	1,123
Netherlands	848	979	1,078	1,228	1,082	1,243
Philippines	744	748	953	925	969	939
All others	827	776	1,006	887	1,017	1,189
Average	836	841	1,011	966	1,010	1,152

Source: Global Trade Atlas for HTS subheadings 7210.11, 7210.12, 7210.50, and 7212.10.

Japan is by far the largest import source in Mexico, accounting for 61 percent, by quantity, of imports in 2011 (table 18). The next largest source, France, accounted for 7 percent of 2011 imports.

Table IV-18
TCCSS: Mexico, top eight import sources, 2006-11

Source	2006	2007	2008	2009	2010	2011
	Quantity (*short tons*)					
Japan	167,513	164,141	230,449	239,185	180,508	210,350
France	23,701	29,577	15,987	7,929	11,289	25,522
Germany	36,777	34,532	28,920	20,751	29,588	21,747
United States	44,126	34,728	31,276	23,799	27,027	21,163
Brazil	3,681	7,317	2,968	1,551	14,122	16,910
Netherlands	3,800	8,322	802	1,949	3,986	14,562
Belgium	3,215	7,149	12,869	18,826	12,307	13,831
China	9	16	1,321	105,178	4,803	10,184
All other	54,926	12,324	7,439	12,923	9,501	12,806
Total	337,748	298,106	332,030	432,091	293,132	347,076
	Value (*$1,000 dollars*)					
Japan	140,285	139,500	229,041	270,731	181,422	234,597
France	19,979	24,935	14,257	8,472	11,219	28,360
Germany	31,476	31,116	27,853	25,444	30,294	26,220
United States	53,604	44,293	40,306	30,594	33,458	29,382
Brazil	2,725	5,822	3,578	2,229	13,152	19,233
Netherlands	3,210	6,973	791	2,229	3,960	17,088
Belgium	2,770	6,019	13,169	22,413	11,269	15,160
China	12	37	1,599	2,034	4,893	10,943
All other	45, 082	10,867	9,089	16,935	10,709	14,422
Total	299,143	269,561	339,683	381,082	300,377	395,405

Table continued on next page.

Table IV-18–*Continued*
TCCSS: Mexico, top eight import sources, 2006-11

Source	2006	2007	2008	2009	2010	2011
			Unit values *(dollars per short ton)*			
Japan	837	850	994	1,132	1,005	1,115
France	843	843	892	1,069	994	1,111
Germany	856	901	963	1,226	1,024	1,206
United States	1,215	1,275	1,289	1,286	1,238	1,388
Brazil	740	796	1,206	1,437	931	1,137
Netherlands	845	838	986	1,144	993	1,173
Belgium	861	842	1,023	1,191	916	1,096
China	1,438	2,298	1,211	19	1,019	1,075
All other	821	882	1,222	1,310	1,127	1,126
Average	886	904	1,023	882	1,025	1,139

Source: Global trade atlas for HTS subheadings 7210.11, 7210.12, 7210.50, and 7212.10.

Prices

TCCSS price comparisons in various markets is presented in table IV-19.

Table IV-19
TCCSS: Price comparisons, various countries, March 2012[1]

Country	Price (*dollars per short ton*)
Germany domestic	***
UK domestic	***
U.S. domestic	***
France domestic	***
Korea domestic	***
Italy domestic	***
Europe import/export	***
Gulf region import c&f	***
Japan export	***
Korea export	***
Latin America export	***
China domestic	***
China export	***
CIS export	***

[1] ***.

Source: ***.

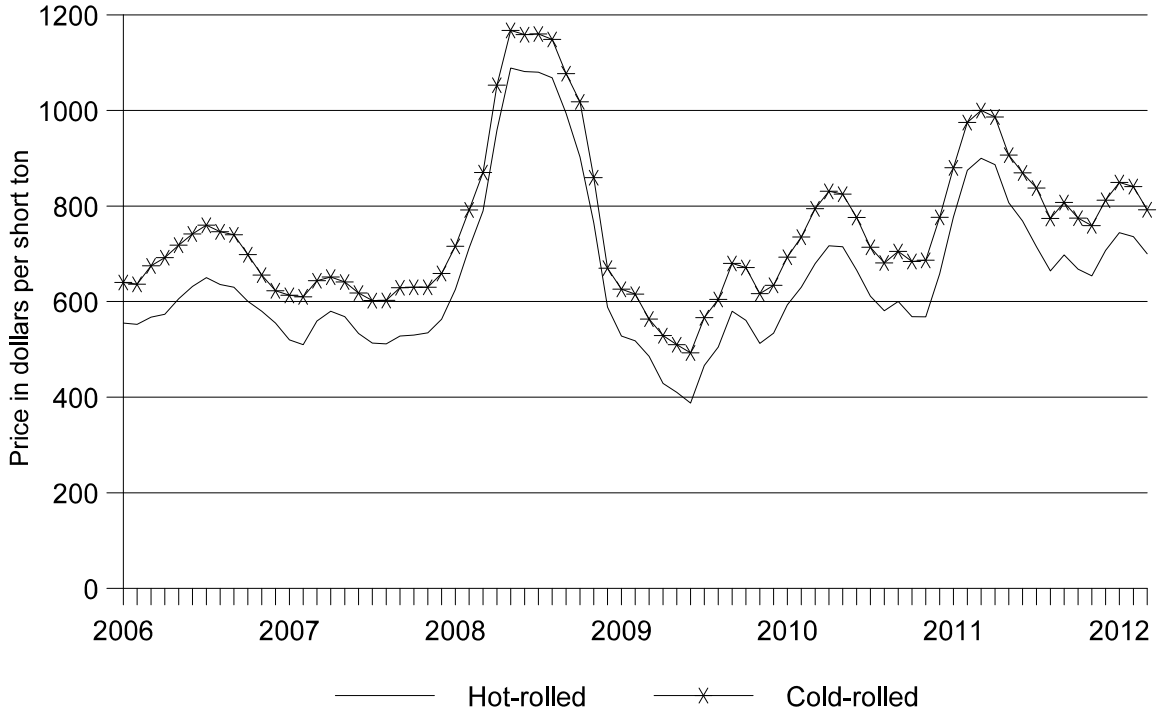
PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials of domestic producers of TCCSS increased irregularly as a share of cost of goods sold from *** percent in 2006 to *** percent in 2011 for *** combined, and from *** to *** percent between 2006 and 2011 for ***. The cost of steel, rather than tin or chromium, is the single largest raw material cost in producing TCCSS. Prices are available for hot-rolled steel sheet and cold-rolled steel sheet used to produce black plate (figure V-1). Steel sheet prices have fluctuated over the period with a major increase in 2008 and the period low point in 2009, after which prices increased overall despite continued fluctuation.

Figure V-1
Raw materials: Hot-rolled and cold-rolled steel sheet, monthly average prices, January 2006-March 2012



Source: *American Metal Market*, April 15, 2012.

