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Investigation

PUBLIC VERSION

Petitioners' Business Proprietary Information
Removed from Pages 4-5, 41-49, 55, and 59,
and Exhibits I-3, I-5, and I-22 – I-24.

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

**CERTAIN CORROSION-RESISTANT STEEL PRODUCTS FROM
AUSTRALIA, BRAZIL, CANADA, MEXICO, THE NETHERLANDS,
SOUTH AFRICA, TAIWAN, TURKEY, THE UNITED ARAB
EMIRATES, AND THE SOCIALIST REPUBLIC OF VIETNAM**

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

**VOLUME I
COMMON ISSUES AND INJURY**

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September 5, 2024

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

**PETITIONS FOR THE IMPOSITION
OF ANTIDUMPING AND COUNTERVAILING DUTIES AGAINST CERTAIN
CORROSION-RESISTANT STEEL PRODUCTS FROM AUSTRALIA, BRAZIL,
CANADA, MEXICO, THE NETHERLANDS, SOUTH AFRICA, TAIWAN, TURKEY,
THE UNITED ARAB EMIRATES, AND THE SOCIALIST REPUBLIC OF VIETNAM**

These petitions are presented on behalf of Steel Dynamics, Inc. (“SDI”), Nucor Corporation (“Nucor”), United States Steel Corporation (“U. S. Steel”), Wheeling-Nippon Steel, Inc. (“Wheeling-Nippon”), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (the “USW”) (collectively “Petitioners”).¹ Petitioners allege that certain corrosion-resistant steel products (“CORE”) imported from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the United Arab Emirates (the “UAE”), and the Socialist Republic of Vietnam (“Vietnam”) are being or are likely to be sold at less than fair value within the meaning of Section 731 of the Tariff Act of 1930, *as amended* (the “Act”), 19 U.S.C. § 1673. Petitioners also allege that CORE imported from Brazil, Canada, Mexico, and Vietnam is subsidized within the meaning of Section 701 of the Act, 19 U.S.C. § 1671. Further, Petitioners allege that these unfairly traded imports have materially injured the U.S. domestic industry producing CORE and

¹ U. S. Steel, Wheeling-Nippon, and the USW join in the petitions on CORE from Australia, Brazil, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam. U. S. Steel, Wheeling-Nippon, and the USW do not join in the antidumping and countervailing duty petitions on CORE from Canada. Nucor joins in the petitions on CORE from Australia, Brazil, Canada, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam. Nucor does not join in the petitions on CORE from Mexico.

threaten to cause further material injury if remedial action is not taken. These petitions contain information reasonably available to Petitioners in support of these allegations.

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

I. COMMON ISSUES

This section contains information required in AD and CVD petitions by 19 C.F.R. §§ 351.202(b)(1) to 351.202(b)(9) and 207.11.

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

Petitioners Nucor, SDI, U. S. Steel, and Wheeling-Nippon consist of domestic producers of CORE and are therefore domestic interested parties within the meaning of 19 U.S.C. § 1677(9)(C) and 19 C.F.R. § 351.102(b)(17). Petitioners also include the USW, a union representing 850,000 workers employed in metals, mining, pulp and paper, rubber, chemicals, glass, auto supply, and the energy-producing industries, along with a growing number of workers in health care, public sector, higher education, tech, and service occupations.² The USW represents workers at major facilities in the United States where CORE products are made, including facilities operated by Apollo Metals Ltd., Cleveland-Cliffs Inc., Double G Coatings

² See, e.g., News Release, USW Files Section 301 Petition on Shipbuilding (Mar. 12, 2023), attached at **Exhibit I-4**.

Co. LP, Gregory Industries Inc., NLMK Pennsylvania Corp., Steelscape, Thomas Steel Strip Corp., U. S. Steel, and Wheeling-Nippon. Thus, the USW is an interested party within the meaning of 19 U.S.C. § 1677(9)(D). Petitioners' contact information is provided in **Exhibit I-1**.

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

These petitions are filed on behalf of the United States industry that produces CORE. **Exhibit I-1** contains information relating to Petitioners and **Exhibit I-2** contains contact information for other domestic producers in the United States, to the extent reasonably available to Petitioners. According to the best information reasonably available to Petitioners, **Exhibit I-1** and **Exhibit I-2** identify all known producers of the subject merchandise in the United States.

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

According to Sections 702(c)(4)(A) and 732(c)(4)(A) of the Act, a petition is filed by or on behalf of the domestic industry if: (1) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition. As discussed below, Petitioners meet both of these requirements with respect to the petitions at issue here.

The volume of Petitioners' production of CORE in 2023 can be found at **Exhibit I-3**. Information regarding total production of the domestic industry for CORE is not reasonably available to Petitioners. However, shipments are a reasonable proxy for production because

shipments closely approximate production.³ Moreover, Commerce has accepted shipments as a proxy for production for purposes of calculating industry support in prior cases.⁴ Thus, Petitioners have used total shipments as a proxy for domestic production. In particular, Petitioners have estimated the volume of the domestic like product made by the entire U.S. domestic industry in **Exhibit I-3** using data from the American Iron and Steel Institute (“AISI”) regarding total shipments of hot-dipped galvanized and all other metallic coated sheets and strip as a proxy for production data.⁵ These data show that SDI, Nucor, U.S. Steel, and Wheeling-Nippon accounted for [] percent of domestic production in 2023. Notably, this is a conservative estimate of the portion of the domestic industry in support of the petitions, because it does not take into account the production at additional facilities where the USW is represented. The bottom line is that the petitions on Australia, Brazil, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam are supported by more than 50 percent of domestic production.

As mentioned, U. S. Steel, Wheeling-Nippon, and the USW do not join in the petitions on CORE from Canada and take no position on these petitions. Thus, **Exhibit I-3** provides separate

³ See Petitioners’ Confidential Data, attached at **Exhibit I-22**. In 2023, the domestic industry’s total production was [] NT, and its total shipments, including domestic shipments, internal transfers, and export shipments was [] NT – a difference of less than [] percent. See *id.*

⁴ See, e.g., *Certain Paper Plates From the People’s Republic of China, Thailand, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 89 Fed. Reg. 14046, 14048 (Dep’t Commerce Feb. 26, 2024) (“Because total industry production data for the domestic like product for 2023 are not reasonably available to the petitioner, and the petitioner has established that shipments are a reasonable proxy for production data, we have relied on the data provided by the petitioner for purposes of measuring industry support.”); *Mattresses from Bosnia and Herzegovina, Bulgaria, Burma, India, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan: Initiation of Less-Than-Fair-Value Investigations*, 88 Fed. Reg. 57433, 47438 (Dep’t Commerce Aug. 23, 2023) (same).