All five responding U.S. producers reported that since 2006 changes in the prices of raw materials have affected their selling prices for TCCSS. Four producers specifically noted that the price of raw materials has increased since 2006 and also expected them to change in the future; three of these four

expected continued volatility in input prices while one expected iron ore prices to decline as capacity increases.[1]

Both domestic and respondent interested parties report that increased raw material costs are important. U.S. Steel contends that the rising share of raw material costs increased the vulnerability of the U.S. TCCSS producers.[2] Respondent interested parties contend that the growing volatility of raw material costs contribute to the reluctance of Japanese firms to sell in the U.S. market where purchasers typically prefer annual contracts with fixed prices. They further report that since 2009, the major ore producers supplying Japanese TCCSS producers have switched from selling with annual contracts to quarterly or monthly contracts. This, combined with the U.S. purchasers' preference for annual contracts, has reduced Japanese producers' sales of nonsubject tin-mill products to the U.S. market.[3]

U.S. Inland Transportation Costs

Four of five responding producers and eight of nine responding importers indicated that their firm generally arranges for transportation to the customers' locations, with the remaining producer and importer indicating that the purchaser arranges for transportation. Producers reported that U.S. transportation costs were between *** and *** percent of the total delivered cost of TCCSS and importers reported that transportation costs were between *** and *** percent of the total delivered cost of TCCSS. Two producers reported that some of their shipments, *** percent, included freight equalization.[4] One importer reported that *** percent of its shipments included freight equalization.[5]

Transportation Costs to the United States

Transportation costs for shipping TCCSS from Japan to the United States is estimated to represent 8.9 percent, or $128.62 per short ton in 2011.[6] Respondent interested parties estimated the costs of delivering product to the U.S. market from Japan to be $114 per short ton in 2011.[7]

Exchange Rates

Respondent interested parties contend that the changing value of the yen relative to the dollar does not affect the incentives to sell to the U.S. market because Japanese producers reportedly sell in

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[1] The other U.S. producer (***) reported that the cost of *** "significantly" affects prices; it did not expect input prices to change.

[2] USS-POSCO's prehearing brief, pp. 5 and 8.

[3] Respondent interested parties' prehearing brief, pp. 39-42.

[4] *** and *** were the only producers reporting freight equalization. Freight equalization may be used when a mill sells steel outside its geographic area, and assumes any extra shipping costs (relative to the competition) to quote the customer an equivalent price to get the business. Source: American Iron and Steel Institute, "Making Steel: Steel Glossary, FOB Pricing" found at: http://www.steel.org/en/Making%20Steel/Glossary/Glossary%20F-J.aspx.

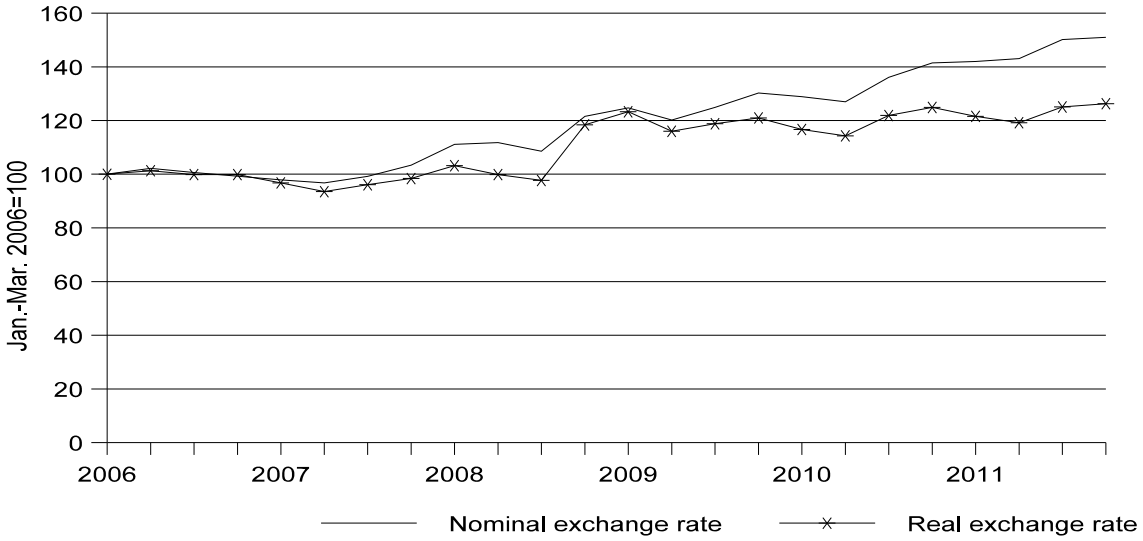
[5] *** was the only importer reporting freight equalization.

[6] These estimates are derived from official import data for the HTS numbers 7210.11.00, 7210.12.00, 7210.50.00, 7212.10.00, 7212.50.00, 7225.99.00, 7226.99.01, 7225.99.0090, and 7226.99.0180 in 2011 and represent the transportation and other charges on imports value on a c.i.f. basis as compared to customs value basis. Japanese imports under these heading will be largely nonsubject product, thus cost per ton may be a better estimate than percentage share of total costs.

[7] Respondent interested parties' prehearing brief, p. 31.

dollar terms to all markets other than Japan.[8] Rather, the exchange rate has put enormous pressure on all Japanese exporters to sell higher value products.[9] Figure V-2 shows quarterly nominal and real exchange rate data for the Japanese yen.

Figure V-2
Exchange rate: Indices of the nominal and real exchange rates between the Japanese yen and the U.S. dollar, by quarters, 2006-11



Source: Data from IFS online, retrieved April 12, 2012.

PRICING PRACTICES

Pricing Methods

As presented in table V-1, U.S. producers and importers sell primarily on a contract basis. All five responding U.S. producers reported using contracts for pricing, three also used transaction-by-transaction negotiations, and two used set price lists. Seven of the 10 responding importers reported contract sales and six reported transaction-by-transaction sales.

One U.S. producer (***) reported selling mainly (*** percent) using long-term contracts,[10] while the remaining four U.S. producers sold mainly (*** percent) using short-term contracts. Four of the five responding U.S. producers reported selling only *** percent using spot sales while *** reported selling *** percent using spot sales. Seven of the 10 responding importers reported selling 80 percent or more under short-term contracts, two importers reported selling all their product in spot sales, and no importers reported selling any product under long-term contracts.[11]

[8] Hearing transcript, p. 219 (Durling).

[9] Respondent interested parties' posthearing brief, p. 10 and exhibit 1, pp. 25-26.

[10] ***. U.S. Steel's posthearing brief, Exhibit 4.

[11] One importer reported selling half of its product using short-term contracts and the other half using spot sales.

Table V-1
TCCSS: U.S. producers' and U.S. importers' reported pricing setting methods

Supplier	Number of firms[1]			
	Transaction-by-transaction	Contracts	Set price lists	Other
U.S. producers	3	5	2	2
U.S. importers that import TCCSS from nonsubject sources	6	7	0	1

[1] The sum of responses across will not add up to the total number of responding firms by category as each firm was instructed to check all applicable price setting methods employed.

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

Two purchasers reported that they purchase TCCSS daily,[12] one purchases weekly, two purchase monthly, and five purchase annually.[13] [14] None of the 11 responding purchasers expect to change their purchase patterns. Purchasers reported contacting from 1 to 10 suppliers before purchasing with most (6 of 11) purchasers (***) contacting 7 or more suppliers.

Contract Details

Two producers and no importers reported using long-term contracts. Long-term contracts typically had durations of ***, and ***. These producers reported that these contracts *** price renegotiation, and *** fix quantities. *** reported that *** its long-term contracts contained ***.[15] *** reported that ***.

All five responding producers and five of eight responding importers indicated that their short-term contracts lasted 12 months,[16] while the remaining three importers indicated that contracts lasted 3 to 4 months. None of the producers and only one importer allowed price renegotiations during short-term contracts. Four of the five responding producers and six of the seven responding importers reported that short-term contracts fixed both price and quantities. The remaining producer (***) and importer reported that short-term contracts only fixed price.[17] Only one producer (***) reported that meet-or-release and most-favored-nations provisions, which covered *** percent of its short-term contracts. No importers reported meet-or-release provisions and only one reported a most-favored-nations provision, which covered *** percent of its short-term contracts.

Nine of 11 responding purchasers (including all can producers) reported that they required contracts. Eight purchasers reported ordering 70 to 100 percent of their purchases through annual

[12] One of these reported an annual agreement.

[13] One of these reported receiving product daily but having an annual commitment.

[14] In addition, one purchaser reported that its purchases were based on customer demand.