⁵ See AISI Data Regarding Domestic Industry’s Shipments, attached as **Exhibit I-5**. Because the AISI data regarding total shipments by the domestic industry already include both domestic shipments and export shipments, no adjustment is required to estimate export shipments and then add this to the total.

calculation of industry support for the petitions on CORE from Canada. This calculation shows that Nucor and SDI account for greater than 25 percent of total domestic production and 100 percent of production of the domestic like product expressing a position on the petitions. Moreover, as shown in **Exhibit I-3**, even if it is assumed conservatively that all domestic producers of CORE that are not Petitioners are opposed to the petitions on CORE from Canada, Nucor and SDI still account for [] of production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petitions. This calculation is also conservative because it does not take into account the production at additional facilities where the USW is represented.

As also noted above, Nucor does not join in the petitions on CORE from Mexico and takes no position on these petitions. Thus, **Exhibit I-3** provides a separate calculation of industry support for the petitions on CORE from Mexico. This calculation shows that SDI, U. S. Steel, and Wheeling-Nippon account for greater than 25 percent of total domestic production and 100 percent of production of the domestic like product expressing a position on the petitions. Moreover, as shown in **Exhibit I-3**, even if it is assumed conservatively that all domestic producers of CORE that are not Petitioners are opposed to the petitions on CORE from Mexico, SDI, U. S. Steel, and Wheeling-Nippon still account for [] of production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petitions. Again, this calculation is also conservative because it does not take into account the production at additional facilities where the USW is represented.

In sum, based on the information reasonably available, Petitioners represent the requisite levels of domestic production of CORE, therefore confirming that these petitions are filed on

behalf of the domestic industry, consistent with Sections 702(c)(4)(A) and 732(c)(4)(A) of the Act.

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

1. Import Relief Pursuant to Section 201 of the Trade Act of 1974

1984 Litigation. On January 24, 1984, a petition for safeguard relief pursuant to Section 201 of the Trade Act of 1974 (“Section 201”) was filed on behalf of the United Steelworkers of America, AFL-CIO/CLC, and Bethlehem Steel Corp.⁶ This case covered a broad range of steel products, including sheet products such as CORE.⁷ The Commission conducted an investigation to determine whether certain steel products, including CORE, were being imported into the United States in such increased quantities to be a substantial cause of serious injury, or threat thereof, to domestic industries producing articles like or directly competitive with the imported article. In July 1984, the Commission issued its determination. The Commission found that imports were a substantial cause of serious injury in the case of semi-finished steel, plates, sheets and strip (including CORE), wire and wire products, and structural shapes and units.⁸

On September 18, 1984, President Ronald Reagan decided not to impose safeguard relief pursuant to Section 201.⁹ Instead, he directed the United States Trade Representative to negotiate voluntary restraint agreements (“VRAs”) to cover a five-year period (*i.e.* October 1, 1984 through September 30, 1989) with countries whose exports to the United States had increased

⁶ *Carbon and Certain Alloy Steel Products*, 49 Fed. Reg. 5,838 (Int’l Trade Comm’n Feb. 15, 1984).

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

⁸ *Id.*

⁹ Memorandum on the Denial of Import Relief for the Steel Industry, 49 Fed. Reg. 36,813 (Sept. 20, 1984).

significantly.¹⁰ Although the precise structure of the arrangements varied from one country to another, each involved an agreement by the foreign government to limit exports of certain steel products to the United States.¹¹ VRAs were negotiated with 19 foreign governments and the European Community (including Italy).¹² In July 1989, the VRAs were extended for two and one-half years.¹³ They expired in March 1992.¹⁴

2001 Safeguard Case. On June 22, 2001, the Commission instituted another safeguard investigation under Section 201, following receipt of a request from the United States Trade Representative,¹⁵ to determine whether imports of certain steel products, including CORE, were a substantial cause of serious injury, or threat thereof, to domestic industries. On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate (the “Finance Committee”) requesting that the Commission investigate certain steel imports under Section 201. The Commission consolidated the investigation requested by the Finance Committee with the Commission’s previously instituted investigation.¹⁶

¹⁰ *Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, and 347-353 (Final) and Inv. Nos. 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 (Aug. 1993) at 1-12 (“USITC Pub. 2664, 1993 Determinations”).

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974*, 66 Fed. Reg. 35267 (Int’l Trade Comm’n July 3, 2001).

¹⁶ Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001, 66 Fed. Reg. 44158 (Int’l Trade Comm’n Aug. 22, 2001).

On December 20, 2001, the Commission issued its determination and remedy recommendations. The Commission reached an affirmative determination with respect to certain flat-rolled steel (a product category that included CORE).¹⁷

On March 5, 2002, President George W. Bush announced safeguard measures to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products.¹⁸ The safeguard measures covered several product categories – including flat-rolled steel – for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, which were originally intended to last for a period of three years and one day.¹⁹ As announced by President Bush, import relief relating to CORE would consist of an additional tariff of 30 percent *ad valorem* on imports in the first year, 24 percent in the second year, and 18 percent in the third year.²⁰ On December 4, 2003, however, the President terminated the increased tariffs under the safeguard measure.²¹

¹⁷ *Steel*, USITC Pub. 3479, Inv. No. TA-201-73 (Dec. 2001), Vol. I at 45.

¹⁸ *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products*, 67 Fed. Reg. 10553 (Mar. 7, 2002).

¹⁹ *Id.*

²⁰ *Id.* The safeguard measures announced by President Bush applied to imports of subject steel products from all countries except Canada, Israel, Jordan, Mexico, and most developing countries that were members of the World Trade Organization. The President's initial proclamation excluded numerous specific products from the measures, and that proclamation was followed by subsequent additional exclusions.

²¹ *Presidential Proclamation 7741 of December 4, 2003, to Provide for the Termination of Action Taken with Regard to Imports of Certain Steel Products*, 68 Fed. Reg. 68483 (Dec. 8, 2003).

2. AD/CVD Remedies

The 1993 Orders. On June 30, 1992, domestic producers sought AD and CVD relief from unfairly-traded imports of CORE from a number of countries, including Australia, Brazil, Canada, and Mexico. Commerce subsequently found that CORE from these four countries was being dumped into the U.S. market at margins of 24.96 percent, 43.00 percent, 10.89 to 28.27 percent, and 5.71 percent, respectively.²² Commerce also found that CORE from Brazil was being subsidized at a rate of 30.39 percent, and from Mexico at rates from 5.71 to 31.64 percent.²³ Moreover, the Commission determined that an industry in the United States was materially injured by reason of imports of CORE from Australia, Canada, France, Germany, Japan, and South Korea.²⁴ On August 19, 1993, Commerce issued AD orders with respect to CORE from Australia and Canada.²⁵

On November 20, 2000, the Commission issued its determinations in five-year reviews of the 1993 CORE orders. The Commission found that revocation of the orders at issue, including

²² USITC Pub. 2664, 1993 Determinations at Appendix E; *Final Determination of Sales at Less Than Fair Value: Certain Corrosion-Resistant Carbon Steel Flat Products from Australia*, 58 Fed. Reg. 37079 (July 9, 1993); *Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from Brazil*, 58 Fed. Reg. 37091 (July 9, 1993).

²³ *Id.*

²⁴ *Id.*

²⁵ *Antidumping Duty Order: Certain Corrosion-Resistant Carbon Steel Flat Products from Australia*, 58 Fed. Reg. 44161 (Dep't Commerce Aug. 19, 1993); *Antidumping Duty Orders: Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada*, 58 Fed. Reg. 44162 (Dep't Commerce Aug. 19, 1993).

the AD orders on CORE from Australia and Canada, would likely lead to the continuation or recurrence of material injury to the domestic industry.²⁶

In December 2006, the Commission issued its determinations in the second five-year reviews of these orders. By a vote of four to two, the Commission found that revocation of the orders on imports from Australia, Canada, France, and Japan would not likely lead to the continuation or recurrence of material injury to the domestic industry.²⁷ However, the Commission unanimously agreed that the orders on South Korea and Germany should remain in place.²⁸

In February 2013, the Commission issued its determinations in the third five-year reviews of these orders. The Commission found that revocation of the orders on South Korea and Germany would not likely lead to the continuation or recurrence of material injury to the domestic industry.²⁹ As a result of these determinations, the AD and CVD orders on CORE from these countries were revoked.

²⁶ *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom*, Inv. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review), USTIC Pub. 3364 (Nov. 2000) (“USTIC Pub. 3364, 2000 Reviews”).

²⁷ *Certain Carbon Steel Products from Australia, Belgium Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-127 (Second Review), 701-TA-319, 320, 325-327,348, and 350 (Second Review), and 731-TA-573, 574, 576, 578, 582-587,612, and 614-618 (Second Review), USITC Pub. 3899 (Jan. 2007) (“USITC Pub. 3899, 2007 Reviews”).

²⁸ *Id.*

²⁹ *Corrosion-Resistant Carbon Steel Flat Products from Germany and Korea*, Inv. Nos. 701-TA-350 (Third Review), 731-TA-616 and 618 (Third Review), USITC Pub. 4388 (March 2013) (“USITC Pub. 4388, 2013 Reviews”).

The 2016 Orders. On June 3, 2015, domestic producers sought AD and CVD relief from unfairly-traded imports of CORE from China, India, Italy, South Korea, and Taiwan.³⁰ Commerce found that CORE from China, India, Italy, South Korea, and Taiwan was being dumped into the U.S. market.³¹ Commerce also found that CORE from China, India, Italy, and South Korea received countervailable subsidies.³² With respect to Taiwan, Commerce calculated a dumping margin of 10.34 percent for Prosperity Tieh Enterprise Co., Ltd. (“Prosperity”), Yieh Phui Enterprise Co., Ltd. (“Yieh Phui”), and Synn Industrial Co., Ltd. (“Synn”).³³ The Commission subsequently determined that an industry in the United States was materially injured by reason of imports of CORE from China, India, Italy, South Korea, and Taiwan.³⁴ Commerce issued its AD and CVD orders regarding these five countries on July 25, 2016.³⁵

In August 2022, the Commission issued its determinations in five-year reviews of those orders. The Commission found that revocation of the orders at issue would likely lead to the continuation or recurrence of material injury to the domestic industry.³⁶

³⁰ *Certain Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan*, Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278 (Final), USTIC Pub. 4620 (July 2016) (“USTIC Pub. 4620, 2016 CORE Determination”) at 3.

³¹ *Id.* at I-14.

³² *Id.* at I-13.

³³ *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 Fed. Reg. 48390 (Dep’t Commerce July 25, 2016)

³⁴ USTIC Pub. 4620, 2016 CORE Determination.

³⁵ *Certain Corrosion-Resistant Steel Products From India, Italy, the People’s Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 Fed. Reg. 48,390 (Dep’t Commerce July 25 2016); *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People’s Republic of China: Countervailing Duty Order*, 81 Fed. Reg. 48,387 (Dep’t Commerce July 25, 2016) (“2016 Orders”).

³⁶ *Certain Corrosion-Resistant Steel Products from China, India, Italy, South Korea, and Taiwan*, Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278 (Review), USITC Pub. 5337 (Aug. 2022) (“USITC Pub. 5337, 2022 Reviews”).

In its original antidumping investigation of CORE from Taiwan, Commerce preliminarily determined to collapse Yieh Phui and Synn into a single entity (the “Yieh Phui/Synn entity”) for the purpose of calculating the companies’ dumping margin, and in its final determination, Commerce further collapsed Prosperity with the Yieh Phui/Synn entity.³⁷ The companies challenged Commerce’s collapsing determination at the U.S. Court of International Trade (“CIT”).³⁸ The ensuing litigation ultimately resulted in Commerce reversing its determination to collapse Prosperity with the Yieh Phui/Synn entity, calculating an amended final dumping margin of 11.04 percent for Prosperity and a *de minimis* margin of 1.20 percent for the Yieh Phui/Synn entity. As a result, Yieh Phui and Synn were excluded from the AD order on CORE from Taiwan.³⁹

³⁷ *Corrosion-Resistant Steel Products From Taiwan: Notice of Third Amended Final Determination of Sales at Less Than Fair Value Pursuant to Court Decision and Partial Exclusion From Antidumping Duty Order*, 88 Fed. Reg. 58,245 (Aug. 25, 2023).

³⁸ *Id.*

³⁹ *Id.* The CIT remanded Commerce’s original decision with instructions to reconsider the agency’s collapsing of the three companies into a single entity. *Id.* (citing *Prosperity Tieh Enter. Co. v. United States*, 284 F. Supp. 3d 1364, 1382 (CIT 2018)). Commerce continued to collapse Prosperity, Yieh Phui, and Synn in its first remand redetermination, and the CIT upheld this decision. *Id.* (citing *Prosperity Tieh Enter. Co. v. United States*, 358 F. Supp. 3d 1363, 1370 (CIT 2018)). The Taiwanese respondents then appealed to the U.S. Court of Appeals for the Federal Circuit, which vacated the CIT’s judgment on the collapsing issue by concluding that Commerce acted contrary to law when it collapsed Prosperity, Yieh Phui, and Synn without considering certain factors. *Id.* (citing *Prosperity Tieh Enter. Co. v. United States*, 965 F.3d 1320, 1326 (Fed. Cir. 2020)). On February 14, 2022, Commerce issued a second remand redetermination in which it reversed its determination to collapse Prosperity with the Yieh Phui/Synn entity. *Id.* This resulted in Commerce calculating an amended final dumping margin of 11.04 percent for Prosperity and a *de minimis* margin of 1.20 percent for the Yieh Phui/Synn entity. *Id.* On June 23, 2023, the CIT issued a final judgment sustaining Commerce’s second remand redetermination concerning the AD investigation of CORE from Taiwan. *Id.* (citing *Prosperity Tieh Enterprise Co., Ltd. and Yieh Phui Enterprise Co., Ltd. v. United States*, Consolidated Court No. 16–00138, Slip Op. 23–95 (CIT 2023)). As a result of the amended final determination in which Commerce had calculated a *de minimis* margin for the Yieh Phui/Synn entity, Commerce published a notice on August 25, 2023 that it was excluding the Yieh Phui/Synn entity from the AD order on CORE from Taiwan. *Id.* No party has appealed this decision. Thus, Yieh Phui and Synn remain excluded from the AD order.