[15] "Meet-or-release provisions generally require domestic mills to either meet competitive prices for tin mill products or release the customer from any obligation to buy under the contract. Favored-nations provisions generally require domestic mills to price their products at the lowest price offered to any customer." ***.

[16] Importers reporting that 100 percent of their sales used short-term contracts included ***. ***.

[17] ***. Purchasers reported that changes in quantities purchased within contracts were not the result of different prices, rather they were the result of variations in needs. Hearing transcript, pp. 227-228, 251 (Arena and Cosio).

contracts, and three purchasers reported using long-term contracts, one of which used long-term contracts for 81 percent of its purchases.[18]

All five U.S. producers and five of eight responding importers indicated that their contracts are typically negotiated in the fourth quarter of each year. Two importers reported negotiating contracts quarterly and one reported negotiation prior to placement of the purchase order to the mill. Similarly, purchasers typically negotiated annual contracts in the fourth quarter of each year. Four of five U.S. producers reported that during their negotiations customers refer both to domestic and foreign prices, while *** reported that its customers only refer to the domestic price. Five importers reported that their customers refer only to domestic prices and one reported that its customers refer only to import prices.

Three of the five domestic producers reported changes to contracts since 2006, including: extending the term of the contract with its largest customer; contracts of only one year are more common; and tighter prices, no surcharges, and more regulatory clauses. In contrast, only one of eight responding importers reported changes in contracts, stating that it had moved from transaction-by-transaction sales to short-term contracts.

With respect to price negotiation practices, *** reported negotiating prices separately for each product, *** reported negotiating prices for multiple specifications at one time, and *** reported using both methods. All seven responding importers reported that prices were negotiated separately for different specifications. Six of 11 responding purchasers reported negotiating prices separately for each product, two purchasers reported negotiating prices for multiple specifications together, and three purchasers reported that this practice varied with the supplier.[19] Only two of the 11 responding purchasers reported price lists, and only one purchaser reported discounts off price lists, including percentage discounts from the list, change in base price, and volume rebates. Five of 10 responding purchasers reported that contracts were negotiated separately. Four of 10 responding purchasers reported that competing bids were referred to in negotiations. Two of these reported sometimes referring to other prices; one reported providing information of where suppliers generally stood, rarely sharing specific information; and one (***) reported that competitive prices were only used internally.[20]

Four of five responding producers reported that contracts could not be altered during the period of the contract.[21] Seven of eight responding importers also did not allow purchasers to alter contracts during the contract period while one did allow purchasers to alter the contract. Four of eight responding purchasers reported they could not alter terms during the contract period. Four purchasers reported that they could make changes under certain conditions including: market conditions; by mutual agreement; and separate price negotiations for incremental amounts. Six of 10 responding purchasers never changed prices during agreements, including ***.[22] In contrast, six of nine purchasers reported sometimes changing volume during a contract.[23] Eight purchasers reported having contracts for 2012. In 2012, the contracts with their five largest suppliers covered *** short tons of TCCSS which is the amount these firms had purchased in 2011. All eight responding purchasers listed either ArcelorMittal (Weirton) or

[18] ***. ***.

[19] ***.

[20] In contrast, ***.

[21] The other producer, ***.

[22] ***.

[23] ***.

U.S. Steel as their largest supplier for 2012 contracts.[24] Only two purchasers (***) reported contracts contained meet competition or most favored nation provisions.[25]

Silgan reported that *** of its can sales to food companies are under "long-term" contracts and that the contract with ***.[26]

ArcelorMittal reported that in 2008 the price of hot-rolled steel was higher than the prices contracted for TCCSS which reduced purchasers' negotiation leverage because they were concerned about access to TCCSS. Under these conditions, customers agreed to price adjustments during the contract year.[27]

Sales Terms and Discounts

All five responding U.S. producers quoted prices on an f.o.b. basis while most importers (8 of 10) sell on a delivered basis. Producers had a range of discount policies: one reported annual discounts, one reported high volume rebates; one reported discounts off book prices; one reported annual volume or quantity discounts are sometimes offered; and one reported no discounts. Importers were much less likely to offer discounts; eight importers reported no discounts, one reported annual volume discounts, and one reported that discounts "vary." Four of five U.S. producers and 6 of 12 importers reported sales terms of net 30 days; the remaining U.S. producer and five importers' sales terms were net 60.[28]

Two of the five responding U.S. producers and 7 of 10 responding importers reported that they have no set discount policy, but offer discounts that vary by customer and transaction. One producer and one importer reported annual discounts, and two producers and one importer reported other discounts.[29] Six purchasers reported discounts including: monthly/quarterly/annual volume rebates; target volume discount; a special program to support use of steel rather than aluminum for a specific end customer; and reduced rental rates based on purchase of percentage of supply. All these rebates were reported to be rebated to the firms' headquarters. One purchaser (***) reported no discounts but reported that discounts were taken off its invoice price stating that "***.[30]

Nine of 11 responding purchasers reported not using reference price lists. One purchaser (***) reported that if producers have a published price list, this is used as a basis of negotiation, and one reported last year's price list is used as a base for changes in prices.

Four of five responding producers and 9 of 10 responding importers reported all of their sales produced to order.[31] Responding producers reported lead times for products made to order ranging from 21 to 70 days, and importers reported lead times for products made to order ranging from 5 to 180 days. Seven responding importers reported lead times for made to order product ranging from 90 to 180 days. Four of five responding producers and 9 of 12 responding importers indicated that their average lead times have remained the same since 2006. One producer (***) reported that *** increased its lead time by ***. Three importers reported other changes in lead times; one of these explained that lead time had

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[24] The three largest purchasers reported purchase contracts *** had their fifth-largest contracts.

[25] ***. No purchasers reported either most-favored-nations or meet-the-competition provisions for any foreign producer or importer other than ***.

[26] Respondents' posthearing brief, exhibit 17, paragraph 16. Silgan did not report the minimum length required to meet its definition of a "long-term" contract.

[27] ArcelorMittal's post hearing brief, exhibit 1, pp. 17-19.

[28] The remaining importer reported terms ranging from 15 to 75 days.

[29] ***." As a result, it is not included as a firm with "other" discounts.

[30] ***.

[31] The remaining producer (***) reported selling *** percent from inventories, with a lead time of *** days and the remaining importer reported selling *** percent from inventories, with a lead time of *** days.

fluctuated with demand. All five responding producers and all 11 responding importers indicated that they expect their average lead times to remain the same in the future.

Price Leadership

Eight purchasers indicated that there are price leaders in the U.S. market for TCCSS. U.S. Steel was named by all eight purchasers; ArcelorMittal was named by four purchasers; and one firm listed RG Steel and Ohio Coatings as price leaders.[32] Three purchasers reported that U.S. Steel was the price leader because it was the largest supplier.

ArcelorMittal reports that ***, domestic producers can not afford to lose their volume and thus purchasers have more leverage than do the U.S. producers.[33]

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following TCCSS products shipped to unrelated U.S. customers during 2006-11:

Product 1.– Single reduced, electrolytic tin plate with base box weights of 75 lbs.-95 lbs. inclusive, in coils.

Product 2.– Double reduced, electrolytic tin plate with base box weights of 50 lbs.-60 lbs. inclusive, in coils.

Product 3.– Single reduced, electrolytic chromium-coated steel with base box weights of 65 lbs.-80 lbs. inclusive, in coils.

Product 4.– Double reduced, electrolytic chromium-coated steel with base box weights of 55 lbs.-65 lbs. inclusive, in coils.

All five U.S. producers provided usable pricing data for sales of the requested products,[34] although not all firms reported pricing for all products for all quarters.[35] Price data reported by these firms accounted for *** percent of U.S. producers' commercial shipments of TCCSS for 2006-11. No usable pricing data for sales of imports of subject TCCSS from Japan were available as ***. Price data are presented in table V-2 and figures V-3 through V-6 for products 1 to 4.