3. Other Forms of Import Relief

Section 232. On March 8, 2018, President Donald Trump exercised his authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on certain steel imports that were found to threaten to impair U.S. national security.⁴⁰ These tariffs cover a wide range of carbon and alloy flat-rolled steel products, including CORE.⁴¹ Subsequent to the imposition of the Section 232 tariffs, certain countries received exemptions from the tariffs. Brazil became exempt from the tariffs in exchange for quotas on U.S. imports from Brazil (253,468 net tons (“NT”) per year for CORE).⁴² Canada and Mexico also became exempt after they agreed that the United States could reimpose Section 232 tariffs if imports from these countries exceeded certain volumes.⁴³ In addition to the country exemptions, Commerce has granted numerous requests for the exclusion of substantial volumes of CORE products from the payment of tariffs under the Section 232 program.⁴⁴

Section 301. Imports of CORE from China under all relevant subheadings of the Harmonized Tariff Schedule of the United States (“HTSUS”), except HTSUS subheading 7215.90.30, are subject to additional tariffs under Section 301 of the Trade Act of 1974. Section 301 authorizes the Office of the United States Trade Representative (“USTR”), at the direction

⁴⁰ *Presidential Proclamation 9705 of March 8, 2018, Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 11,625 (Mar. 15, 2018).

⁴¹ *Id.*

⁴² *Presidential Proclamation 9759 of May 31, 2018, Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 25,857 (June 5, 2018). *See also* CBP Quota Bulletin No. QB 22-601 2022 (Dec. 23, 2021) (providing a full list of product groups as well as their specified quotas).

⁴³ *Presidential Proclamation 9759 of May 31, 2018, Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 25,857 (June 5, 2018)

⁴⁴ *See, e.g.*, USITC Pub. 5337, 2022 Reviews at I-40 – I-41 (stating that Commerce had granted 984 exclusions from Section 232 tariffs for CORE products between January 2019 to March 2022).

of the President, to take appropriate action to respond to a foreign country's unfair trade practices.⁴⁵ Following an investigation into China's acts, policies, and practices related to technology transfer, intellectual property, and innovation, USTR published a determination on April 6, 2018 that these acts, policies, and practices are unreasonable or discriminatory and burden or restrict U.S. commerce.⁴⁶ Since September 1, 2019, imports of CORE from China have been subject to Section 301 tariffs as a result of this determination, with tariff rates set at 7.5 percent as of February 14, 2020.⁴⁷ On May 24, 2024, President Biden proposed that the tariff rate on certain steel products under Section 301 be increased to 25%.⁴⁸ This proposal included imports under HTSUS codes for CORE products.⁴⁹ Although USTR had proposed that the

⁴⁵ 19 U.S.C. § 2411.

⁴⁶ *Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 14906 (U.S.R.R. Apr. 6, 2018).

⁴⁷ Effective September 1, 2019, HTSUS subheadings 7210.30.00, 7210.41.00, 7210.49.00, 7210.61.00, 7210.69.00, 7210.70.60, 7210.90.90, 7212.20.00, 7212.30.10, 7212.30.30, 7212.40.10, 7212.40.50, 7212.50.00, 7212.60.00, 7215.90.10, 7215.90.50, 7210.49.00, 7210.90.10, 7210.90.60, 7212.30.50, 7217.20.15, 7217.30.15, 7217.90.10, 7217.90.50, 7225.91.00, 7225.92.00, 7225.99.00, 7226.99.01, 7228.60.60, 7228.60.80, and 7229.90.10 were included in USTR's "List 4A" and HTSUS subheading 7215.90.30 was included in USTR's "List 4B" of products that became subject to an initial 10 percent additional tariff (84 FR 43304, August 20, 2019). That tariff was subsequently raised to 15 percent ad valorem, with the same effective date of September 1, 2019 (84 FR 45821, August 30, 2019). USTR suspended additional duties on products covered by List 4B, effective December 18, 2019 (84 FR 69447, December 18, 2019). Subsequently, USTR reduced the additional duties on products in List 4A from 15 percent to 7.5 percent ad valorem, effective February 14, 2020 (85 FR 3741, January 22, 2020).

⁴⁸ *See Request for Comments on Proposed Modifications and Machinery Exclusion Process in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 89 Fed. Reg. 46252 (USTR May 28, 2024).

⁴⁹ *Id.*

increases be effective August 1, 2024, after accepting comments from the public through June 28, 2024, USTR has not yet taken any further action regarding the proposal.⁵⁰

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

1. Scope of Investigations

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

For purposes of these investigations, the products covered are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (e.g., in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (e.g., in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (e.g., in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been “worked after rolling” (e.g., products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above:

(1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

⁵⁰ *Id.*

Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less, by weight.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (“terne plate”) or both chromium and chromium oxides (“tin free steel”), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness;
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 mm in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio; and

Also excluded from the scope of the antidumping duty investigation on corrosion-resistant steel from Taiwan are any products covered by the existing antidumping duty order on corrosion-resistant steel from Taiwan. *See Certain Corrosion-Resistant Steel Products From India, Italy, the People’s Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 Fed. Reg. 48,390 (Dep’t Commerce July 25, 2016).

A copy of proposed scope language, including the applicable HTSUS codes, is attached at **Exhibit I-7**. The proposed scope is largely the same as the scope of the earlier AD and CVD orders on CORE from China, India, Italy, South Korea, and Taiwan that were

issued in 2016.⁵¹ The scope of the earlier orders included certain carbon CORE products, certain high-strength low-alloy steels, and certain CORE products that would be considered alloy steel products based on their boron and titanium content.⁵² The only material change that has been made to the proposed scope for these petitions is to include additional alloy products in the proposed scope.

2. Technical Characteristics and Uses

CORE is steel sheet that has been coated or plated with a corrosion- or heat-resistant metal to prevent corrosion and thereby extend the service life of products made from the steel.⁵³ Corrosion-resistant steel includes primarily steel coated with zinc (galvanized), zinc-iron alloy (galvannealed), aluminum, or any of several zinc-aluminum alloys.⁵⁴ CORE may also be coated with other corrosion-resistant metals, including but not limited to nickel and copper, as well as clad with aluminum.⁵⁵ CORE is used in the manufacture of automobiles and trucks, appliances, industrial equipment, and agricultural equipment. The use of CORE has been a key factor in extending the service life of automobiles.⁵⁶ CORE is also widely used in construction

⁵¹ USITC Pub. 5337, 2022 Reviews at 6-8.

⁵² *See* 2016 Orders (stating that “{u}nless specifically excluded, products are included in this scope regardless of levels of boron and titanium” and that “specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels”).

⁵³ USITC Pub. 5337, 2022 Reviews at I-44.