Table V-2
TCCSS: Weighted-average f.o.b. prices and quantities of domestic products 1 to 4,[1] by quarters, 2006-11

* * * * * * *

[32] ***."

[33] ArcelorMittal's posthearing brief, pp. 13-14.

[34] The price items used in this second review are the same four price items for which the Commission collected data in the first review.

[35] ***.

Figure V-3
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 1, by quarters, 2006-11

* * * * * * *

Figure V-4
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 2, by quarters, 2006-11

* * * * * * *

Figure V-5
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 3, by quarters, 2006-11

* * * * * * *

Figure V-6
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 4, by quarters, 2006-11

* * * * * * *

Price Trends

Prices increased overall during 2006-11. Table V-3 summarizes the price trends by product. Domestic price increases ranged from 32.3 to 47.8 percent during 2006-11. Prices for U.S.-produced TCCSS increased relatively steadily from 2006 to the third or fourth quarter of 2008. Prices increased sharply in the first quarter of 2009 then began falling slightly generally until the first quarter of 2010, after which they increased moderately and steadily into 2011. Prices in 2010 and 2011 were all higher than those in 2008.

Products 1 and 3 were single reduced TCCSS while 2 and 4 were double reduced, thinner, and more processed versions of products 1 and 3 respectively. Typically, the more processed products are expected to command a higher per-ton price,[36] ***. This largely reflects ***.[37]

Table V-3
TCCSS: Summary of weighted-average f.o.b. prices for products 1-4 from the United States

Item	Number of quarters	Low price (*per short ton*)	High price (*per short ton*)	Change in price[1] (*percent*)
U.S. product 1	24	$***	$***	***
U.S. product 2	24	***	***	***
U.S. product 3	24	***	***	***
U.S. product 4	24	***	***	***

[1] Percentage change is based on unrounded data.

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

[36] Staff correspondence with ***

[37] Staff correspondence with ***

Price Comparisons

There were no price comparisons in this review.[38]

Both domestic and respondent interested parties compared U.S.-prices to those in other markets. Respondent interested parties compared the average unit value for U.S.-produced product reported in U.S. purchasers' questionnaires (a unit value which includes delivery) to CIF prices reported for a number of Japan's current international markets. They contended that this is the appropriate price comparison and concluded that U.S. prices were lower than the prices in 12 of 14 of Japan's largest export markets in 2010 and 11 of 14 of these markets in 2011.[39] Respondents interested parties also report that there has been a change in price levels since the original review. At that time, U.S. producer prices tended to be higher than the prices of TCCSS sold to all of Japan's export markets; since 2006, however, the price of Japanese exports to all export markets have tended to be higher than U.S. prices.[40] In addition, respondent interested parties report that transportation costs to the U.S. market are higher than to 13 of its 14 markets.

U.S. Steel reports that the U.S. prices reported by the respondents are ***.[41] In addition, U.S. Steel reports that there are ***; costs are dependent on freight costs that change and may alter their calculations; there are substantial Japanese exports to other countries not included in the comparison; only two years were covered; purchaser questionnaires do not cover all U.S. producers' sales; and examples of possible errors in the unit value data purchasers reported.[42] The domestic interested parties instead provide published data from *** indicating that prices for TCCSS sold in the U.S. market are higher than prices in other markets.[43] Similarly, domestic interested parties argue that the ***.[44]

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[38] In the original investigation prices were collected based on bid data. One or more of the final Japanese bids were below all U.S. bids in 45 instances; Japanese bids were within the range of all U.S. bids in 21 instances; and Japanese bids were above U.S. bids in 6 instances. In 9 instances there were no comparable U.S. final bids and in 10 instances there were initial Japanese bids but no final Japanese bids. Confidential staff report for the original investigation (memorandum INV-X-160), p. V-22. In the second remand, the Commission looked at 51 bid comparisons. In these it reported 21 instances in which the Japanese bids were below all the U.S. bids. In 16 instances the Japanese bids were within the range of all U.S. bids. In no instances were Japanese prices above all U.S. bids. In six instances there were Japanese bids but no comparable U.S. bids, and in eight instances there were initial Japanese bids but no final Japanese bids. *Tin-and Chromium-Coated Steel Sheet from Japan (Views on Remand)*, second remand, Publication 3674, February 2004, p. 13.

In the first review, there were seven instances where subject price data could be compared to domestic data; in all these instances subject prices were above comparable domestic prices, and margins of overselling ranged from 6.6 to 28.4 percent. *Tin-and Chromium-Coated Steel Sheet from Japan, Investigation No. 731-TA-860 (Final)* USITC Publication 3860, June 2006, p. V-7.

[39] Respondent interested parties' prehearing brief, pp. 27-31.

[40] Respondent interested parties' prehearing brief, pp. 32-37.

[41] U.S. Steel's posthearing brief, pp 13-14, exhibit 1, pp. 2-4 and 11-12.

[42] U.S. Steel's posthearing brief, exhibit 1, pp. 4-7.

[43] ArcelorMittal's prehearing brief, pp. 31-32 and ArcelorMittal's posthearing brief, p. 6. ***. Staff correspondence with ***.

[44] ArcelorMittal's prehearing brief, p. 32.

APPENDIX A

FEDERAL REGISTER NOTICES AND THE COMMISSION'S STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY
in
Tin- and Chromium-Coated Steel Sheet from Japan,
Inv. No. 731-TA-860 (Second Review)

On September 6, 2011, the Commission determined to conduct a full review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission received a response to the notice of institution from the following three domestic producers of tin- and chromium-coated steel sheet ("TCCSS") producers: United States Steel Corporation, ArcelorMittal USA, LLC, and USS-POSCO Industries. The Commission found the response of these domestic producers to be individually adequate. Since the responding domestic producers accounted for the majority of domestic production of TCCSS in 2010, the Commission found that the domestic interested party group response to its notice of institution was adequate.

The Commission received a response to the notice of institution from the following three Japanese producers of TCCSS: JFE Steel, Nippon Steel Corp., and Toyo Kohan. The Commission found the response of these Japanese producers to be individually adequate. Since the responding Japanese producers accounted for all known Japanese production of TCCSS in 2010, the Commission found that the respondent interested party group response to its notice of institution was adequate.

Having found the group responses of the domestic and respondent interested parties to be adequate, the Commission determined to conduct a full review.

A record of the Commissioners' votes is available from the Office of the Secretary and on the Commission's website (http://www.usitc.gov).

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–860 (Second Review)]

Tin- and Chromium-Coated Steel Sheet from Japan; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Tin- and Chromium-Coated Steel Sheet from Japan

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is July 1, 2011. Comments on the adequacy of responses may be filed with the Commission by August 15, 2011. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* June 1, 2011.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On August 28, 2000, the Department of Commerce issued an antidumping duty order on imports of tin- and chromium-coated steel sheet from Japan (65 FR 52067). Following five-year reviews by Commerce and the Commission, effective July 21, 2006, Commerce issued a continuation of the antidumping duty order on imports of tin- and chromium-coated steel sheet from Japan (71 FR 41422). The Commission is now conducting a second review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Japan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determination and its full first five-year review determination, the Commission defined the *Domestic Like Product* as tin- and chromium-coated steel sheet corresponding to Commerce's definition of the scope of the investigation.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 11–5–248, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

product. In its original determination and its full first five-year review determination, the Commission defined the *Domestic Industry* as all domestic producers of tin- and chromium-coated steel sheet.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b)(19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is July 1, 2011. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is August 15, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response to this Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have

exported *Subject Merchandise* to the United States or other countries after 2005.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2010, except as noted (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (*i.e.,* the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(d) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(e) The value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country;* and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in the *Subject Country* (*i.e.,* the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 2005, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country,* and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 25, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–13446 Filed 5–31–11; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year ("Sunset") Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating a five-year review ("Sunset Review") of the antidumping duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* June 1, 2011.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders,* 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 —*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin,* 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DOC case no.	ITC case no.	Country	Product	Department contact
A–588–854	731–TA–860	Japan	Tin Mill Products (2nd Review)	Dana Mermelstein (202) 482–1391.
A–570–832	731–TA–696	PRC	Pure Magnesium (Ingot) (3rd Review)	Julia Hancock (202) 482–1394.
A–570–822	731–TA–624	PRC	Helical Spring Lock Washers (3rd Review)	David Goldberger (202) 482–4136.
A–583–820	731–TA–625	Taiwan	Helical Spring Lock Washers (3rd Review)	David Goldberger (202) 482–4136.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statue and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's Internet Web site at the following address: "*http://ia.ita.doc.gov/sunset/*." All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. *See* section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. *See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule,* 76 FR 7491 (February 10, 2011) (*Interim Final Rule*) amending 19 CFR 351.303(g)(1) and (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule.* The Department intends to reject factual submissions in investigations/proceedings initiated on or after March 14, 2011 if the submitting party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. *See* 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.[1] Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