⁵⁴ *Id.* Steel coated with zinc is known as “galvanized” steel, while steel coated with aluminum is “aluminized.” *Id.* at n.42. Other significant types of corrosion-resistant steel include Galvalume™ (steel coated with an alloy of 55 percent aluminum and 45 percent zinc), which can also be called Aluzinc, and Galfan™ (steel coated with 95 percent zinc, almost 5 percent aluminum, and the remainder rare earth mischmetal (an alloy of rare earth metals)). *Id.*

⁵⁵ *Id.*

⁵⁶ USITC Pub. 3899, 2007 Reviews at CORE-I-15.

applications such as roofing, siding, hardware, roof and bridge deck, guard rails, culverts, and the like.⁵⁷

Galvannealed steel is zinc-coated steel whose coating has been heated to allow the zinc to form an alloy with the base steel.⁵⁸ Galvannealed steel is considered to be more suitable for painting than galvanized steel – however, the coating is more prone to flaking when fabrication involves extensive cold forming.⁵⁹ Aluminized steel and aluminum-zinc alloy coated steel are considered to resist corrosion at higher temperatures than galvanized steel.⁶⁰

3. Production Methodology

There are two widely used processes for making CORE: the hot-dip process, in which steel sheet⁶¹ passes through a bath of molten zinc or aluminum, and the electrolytic process, in which steel sheet passes through a series of electrolytic cells that plate zinc or other metals onto the surface of the steel.⁶² Most galvanized steel in the United States is made using the hot-dip process.⁶³ These petitions cover galvanized steel regardless of the production process.

⁵⁷ *Id.*

⁵⁸ *Id.* at CORE-I-16.

⁵⁹ *Id.*

⁶⁰ *Id.* Galvalume™ is a trademarked aluminum-zinc alloy coated steel.

⁶¹ The starting material for most corrosion-resistant steel is cold-rolled steel. USITC Pub. 4388, 2013 Reviews at 1-29. The raw material input for cold-rolled steel is hot-rolled steel. *Id.* at n. 46. Hot-rolled steel is cleaned, or “pickled,” in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot-rolling. *Id.* The pickled steel is then processed through a cold-rolling mill, which is typically a continuous (or tandem) mill having four to six roll stands and which reduces the thickness of the hot-rolled material by 30 to 90 percent. *Id.* The cold-rolling process hardens steel so that it usually must be heated in an annealing furnace to make it more formable. *Id.*

⁶² USITC Pub. 4388, 2013 Reviews at I-29; USITC Pub. 5337, 2022 Reviews at I-48.

⁶³ USITC Pub. 5337, 2022 Reviews at I-48.

The Hot-Dip Process. Most hot-dip processing lines have in-line annealing, which means that steel can be processed directly after cold-rolling.⁶⁴ The process begins by placing coils of full hard cold-rolled steel on two entry reels.⁶⁵ The lead end of each coil is cropped to remove any off-gauge or damaged steel and is welded to the tail end of the previous coil.⁶⁶ As the coil unwinds, it runs through a vertical accumulator, which stores a reserve supply of steel strip that can be fed into the processing line during the pause in the coil feeding process when the end of one coil is being welded to the beginning of the next coil.⁶⁷

The coils are cleaned in hot alkali using scrub brushes, which is followed by rinsing and hot air drying.⁶⁸ This cleaning process removes residual rolling oils and iron fines from the surface, thus improving coating adhesion and paintability, and optimizing appearance.⁶⁹ Some hot-dip lines use direct flame cleaning – in which the strip is heated, thus volatilizing the organic surface contaminants.⁷⁰ Direct flame cleaning may be used alone or in combination with liquid cleaning.⁷¹

After cleaning, the steel goes through an annealing furnace.⁷² Modern hot-dip galvanizing lines use vertical, radiant tube annealing furnaces with a number of independently monitored

⁶⁴ USITC Pub. 3899, 2007 Reviews at CORE-I-16.

⁶⁵ USITC Pub. 4388, 2013 Reviews at I-29.

⁶⁶ *Id.*

⁶⁷ *Id.* at I-29 and n.46.

⁶⁸ USITC Pub. 4388, 2013 Reviews at I-29.

⁶⁹ *Id.* The cleaning also removes loose iron-bearing debris from the surface that could get carried through to the zinc bath and form pot dross or surface dross on the steel. *Id.*

⁷⁰ *Id.*

⁷¹ USITC Pub. 5337, 2022 Reviews at I-49.

⁷² *Id.*

combustion zones for precise and uniform temperature control.⁷³ After annealing, the strip is cooled to a temperature more compatible with the upcoming zinc bath.⁷⁴

The steel then moves through a pot of molten metal (zinc, aluminum, or zinc-aluminum alloy).⁷⁵ After the steel emerges from the molten metal, gas jets blow excess metal from the surface, thus controlling the amount remaining on the surface (also known as the coating weight).⁷⁶

Several processes can be performed after galvanizing. For example, in-line temper-rolling imparts a carefully controlled surface finish, mechanical property control, and good flatness.⁷⁷ The strip may also pass through a tension leveler, located immediately after the temper mill, to provide superior flatness.⁷⁸ Next, the steel is treated with a chemical solution to protect the coating.⁷⁹ The strip then passes through an inspection station – some lines have automatic inspection to help human inspectors assess surface quality. Finally, a light film of rust preventative oil is applied, and the strip is recoiled on a mandrel to produce coils to the customer's ordered weight.

The Electrolytic Process. The electrolytic process of making CORE (also referred to as electrogalvanizing) shares some of the same basic production steps used in the hot-dip process – it begins with steel coils, and the coils are fed into the production process and cleaned in much

⁷³ USITC Pub. 4388, 2013 Reviews at I-29. Annealing temperatures vary from 1330 to 1550 degrees Fahrenheit. *Id.*

⁷⁴ *Id.* Most zinc baths maintain a zinc temperature of between 865 and 870 degrees Fahrenheit. *Id.*

⁷⁵ USITC Pub. 3899, 2007 Reviews at CORE-I-16.

⁷⁶ *Id.*

⁷⁷ USITC Pub. 4388, 2013 Reviews at I-31.

⁷⁸ *Id.*

⁷⁹ *Id.*

the same manner before they are coated.⁸⁰ However, instead of using a bath of molten metal to coat the coils, the coils pass through a series of electrolytic plating cells.⁸¹ Each cell contains a chemical solution and a source of the metal used to coat the steel strip.⁸² The coating metal acts as an anode, while the steel strip acts as a cathode.⁸³ As the steel strip passes through each cell, the coating is deposited on the strip.⁸⁴ The electrolytic process works in an incremental manner – passage through each plating cell deposits a small amount of coating.⁸⁵

4. Tariff Classification

U.S. Customs and Border Protection (“CBP”) may classify CORE under a number of codes in the HTSUS. These HTSUS codes include, but are not limited to, the following:

7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0040, 7210.49.0045, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

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

Accordingly, in estimating import quantities throughout this volume, Petitioners have limited themselves to data related to the following codes: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0040, 7210.49.0045, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7225.91.0000, 7225.92.0000, 7226.99.0110, 7226.99.0130.

Excerpts from the current HTSUS are attached as **Exhibit I-8**.⁸⁶ The most-favored nation duty rate for imports under these HTSUS numbers is free. The tariff numbers are provided for the convenience of the U.S. government and do not define the scope of the petitions.