[1] In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

Dated: May 23, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2011–13556 Filed 5–31–11; 8:45 am]

BILLING CODE 3510–DS–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–860 (Second Review)]

Tin- and Chromium-Coated Steel Sheet From Japan; Notice of Commission Determination To Conduct a Full Five-Year Review Concerning the Antidumping Duty Order on Tin- and Chromium-Coated Steel Sheet From Japan

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* September 6, 2011.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION: On September 6, 2011, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both the domestic and respondent interested party group responses to its notice of institution (76 FR 31633, June 1, 2011) were adequate. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: September 15, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–24208 Filed 9–20–11; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–854]

Certain Tin Mill Products From Japan; Final Results of the Second Expedited Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On June 1, 2011, the Department of Commerce (the Department) initiated the second sunset review of the antidumping duty order on certain tin mill products from Japan, pursuant to section 751(c) of the Tariff

Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and adequate substantive responses filed on behalf of domestic interested parties and no response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would likely lead to the continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

DATES: *Effective Date:* September 28, 2011.

FOR FURTHER INFORMATION: Angelica Mendoza or David Cordell, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone (202) 482–3019 or 202–482–0408 respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 1, 2011, the Department initiated the second sunset review of the antidumping duty order on certain tin mill products from Japan pursuant to section 751(c) of the Act. *See Initiation of Five-Year (''Sunset'') Review,* 76 FR 31588 (June 1, 2011). The Department received notices of intent to participate from three domestic interested parties, United States Steel Corporation, ArcelorMittal USA, LLC, and USS–POSCO Industries (collectively, domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i). Domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act as U.S. producers of the domestic like product. We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, we did not receive any response from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of the order.

Scope of the Order

The products covered by the antidumping duty order are tin mill flat-rolled products that are coated or plated with tin, chromium or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such and scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are within the scope of the order unless specifically excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of the order:

—Single reduced electrolytically-chromium-coated steel with a thickness 0.238 mm (85 pound base box) (±10%) or 0.251 mm (90 pound base box) (±10%) or 0.255 mm (±10%) with 770 mm (minimum width) (±1.588 mm) by 900 mm (maximum length if sheared) sheet size or 30.6875 inches (minimum width) (±1/16 inch) and 35.4 inches (maximum length if sheared) sheet size; with type MR or higher (per ASTM) A623 steel chemistry; batch annealed at T2 ½ anneal temper, with a yield strength of 31 to 42 kpsi (214 to 290 Mpa); with a tensile strength of 43 to 58 kpsi (296 to 400 Mpa); with a chrome coating restricted to 32 to 150 mg/m^2; with a chrome oxide coating restricted to 6 to 25 mg/m^2; with a modified 7B ground roll finish or blasted roll finish; with roughness average (Ra) 0.10 to 0.35 micrometers, measured with a stylus instrument with a stylus radius of 2 to 5 microns, a trace length of 5.6 mm, and a cut-off of 0.8 mm, and the measurement traces shall be made perpendicular to the rolling direction; with an oil level of 0.17 to 0.37 grams/base box as type BSO, or 2.5 to 5.5 mg/m^2; as type DOS, or 3.5 to 6.5 mg/m^2; as type ATBC; with electrical conductivity of static probe voltage drop of 0.46 volts drop maximum, and with electrical conductivity degradation to 0.70 volts drop maximum after stoving (heating to 400 degrees F for 100 minutes followed by a cool to room temperature).

—Single reduced electrolytically chromium- or tin-coated steel in the gauges of 0.0040 inch nominal, 0.0045 inch nominal, 0.0050 inch nominal, 0.0061 inch nominal (55 pound base box weight), 0.0066 inch nominal (60 pound base box weight), and 0.0072 inch nominal (65 pound base box weight), regardless of width, temper, finish, coating or other properties.

—Single reduced electrolytically chromium coated steel in the gauge of 0.024 inch, with widths of 27.0 inches or 31.5 inches, and with T–1 temper properties.

—Single reduced electrolytically chromium coated steel, with a chemical composition of 0.005% max carbon, 0.030% max silicon, 0.25% max manganese, 0.025% max phosphorous, 0.025% max sulfur, 0.070% max aluminum, and the balance iron, with a metallic chromium layer of 70–130 mg/m^2, with a chromium oxide layer of 5–30 mg/m^2, with a tensile strength of 260–440 N/mm^2, with an elongation of 28–48%, with a hardness (HR–30T) of 40–58, with a surface roughness of 0.5–1.5 microns Ra, with magnetic properties of Bm (KG) 10.0 minimum, Br (KG) 8.0 minimum, Hc (Oe) 2.5–3.8, and MU 1400 minimum, as measured with a Riken Denshi DC magnetic characteristic measuring machine, Model BHU–60.

—Bright finish tin-coated sheet with a thickness equal to or exceeding 0.0299 inch, coated to thickness of ¾ pound (0.000045 inch) and 1 pound (0.00006 inch).

—Electrolytically chromium coated steel having ultra flat shape defined as oil can maximum depth of 5/64 inch (2.0 mm) and edge wave maximum of 5/64 inch (2.0 mm) and no wave to penetrate more than 2.0 inches (51.0 mm) from the strip edge and coilset or curling requirements of average maximum of 5/64 inch (2.0 mm) (based on six readings, three across each cut edge of a 24 inches (61 cm) long sample with no single reading exceeding 4/32 inch (3.2 mm) and no more than two readings at 4/32 inch (3.2 mm)) and (for 85 pound base box item only: Crossbuckle maximums of 0.001 inch (0.0025 mm) average having no reading above 0.005 inch (0.127 mm)), with a camber maximum of ¼ inch (6.3 mm) per 20 feet (6.1 meters), capable of being bent 120 degrees on a 0.002 inch radius without cracking, with a chromium coating weight of metallic chromium at 100 mg/m^2 and chromium oxide of 10 mg/m^2, with a chemistry of 0.13% maximum carbon, 0.60% maximum manganese, 0.15% maximum silicon, 0.20% maximum copper, 0.04% maximum phosphorous, 0.05% maximum sulfur, and 0.20% maximum aluminum, with a surface finish of Stone Finish 7C, with a DOS–A oil at an aim level of 2 mg/square meter, with not more than 15 inclusions/foreign matter in 15 feet

(4.6 meters) (with inclusions not to exceed 1/32 inch (0.8 mm) in width and 3/64 inch (1.2 mm) in length), with thickness/temper combinations of either 60 pound base box (0.0066 inch) double reduced CADR8 temper in widths of 25.00 inches, 27.00 inches, 27.50 inches, 28.00 inches, 28.25 inches, 28.50 inches, 29.50 inches, 29.75 inches, 30.25 inches, 31.00 inches, 32.75 inches, 33.75 inches, 35.75 inches, 36.25 inches, 39.00 inches, or 43.00 inches, or 85 pound base box (0.0094 inch) single reduced CAT4 temper in widths of 25.00 inches, 27.00 inches, 28.00 inches, 30.00 inches, 33.00 inches, 33.75 inches, 35.75 inches, 36.25 inches, or 43.00 inches, with width tolerance of #1/8 inch, with a thickness tolerance of #0.0005 inch, with a maximum coil weight of 20,000 pounds (9071.0 kg), with a minimum coil weight of 18,000 pounds (8164.8 kg) with a coil inside diameter of 16 inches (40.64 cm) with a steel core, with a coil maximum outside diameter of 59.5 inches (151.13 cm), with a maximum of one weld (identified with a paper flag) per coil, with a surface free of scratches, holes, and rust.

—Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents in the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.7 mg/square foot of chromium applied as a cathodic dichromate treatment, with coil form having restricted oil film weights of 0.3–0.4 grams/base box of type DOS–A oil, coil inside diameter ranging from 15.5 to 17 inches, coil outside diameter of a maximum 64 inches, with a maximum coil weight of 25,000 pounds, and with temper/coating/dimension combinations of: (1) CAT4 temper, 1.00/.050 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 33.1875 inch ordered width; or (2) CAT5 temper, 1.00/0.50 pound/base box coating, 75 pound/base box (0.0082 inch) thickness, and 34.9375 inch or 34.1875 inch ordered width; or (3) CAT5 temper, 1.00/0.50 pound/base box coating, 107 pound/base box (0.0118 inch) thickness, and 30.5625 inch or 35.5625 inch ordered width; or (4) CADR8 temper, 1.00/0.50 pound/base box coating, 85 pound/base box (0.0093 inch) thickness, and 35.5625 inch ordered width; or (5) CADR8 temper, 1.00/0.25 pound/base box coating, 60 pound/base box (0.0066 inch) thickness, and 35.9375 inch ordered width; or (6) CADR8 temper, 1.00/0.25 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 32.9375 inch, 33.125 inch, or 35.1875 inch ordered width.

—Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents on the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.5 mg/square foot of chromium applied as a cathodic dichromate treatment, with ultra flat scroll cut sheet form, with CAT5 temper with 1.00/0.10 pound/base box coating, with a lithograph logo printed in a uniform pattern on the 0.10 pound coating side with a clear protective coat, with both sides waxed to a level of 15–20 mg/216 sq. in., with ordered dimension combinations of (1) 75 pound/base box (0.0082 inch) thickness and 34.9375 inch × 31.748 inch scroll cut dimensions; or (2) 75 pound/base box (0.0082 inch) thickness and 34.1875 inch × 29.076 inch scroll cut dimensions; or (3) 107 pound/base box (0.0118 inch) thickness and 30.5625 inch × 34.125 inch scroll cut dimension.

—Tin-free steel coated with a metallic chromium layer between 100–200 mg/m² and a chromium oxide layer between 5–30 mg/m²; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.60% maximum manganese, 0.02% maximum phosphorous, and 0.02% maximum sulfur; magnetic flux density (''Br'') of 10 kg minimum and a coercive force (''Hc'') of 3.8 Oe minimum.

—Tin-free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: 1 mg/kg BADGE (BisPhenol—A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol—F Di-glycidyl Ether), and 3 mg/kg BPA (BisPhenol—A).

The merchandise subject to the order is classified in the Harmonized Tariff Schedule of the United States (HTSUS), under HTSUS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, 7212.10.0000, and 7212.50.0000 if of non-alloy steel and under HTSUS subheadings 7225.99.0090, and 7226.99.0180 if of alloy steel. Although the subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in this sunset review are addressed in the ''Issues and Decision Memorandum'' from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated September 29, 2011 (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn.* The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order on certain tin mill products from Japan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/exporters	Weighted-average margin (percent)
Kawasaki Steel Corporation	95.29
Nippon Steel Corporation	95.29
NKK Corporation	95.29
Toyo Kohan Co., Ltd.	95.29
All Others	32.52

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–860 (Second Review)]

Tin- and Chromium-Coated Steel Sheet From Japan; Scheduling of a Full Five-Year Review Concerning the Antidumping Duty Order

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES *: Effective Date:* December 5, 2011.

FOR FURTHER INFORMATION CONTACT: Karen Taylor (202) 708–4101), Office of Industries, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On September 6, 2011, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (76 FR 58536, September 21, 2011). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the review and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. § 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on March 22, 2012, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on April 11, 2012, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before April 3, 2012. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 5, 2012, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules.

Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is March 30, 2012. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is April 19, 2012; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before April 19, 2012. On May 8, 2012, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 10, 2012, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. *See* 76 Fed. Reg. 61937 (October 6, 2011) and the newly revised Commission's Handbook on E-Filing.

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: December 6, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–31642 Filed 12–8–11; 8:45 am]

BILLING CODE 7020–02–P

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Tin- and Chromium-Coated Steel Sheet from Japan

Inv. No.: 731-TA-860 (Second Review)

Date and Time: April 11, 2012 - 9:30 a.m.

Sessions were held in connection with this review in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Order (**Kathleen W. Cannon**,
Kelley Drye & Warren LLP)
In Opposition to Continuation of Order (**James P. Durling**,
Curtis, Mallet-Prevost, Colt & Mosle LLP)

In Support of Continuation of
Antidumping Duty Order:
Kelley Drye & Warren LLP
Washington, D.C.
on behalf of

ArcelorMittal USA, LLC ("AMUSA")

Daniel Mull, Executive Vice President, Sales and Marketing, AMUSA

Thomas Goedeke, Director, Tin Mill Products, Sales and Marketing, AMUSA

Mark Glyptis, President, USW Local 2911

In Support of Continuation of
Antidumping Duty Order (continued):

Gina Beck, Economist, Georgetown Economic Services

Paul C. Rosenthal)
Kathleen W. Cannon) – OF COUNSEL
R. Alan Luberda)

Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

United States Steel Corporation ("U.S. Steel")

Joseph R. Scherrbaum, **Jr**., Vice President, Sales,
U.S. Steel

Robert Y. Kopf, General Manger, North American
Flat-Rolled Marketing, U.S. Steel

Daniel C. Morris, Marketing, Industry Manager,
U.S. Steel

Seth T. Kaplan, Economist, Capital Trade, Incorporated

Robert E. Lighthizer)
James C. Hecht)
) – OF COUNSEL
Stephen P. Vaughn)
Stephen J. Narkin)

Arent Fox LLP
Washington, D.C.
on behalf of

USS-POSCO Industries ("UPI")

Craig Peterson, Vice President, Commercial,
UPI

In Support of Continuation of
Antidumping Duty Order (continued):

Chris Conkling, Secretary and General Counsel, UPI

Matthew J. Clark)
) – OF COUNSEL
Nancy A. Noonan)

In Opposition to Continuation of
Antidumping Duty Order:

Curtis, Mallet-Prevost, Colt & Mosle LLP
Washington, D.C.
on behalf of

Nippon Steel; JFE Steel and Toyo Kohan
("Japanese Respondents")

Michael Arena, General Manager for Strategic Sourcing, Silgan Containers LLC

Takeo Aoyama, Executive Vice President and General Manager, Chicago Office, Nippon Steel U.S.A. Inc.

Kaoru Okamoto, President, JFE Steel America, Inc.