F. The Domestic Like Product Proposed by Petitioners (19 C.F.R. § 207.11(b)(2)(i))

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the domestic like product.⁸⁷ The “domestic like product” is defined as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation”⁸⁸ In an investigation, the like product determination is a factual one made on a case-by-case basis.⁸⁹ The Commission generally considers the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4)

⁸⁶ Chapter 72 of Harmonized Tariff Schedule of the United States Revision 1 (2024), attached as **Exhibit I-8**.

⁸⁷ *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 382 (Ct. Int’l Trade 1998) (“*NEC*”).

⁸⁸ 19 U.S.C. § 1677(10).

⁸⁹ *See, e.g., NEC*, 36 F. Supp. 2d at 383.

customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price.⁹⁰

The merchandise that is the subject of these petitions is CORE. The scope in these petitions is the same as the scope used in the 2016 Orders involving CORE from China, India, Italy, Korea, and Taiwan, modified only to include additional alloy products within the scope. In its final determination leading to the 2016 Orders, the Commission determined that there was a single like product, co-extensive with the scope.⁹¹ In its last sunset review on CORE from these countries in August 2022, the Commission continued to define one domestic like product that included all CORE, co-extensive with the scope.⁹²

As mentioned, the proposed scope of these investigations covers both carbon and alloy CORE products. Since the 2016 Orders were issued, alloy CORE products are increasingly being used in applications that would previously be served by carbon products. For example, following the issuance of the 2016 Orders, Korea began exporting CORE products that exceed the 2.50 percent manganese limitation in the scope of those orders but that serve the same customers, markets, and applications as carbon CORE products.⁹³ Commerce ruled that these CORE products were not covered by the plain language of the scope of the 2016 Orders because they qualify as alloy products as a result of their elevated manganese levels.⁹⁴ Thus, the proposed

⁹⁰ *Cleo, Inc. v. United States*, 501 F.3d 1291, 1295 (Fed. Cir. 2007).

⁹¹ USTIC Pub. 4620, 2016 CORE Determination at 8.

⁹² USITC Pub. 5337, 2022 Reviews at 5-9.

⁹³ Commerce Memorandum re: Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Scope Ruling on Certain Corrosion-Resistant Steel Products that Exceed 2.50% Manganese, by Weight (Nov. 4, 2019).

⁹⁴ *Id.*

scope unambiguously includes certain CORE products that exceed the alloy requirements of the 2016 Orders and that Commerce ruled were not covered by the orders.⁹⁵

The Commission has previously modified its finding on what constitutes the domestic like product in cases on the same types of products based on changes in the scope.⁹⁶ This is because each case is *sui generis*, and “each finding as to like product must be based on the particular record at issue.”⁹⁷ For example, in the 2016 investigations on carbon and alloy cut-to-length plate from twelve countries, the Commission noted that in earlier cases it had limited the domestic like product to carbon cut-to-length plate as the scope was also limited to carbon cut-to-length plate.⁹⁸ In the more recent 2016 investigations, where both alloy and carbon cut-to-length plate were included in the scope, the Commission determined there was a single domestic like product co-extensive with the scope based on the record evidence.⁹⁹ Similarly, in earlier investigations involving carbon steel threaded rod, the Commission had defined the domestic like product as carbon steel threaded rod, co-extensive with the scope, as proposed by the petitioners in those cases.¹⁰⁰ In the most recent 2019 investigations of carbon and alloy steel

⁹⁵ *Id.*

⁹⁶ *See, e.g., Low Enriched Uranium from France, Germany, the Netherlands, and the United Kingdom*, Inv. Nos. 731-TA-409-412 (Preliminary) and 731-TA-909-912 (Preliminary), USITC Pub. No. 3388 (Jan. 2001) at 5 – 6.

⁹⁷ *Asociacion Colombiana de Exportadores v. United States*, 693 F. Supp. 1165, 1169 (Ct. Int’l Trade 1988).

⁹⁸ *Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey*, Inv. Nos. 701-TA-559-562 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 (May 2016) at 14 n.45.

⁹⁹ *Id.* at 14 – 15.

¹⁰⁰ *Certain Steel Threaded Rod from China*, Inv. No. 731-TA-1145 (Final), USITC Pub. 4070 (Apr. 2009) at 5-6; *Certain Steel Threaded Rod from Thailand*, Inv. No. 731-TA-1214 (Final), USITC Pub. 4462 (May 2014) at 6-7.

threaded rod, however, the Commission found that the domestic like product covered both carbon and alloy steel threaded rod as set forth in the scope of the investigations proposed by the petitioners.¹⁰¹ As explained in more detail below, the Commission should similarly find a single domestic like product consisting of all carbon and alloy CORE products, co-extensive with the scope in these investigations.

Physical Characteristics and Uses. As the Commission found in its prior investigations on CORE from China, India, Italy, Korea, and Taiwan, all CORE, regardless of manufacturing process, shares basic physical characteristics.¹⁰² All types of CORE generally consist of cold-rolled steel sheet that has been coated and fall within the same range of thicknesses and widths.¹⁰³ The primary difference between the different types of CORE is the type of metal used in the coating.¹⁰⁴ For example, CORE may be coated with zinc, nickel, copper, or an aluminum-zinc alloy (*i.e.*, Galvalume™).¹⁰⁵ The Commission found no clear dividing lines in terms of the physical characteristics between these different types of CORE.¹⁰⁶

Manufacturing Facilities, Production Processes, and Employees. The various types of CORE are made using the same technology, processes, and equipment.¹⁰⁷ Indeed, they are made in the same facilities using the same workforce.¹⁰⁸

¹⁰¹ *Carbon and Alloy Steel Threaded Rod from Thailand*, Inv No. 731-TA-1444 (Final), USITC Pub. 4998 (Dec. 2019) at 5-9.

¹⁰² *Certain Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan*, Inv. Nos. 701-TA-534-538 and 731-TA-1274-1278, USITC Pub. 4547 (Preliminary) (July 2015) (“2015 Preliminary Determination”) at 10.

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

Channels of Distribution. The various types of CORE are all sold through the same channels of distribution to the same types of end users.¹⁰⁹ In particular, CORE is sold to the automotive and construction industries, as well as to stampers/fabricators, other distributors, and steel service centers.¹¹⁰

Interchangeability. The Commission has recognized that “{d}ifferent types of CORE products serve a range of applications where the specific items may not be directly interchangeable.”¹¹¹ Even specialty CORE products “generally share many common characteristics with {other} CORE products, including a (cold-rolled) steel substrate, hot dip or electrolytic plating process, metal or alloy plating material, and corrosion-resistance.”¹¹²

Producer and Customer Perceptions. All CORE products are used to resist corrosion in numerous automotive and consumer applications.¹¹³ Producers and customers perceive that the intended purpose for all of these CORE products is to prevent corrosion.¹¹⁴

Price. CORE is sold in a large price range, influenced greatly by the quality of the underlying substrate, the type of coating, and the thickness of the coating.¹¹⁵ However, the price of specialty products such as diffusion-annealed nickel-plated CORE or copper-plated CORE is comparable to other thin gauge, high quality CORE products, including products with zinc or other coating metals.¹¹⁶

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.* at 11.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

In sum, and consistent with past cases,¹¹⁷ there is no clear dividing line between the full range of CORE products. Thus, all types of CORE comprise a single domestic like product.

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

CORE covered by these petitions is manufactured in and exported to the United States from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam. Petitioners do not have any evidence at this time indicating that the subject merchandise covered by these petitions is produced in a country other than the country from which it is exported.

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

The names and addresses of the entities believed by Petitioners to be producing and exporting CORE subject to these petitions are provided in **Exhibit I-9** to **Exhibit I-18**. With the exception of the Taiwanese producers Yieh Phui and Synn, information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in these exhibits.¹¹⁸ Nevertheless, such information suggests that the companies listed in **Exhibit I-9** to **Exhibit I-18** account for the vast majority of subject exports.

¹¹⁷ *Id.* See also USTIC Pub. 4620, 2016 CORE Determination at 8 (unchanged).

¹¹⁸ As discussed below in Section II.C regarding negligibility, Petitioners estimate the proportion of total exports of CORE from Taiwan accounted for by Yieh Phui and Synn based on the companies' participation in the 2021-2022 administrative review on the existing 2016 AD order on CORE.

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

Volumes II through X of these petitions contain the necessary information concerning the calculation of the export price of the subject merchandise and the normal value of the foreign like product for the subject countries that are market economy countries.

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

Vietnam is the only nonmarket economy country covered by these investigations. Volume XI of these petitions contains the information necessary to substantiate less than fair value allegations and factual information relevant to Vietnam.

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

Volumes XII through XV of these petitions contain CVD petitions on imports of CORE from Brazil, Canada, Mexico, and Vietnam. The names and addresses of the entities believed by Petitioners to be benefitting from a countervailable subsidy and who have exported CORE to the United States are provided in **Exhibit I-10, Exhibit I-11, Exhibit I-12, and Exhibit I-18**. Information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in these exhibits. Such information suggests, however, that the companies listed in **Exhibit I-10, Exhibit I-11, Exhibit I-12, and Exhibit I-18** account for the vast majority of relevant exports.

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

Volumes XII through XV of these petitions contain allegations of countervailable subsidies as well as factual information relevant to the alleged countervailable subsidies, the laws, regulations, and decrees under which the subsidies were bestowed, the manner in which the subsidies were paid, and Petitioners' estimation – to the extent practicable – of the value of the subsidies provided to subject producers and exporters of CORE subject to these petitions.

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

Imports of CORE from the subject countries have been substantial over the most recent two-year period. Petitioners estimate that by volume, subject imports were 3,177,703 NT in 2022 and 2,488,969 NT in 2023.¹¹⁹ Petitioners estimate that the landed value of subject imports was \$4,407,950,632 in 2022 and \$2,881,511,582 in 2023.¹²⁰

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

Contact information for importers of CORE from the subject countries known to Petitioners at this time is listed in **Exhibit I-20**. There may be a number of importers of CORE from the subject countries that are unknown to Petitioners at this time. Petitioners respectfully request that Commerce obtain this information from CBP, as Petitioners do not have access to this information.

¹¹⁹ See U.S. Import Data for CORE, attached as **Exhibit I-19**.

¹²⁰ *Id.*

O. Identification of Pricing Products (19 C.F.R. § 207.11(b)(2)(iv))

Petitioners request that the Commission collect pricing data on U.S. shipments for the following pricing products:

Product 1 – Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (*e.g.*, Galvalume), bare, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness, *not* sold by contract;

Product 2 – Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (*e.g.*, Galvalume), pre-painted, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness, *not* sold by contract;

Product 3 – Hot-dipped galvanized steel sheet, unpainted, commercial steel type, B, G-30 to G-60 coating weight, 24 inches to 60 inches in width, 0.012 inches to 0.018 inches in thickness, *not* sold by contract;

Product 4 – Hot-dipped galvanized steel sheet, unpainted, structural steel quality, G-60 to G-90 coating weight, 24 inches to 60 inches in width, 0.024 inches to 0.06 inches in thickness, *not* sold by contract;

Product 5 – Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (*e.g.*, Galvalume), bare, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness, sold by contract;

Product 6 – Hot-dipped 55 percent aluminum-zinc alloy-coated steel sheet (*e.g.*, Galvalume), pre-painted, structural steel quality, AZ50 to AZ55 coating, 24 inches to 60 inches in width, 0.014 inches to 0.018 inches in thickness, sold by contract;

Product 7 – Hot-dipped galvanized steel sheet, unpainted, commercial steel type, B, G-30 to G-60 coating weight, 24 inches to 60 inches in width, 0.012 inches to 0.018 inches in thickness, sold by contract; and

Product 8 – Hot-dipped galvanized steel sheet, unpainted, structural steel quality, G-60 to G-90 coating weight, 24 inches to 60 inches in width, 0.024 inches to 0.06 inches in thickness, sold by contract.

These are the same eight pricing products that the Commission used in the investigations on CORE from China, India, Italy, South Korea, and Taiwan that were completed in 2016 as well as

in the five-year reviews of the AD and CVD orders on CORE from these countries that were completed in 2022.¹²¹

P. Lost Sales and Revenue (19 C.F.R. § 207.11(b)(2)(v))

Petitioners are submitting, separately, Lost Sales and Lost Revenue Allegations using the Commission’s template. Petitioners expect that purchaser responses to the Commission’s Lost Sales and Lost Revenue Survey, combined with other evidence developed during the investigations, will confirm significant domestic industry lost sales and revenues and other indicia of adverse price effects.

II. INJURY INFORMATION

A domestic industry is entitled to AD and CVD relief if it is experiencing material injury or the threat of material injury by reason of unfairly traded imports.¹²² The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹²³ When assessing if a domestic industry is materially injured, or threatened with material injury, “by reason of” dumped imports, the Commission examines the “significance” of the volume and price effects of such imports and the impact of those imports on the condition of the domestic industry.¹²⁴ In assessing the impact of dumped imports on the state of the industry, the Commission must account for the prevailing conditions of competition in the United States for the subject imports and the domestic like product.¹²⁵ As described below, the domestic industry producing CORE is both materially injured and threatened with further material injury by reason

¹²¹ See USITC Pub. 5337, 2022 Reviews at 52-52, n.333.

¹²² 19 U.S.C. §§ 1671, 1673.

¹²³ 19 U.S.C. § 1677(7)(A).

¹²⁴ 19 U.S.C. § 1677(7)(B)(i)

¹²⁵ 19 U.S.C. § 1677(7)(C)(iii).

of dumped and subsidized imports of CORE from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam.

A. The Domestic Like Product Consists of CORE Covered by the Scope

In determining whether an industry in the United States has suffered material injury or is threatened with material injury, the Commission first defines the domestic like product. The “domestic like product” is defined as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”¹²⁶ As established in Section I.F, above, there is a single domestic like product consisting of all CORE covered by the scope.