Anya Naschak, Trade Analyst, Curtis, Mallet-Provost, Colt & Mosle LLP

Daniel L. Porter)
James P. Durling) – OF COUNSEL
Matthew P. McCullough)

NON PARTY WITNESS:

Akin Gump Strauss Hauer & Feld LLP
Washington, D.C.
on behalf of

Ball Corporation ("Ball")

Daniel Cosio, Director, Metal Supply, Ball

Josiah L. Kibe, General Attorney, Ball

Valerie A. Slater) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Order (**Paul C. Rosenthal**,
Kelley Drye & Warren LLP; *and* **Stephen P. Vaughn**
Skadden, Arps, Slate, Meagher & Flom LLP)
In Opposition to Continuation of Order (**Daniel L. Porter**,
Curtis, Mallet-Prevost, Colt & Mosle LLP)

APPENDIX C

SUMMARY DATA

Table C-1
TCCSS: Summary data concerning the U.S. market, 2006-11

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)

	Reported data						Period changes					
Item	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. consumption quantity:												
Amount	3,283,229	3,159,210	3,139,040	2,749,044	3,212,052	2,683,441	-18.3	-3.8	-0.6	-12.4	16.8	-16.5
Producers' share (1)	80.5	80.6	87.4	85.6	80.2	80.7	0.1	0.0	6.8	-1.7	-5.5	0.5
Importers' share (1):												
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All other sources	19.5	19.4	12.6	14.4	19.8	19.3	-0.1	0.0	-6.8	1.7	5.5	-0.5
Total imports	19.5	19.4	12.6	14.4	19.8	19.3	-0.1	0.0	-6.8	1.7	5.5	-0.5
U.S. consumption value:												
Amount	2,424,428	2,400,865	2,724,437	3,026,986	3,164,231	2,778,297	14.6	-1.0	13.5	11.1	4.5	-12.2
Producers' share (1)	80.6	80.2	86.7	84.6	78.8	78.9	-1.7	-0.4	6.5	-2.1	-5.9	0.1
Importers' share (1):												
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All other sources	19.4	19.8	13.3	15.4	21.2	21.1	1.7	0.4	-6.5	2.1	5.9	-0.1
Total imports	19.4	19.8	13.3	15.4	21.2	21.1	1.7	0.4	-6.5	2.1	5.9	-0.1
U.S. imports from:												
Japan:												
Quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Value	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
All other sources:												
Quantity	639,023	613,755	396,448	394,514	636,373	518,383	-18.9	-4.0	-35.4	-0.5	61.3	-18.5
Value	471,015	475,101	362,537	465,472	671,825	586,977	24.6	0.9	-23.7	28.4	44.3	-12.6
Unit value	$737	$774	$914	$1,180	$1,056	$1,132	53.6	5.0	18.1	29.0	-10.5	7.3
Ending inventory quantity	76,311	41,709	23,752	32,771	58,867	70,261	-7.9	-45.3	-43.1	38.0	79.6	19.4
All sources:												
Quantity	639,023	613,755	396,448	394,514	636,373	518,383	-18.9	-4.0	-35.4	-0.5	61.3	-18.5
Value	471,015	475,101	362,537	465,472	671,825	586,977	24.6	0.9	-23.7	28.4	44.3	-12.6
Unit value	$737	$774	$914	$1,180	$1,056	$1,132	53.6	5.0	18.1	29.0	-10.5	7.3
Ending inventory quantity	76,311	41,709	23,752	32,771	58,867	70,261	-7.9	-45.3	-43.1	38.0	79.6	19.4
U.S. producers':												
Average capacity quantity	3,653,000	3,653,000	3,627,720	3,543,000	3,543,000	3,543,000	-3.0	0.0	-0.7	-2.3	0.0	0.0
Production quantity	2,631,713	2,546,797	2,714,429	2,442,402	2,594,982	2,168,240	-17.6	-3.2	6.6	-10.0	6.2	-16.4
Capacity utilization (1)	72.0	69.7	74.8	68.9	73.2	61.2	-10.8	-2.3	5.1	-5.9	4.3	-12.0
U.S. shipments:												
Quantity	2,644,206	2,545,455	2,742,592	2,354,530	2,575,679	2,165,058	-18.1	-3.7	7.7	-14.1	9.4	-15.9
Value	1,953,413	1,925,764	2,361,900	2,561,514	2,492,406	2,191,320	12.2	-1.4	22.6	8.5	-2.7	-12.1
Unit value	$739	$757	$861	$1,088	$968	$1,012	37.0	2.4	13.8	26.3	-11.1	4.6
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	***	***	***	***	***	***
Ending inventory quantity	249,005	234,647	249,449	341,928	319,182	297,562	19.5	-5.8	6.3	37.1	-6.7	-6.8
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	3,648	3,150	3,200	2,984	-30.2	-17.5	3.5	-13.7	1.6	-6.8
Hours worked (1,000s)	***	***	7,013	6,247	6,455	6,183	-15.3	-3.8	-0.1	-10.9	3.3	-4.2
Wages paid ($1,000s)	***	***	197,843	183,735	199,460	191,594	1.7	-2.9	8.1	-7.1	8.6	-3.9
Hourly wages	$***	$***	$28.21	$29.41	$30.90	$30.99	20.0	1.0	8.2	4.3	5.1	0.3
Productivity (tons/1,000 hours)	***	***	387.1	391.0	402.0	350.7	-2.8	0.6	6.6	1.0	2.8	-12.8
Unit labor costs	$***	$***	$72.89	$75.23	$76.86	$88.36	23.4	0.4	1.5	3.2	2.2	15.0
Net sales:												
Quantity	2,678,947	2,561,155	2,763,295	2,364,130	2,590,379	2,166,858	-19.1	-4.4	7.9	-14.4	9.6	-16.3
Value	1,979,671	1,937,407	2,377,902	2,571,572	2,507,635	2,193,349	10.8	-2.1	22.7	8.1	-2.5	-12.5
Unit value	$739	$756	$861	$1,088	$968	$1,012	37.0	2.4	13.8	26.4	-11.0	4.6
Cost of goods sold (COGS)	1,974,716	1,984,764	2,491,823	2,337,536	2,498,443	2,283,740	15.6	0.5	25.5	-6.2	6.9	-8.6
Gross profit or (loss)	4,955	-47,357	-113,921	234,036	9,192	-90,391	(2)	(2)	-140.6	(2)	-96.1	(2)
SG&A expenses	111,433	113,877	115,281	60,628	87,422	108,403	-2.7	2.2	1.2	-47.4	44.2	24.0
Operating income or (loss)	-106,478	-161,234	-229,202	173,408	-78,230	-198,794	-86.7	-51.4	-42.2	(2)	(2)	-154.1
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	$737	$775	$902	$989	$965	$1,054	43.0	5.1	16.4	9.6	-2.5	9.3
Unit SG&A expenses	$42	$44	$42	$26	$34	$50	20.3	6.9	-6.2	-38.5	31.6	48.2
Unit operating income or (loss)	-$40	-$63	-$83	$73	-$30	-$92	-130.8	-58.4	-31.8	(2)	(2)	-203.8
COGS/sales (1)	99.7	102.4	104.8	90.9	99.6	104.1	4.4	2.7	2.3	-13.9	8.7	4.5
Operating income or (loss)/ sales (1)	-5.4	-8.3	-9.6	6.7	-3.1	-9.1	-3.7	-2.9	-1.3	16.4	-9.9	-5.9

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals s Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

EXCLUDED FORMS OF TIN MILL PRODUCTS

EXCLUDED FORMS OF TIN MILL PRODUCTS

The following products are outside and/or specifically excluded from the scope of the order:

—Single reduced electrolyticallychromium-coated steel with a thickness 0.238 mm (85 pound base box) (±10%) or 0.251 mm (90 pound base box) (±10%) or 0.255 mm (±10%) with 770 mm (minimum width) (±1.588 mm) by 900 mm (maximum length if sheared) sheet size or 30.6875 inches (minimum width) (±1⁄16 inch) and 35.4 inches (maximum length if sheared) sheet size; with type MR or higher (per ASTM) A623 steel chemistry; batch annealed at T2 1⁄2 anneal temper, with a yield strength of 31 to 42 kpsi (214 to 290 Mpa); with a tensile strength of 43 to 58 kpsi (296 to 400 Mpa); with a chrome coating restricted to 32 to 150 mg/m2; with a chrome oxide coating restricted to 6 to 25 mg/m2; with a modified 7B ground roll finish or blasted roll finish; with roughness average (Ra) 0.10 to 0.35 micrometers, measured with a stylus instrument with a stylus radius of 2 to 5 microns, a trace length of 5.6 mm, and a cutoff of 0.8 mm, and the measurement traces shall be made perpendicular to the rolling direction; with an oil level of 0.17 to 0.37 grams/base box as type BSO, or 2.5 to 5.5 mg/m2; as type DOS, or 3.5 to 6.5 mg/m2; as type ATBC; with electrical conductivity of static probe voltage drop of 0.46 volts drop maximum, and with electrical conductivity degradation to 0.70 volts drop maximum after stoving (heating to 400 degrees F for 100 minutes followed by a cool to room temperature).

—Single reduced electrolytically chromium- or tin-coated steel in the gauges of 0.0040 inch nominal, 0.0045 inch nominal, 0.0050 inch nominal, 0.0061 inch nominal (55 pound base box weight), 0.0066 inch nominal (60 pound base box weight), and 0.0072 inch nominal (65 pound base box weight), regardless of width, temper, finish, coating or other properties.

—Single reduced electrolytically chromium coated steel in the gauge of 0.024 inch, with widths of 27.0 inches or 31.5 inches, and with T–1 temper properties.

—Single reduced electrolytically chromium coated steel, with a chemical composition of 0.005% max carbon, 0.030% max silicon, 0.25% max manganese, 0.025% max phosphorous, 0.025% max sulfur, 0.070% max aluminum, and the balance iron, with a metallic chromium layer of 70–130 mg/m2, with a chromium oxide layer of 5–30 mg/m2, with a tensile strength of 260–440 N/mm2, with an elongation of 28–48%, with a hardness (HR–30T) of 40–58, with a surface roughness of 0.5–1.5 microns Ra, with magnetic properties of Bm (KG) 10.0 minimum, Br (KG) 8.0 minimum, Hc (Oe) 2.5–3.8, and MU 1400 minimum, as measured with a Riken Denshi DC magnetic characteristic measuring machine, Model BHU–60.

—Bright finish tin-coated sheet with a thickness equal to or exceeding 0.0299 inch, coated to thickness of 3⁄4 pound (0.000045 inch) and 1 pound (0.00006 inch).

—Electrolytically chromium coated steel having ultra flat shape defined as oil can maximum depth of 5/64 inch (2.0 mm) and edge wave maximum of 5/64 inch (2.0 mm) and no wave to penetrate more than 2.0 inches (51.0 mm) from the strip edge and coilset or curling requirements of average maximum of 5/64 inch (2.0 mm) (based on six readings, three across each cut edge of a 24 inches (61 cm) long sample with no single reading exceeding 4/32 inch (3.2 mm) and no more than two readings at 4/32 inch (3.2 mm)) and (for 85 pound base box item only: Crossbuckle maximums of 0.001 inch (0.0025 mm) average having no reading above 0.005 inch (0.127 mm)), with a camber maximum of 1⁄4 inch (6.3 mm) per 20 feet (6.1 meters), capable of being bent 120 degrees on a 0.002 inch radius without cracking, with a chromium coating weight of metallic chromium at 100 mg/m2 and chromium oxide of 10 mg/m2, with a chemistry of 0.13% maximum carbon, 0.60% maximum manganese, 0.15% maximum silicon, 0.20%

maximum copper, 0.04% maximum phosphorous, 0.05% maximum sulfur, and 0.20% maximum aluminum, with a surface finish of Stone Finish 7C, with a DOS–A oil at an aim level of 2 mg/ square meter, with not more than 15 inclusions/foreign matter in 15 feet (4.6 meters) (with inclusions not to exceed 1/32 inch (0.8 mm) in width and 3/64 inch (1.2 mm) in length), with thickness/temper combinations of either 60 pound base box (0.0066 inch) double reduced CADR8 temper in widths of 25.00 inches, 27.00 inches, 27.50 inches, 28.00 inches, 28.25 inches, 28.50 inches, 29.50 inches, 29.75 inches, 30.25 inches, 31.00 inches, 32.75 inches, 33.75 inches, 35.75 inches, 36.25 inches, 39.00 inches, or 43.00 inches, or 85 pound base box (0.0094 inch) single reduced CAT4 temper in widths of 25.00 inches, 27.00 inches, 28.00 inches, 30.00 inches, 33.00 inches, 33.75 inches, 35.75 inches, 36.25 inches, or 43.00 inches, with width tolerance of #1/8 inch, with a thickness tolerance of #0.0005 inch, with a maximum coil weight of 20,000 pounds (9071.0 kg), with a minimum coil weight of 18,000 pounds (8164.8 kg) with a coil inside diameter of 16 inches (40.64 cm) with a steel core, with a coil maximum outside diameter of 59.5 inches (151.13 cm), with a maximum of one weld (identified with a paper flag) per coil, with a surface free of scratches, holes, and rust.

—Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents in the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.7 mg/square foot of chromium applied as a cathodic dichromate treatment, with coil form having restricted oil film weights of 0.3–0.4 grams/base box of type DOS–A oil, coil inside diameter ranging from 15.5 to 17 inches, coil outside diameter of a maximum 64 inches, with a maximum coil weight of 25,000 pounds, and with temper/coating/dimension combinations of: (1) CAT4 temper, 1.00/.050 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 33.1875 inch ordered width; or (2) CAT5 temper, 1.00/0.50 pound/base box coating, 75 pound/base box (0.0082 inch) thickness, and 34.9375 inch or 34.1875 inch ordered width; or (3) CAT5 temper, 1.00/0.50 pound/base box coating, 107 pound/base box (0.0118 inch) thickness, and 30.5625 inch or 35.5625 inch ordered width; or (4) CADR8 temper, 1.00/0.50 pound/base box coating, 85 pound/base box (0.0093 inch) thickness, and 35.5625 inch ordered width; or (5) CADR8 temper, 1.00/0.25 pound/base box coating, 60 pound/base box (0.0066 inch) thickness, and 35.9375 inch ordered width; or (6) CADR8 temper, 1.00/0.25 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 32.9375 inch, 33.125 inch, or 35.1875 inch ordered width.

—Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents on the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.5 mg/square foot of chromium applied as a cathodic dichromate treatment, with ultra flat scroll cut sheet form, with CAT5 temper with 1.00/0.10 pound/base box coating, with a lithograph logo printed in a uniform pattern on the 0.10 pound coating side with a clear protective coat, with both sides waxed to a level of 15–20 mg/216 sq. in., with ordered dimension combinations of (1) 75 pound/base box (0.0082 inch) thickness and 34.9375 inch × 31.748 inch scroll cut dimensions; or (2) 75 pound/base box (0.0082 inch) thickness and 34.1875 inch × 29.076 inch scroll cut dimensions; or (3) 107 pound/base box (0.0118 inch) thickness and 30.5625 inch × 34.125 inch scroll cut dimension.

—Tin-free steel coated with a metallic chromium layer between 100–200 mg/m2 and a chromium oxide layer between 5–30 mg/m2; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.60% maximum manganese, 0.02% maximum phosphorous, and 0.02% maximum sulfur; magnetic flux density (‘‘Br’’) of 10 kg minimum and a coercive force (‘‘Hc’’) of 3.8 Oe minimum.

—Tin-free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: 1 mg/kg BADGE (BisPhenol—A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol—F Diglycidyl Ether), and 3 mg/kg BPA (BisPhenol—A).

APPENDIX E

RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, U.S. PURCHASERS, AND FOREIGN PRODUCERS CONCERNING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

All responses in appendix E contain information that would reveal confidential operations and therefore have been deleted from this report.