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

Section 771(7)(A) of the Act defines the domestic industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹²⁷ During the 1992-93 investigations, the Commission found that domestic producers of CORE other than clad plate constituted a single domestic industry.¹²⁸ The Commission has made similar findings in all subsequent AD and CVD proceedings it has conducted with respect to CORE.¹²⁹ At this time, Petitioners are not aware of any reason for the Commission to exclude any firms from the domestic industry pursuant to section 771(4)(B) of the Tariff Act or otherwise to adopt a different definition of the domestic industry in these investigations.

¹²⁶ 19 U.S.C. § 1677(10).

¹²⁷ 19 U.S.C. § 1677(4)(A).

¹²⁸ USITC Pub. 2664, 1993 Determinations at 167.

¹²⁹ USTIC Pub. 3364, 2000 Reviews at 11; USITC Pub. 3899, 2007 Reviews at 102, USITC Pub. 4388, 2013 Reviews at 9, 2016 Orders at 10, and USITC Pub. 5337, 2022 Reviews at 12.

C. Subject Imports Are Not Negligible

Pursuant to Section 771(24)(A)(i) of the Act, imports are not considered to be negligible if they account for at least three percent of the volume of all such merchandise imported into the United States in the most recent twelve-month period for which data are available that precedes the filing of the petitions. In addition, pursuant to Section 771(24)(A)(ii) of the Act, imports that would otherwise be negligible under clause (i) shall not be negligible if the aggregate volume of such imports from all countries exceeds seven percent of the volume of all such merchandise imported into the United States during the applicable 12-month period.

In this case, the most recent twelve-month period for which data are available is August 2023 through July 2024. In **Exhibit I-21**, Petitioners calculate each subject country's share of total imports during this period.

As discussed above, imports of CORE from Taiwan are already subject to an AD order with the exception of imports of CORE produced and/or exported by Yieh Phui and Synn. The instant AD petition on CORE from Taiwan is against subject merchandise not otherwise covered by the current AD order on CORE from Taiwan. Based on information reasonably available to Petitioners, Yieh Phui and Synn account for the vast majority (if not all) imports from Taiwan that are subject to the instant AD petition on CORE from Taiwan. In **Exhibit I-21**, Petitioners estimate Yieh Phui and Synn's share of total imports of CORE from Taiwan based on publicly available information from the administrative review of the AD order on CORE from Taiwan covering the period from July 1, 2021 through June 30, 2022. This is the most recent administrative review in which both Yieh Phui and Synn reported their total shipments of CORE

to the United States.¹³⁰ In particular, Petitioners calculate Yieh Phui and Synn's shipments as a percentage of total U.S. imports of CORE from Taiwan during the 2021-2022 review period. Petitioners then apply this percentage to the total U.S. imports of CORE from Taiwan during the most recent twelve-month period.

As shown in **Exhibit I-21**, subject imports from Brazil, Canada, Mexico, Taiwan, and Vietnam exceed the three-percent threshold for negligibility. Therefore, subject imports from each of these five countries are not negligible.

Subject imports from Australia, the Netherlands, South Africa, Turkey, and the UAE do not exceed the three-percent threshold for negligibility. However, **Exhibit I-21** shows that the aggregate volume of subject imports from these five countries exceeds seven percent of total U.S. imports of CORE during the applicable 12-month period. Therefore, pursuant to Section 771(24)(A)(ii) of the Act, imports from these five countries are not negligible.

D. Subject Imports Should Be Cumulated

For the purposes of evaluating volume and price effects for a determination of material injury, the statute directs the Commission to cumulate imports from all subject countries as to which petitions were filed on the same day if such imports compete with each other and the domestic like product in the U.S. market.¹³¹ In assessing whether subject imports compete with each other and the domestic like product, the Commission generally considers four factors: (1) the degree of fungibility between subject imports from each country and between subject imports

¹³⁰ See Yieh Phui Section A Response in 2021-2022 Review of AD Order on CORE from Taiwan (Case No. A-583-856) (Dec. 12, 2022) at Exhibit A-1, attached as **Exhibit I-21(a)**; Synn No Shipment Certification in 2021-2022 Review of AD Order on CORE from Taiwan (Case No. A-583-856) (Oct. 4, 2022), attached as **Exhibit I-21(b)**.

¹³¹ 19 U.S.C. § 1677(7)(G)(i).

and the domestic like product; (2) the presence of sales or offers to sell in the same geographic markets; (3) the existence of common or similar channels of distribution; and (4) whether the subject imports are simultaneously present in the U.S. market.¹³² Only a reasonable overlap of competition is required.¹³³ In this case, these petitions are all being filed on the same day, and, as described in more detail below, each of the factors the Commission considers supports a finding that imports of CORE from all subject countries compete with each other and with the domestic like product. The Commission should therefore cumulate subject imports in its determination of material injury, and the remainder of the injury analysis in these petitions is presented on a cumulated basis.

1. Fungibility

Imports of CORE from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam are generally substitutable with each other and with the domestic like product. As discussed above, imports from each of the subject countries are generally made by the same processes, and generally have the same chemical and physical properties, as the domestic like product. In numerous prior proceedings involving CORE, the Commission has found that CORE produced in the United States and imported CORE are used interchangeably, that purchasers find imports to be comparable to the domestic like product in most non-price purchasing factors, and that substantial proportions of both the domestic like product and imports are sold for the same end uses.¹³⁴ Furthermore, as shown by the evidence of

¹³² See, e.g., *Low Melt Polyester Staple Fiber from Korea and Taiwan*, Inv. Nos. 731-TA-1378-1379 (Final), USITC Pub. 4808 (Aug. 2018) at 7.

¹³³ See *Id.*

¹³⁴ USTIC Pub. 4620, 2016 CORE Determination at 13-15; USITC Pub. 5337, 2022 Reviews at 32-34.

lost sales and lost revenues being submitted with these petitions, subject imports are not merely substitutable for the domestic like product – they have in many instances been substituted for the domestic like product. Moreover, U.S. prices have fallen in response to low-priced offers of CORE from the subject countries – further evidence that subject imports are interchangeable with U.S. production. In light of these facts, the Commission should find that imports from each of the subject countries are generally fungible with each other and the domestic like product.

2. Same Geographic Markets

The record here shows that imports from each of the subject countries compete with imports from the other subject countries throughout the U.S. market. The import data provided at **Exhibit I-19** show that CORE from each of the subject countries entered at ports in virtually all regions of the country during the period of investigation. Furthermore, all of those imports compete with the domestic like product, which is sold nationwide.¹³⁵ Thus, this factor supports cumulating all of the subject imports.

3. Channels of Distribution

Domestically-produced CORE is sold directly to end users and is also sold to distributors and service centers.¹³⁶ U.S. imports of CORE are also sold through these same channels of distribution.¹³⁷ Thus, this factor supports a finding of cumulation.

4. Simultaneous Presence

Exhibit I-19 shows that imports from all of the subject countries entered the U.S. market during every month from 2021 to 2023 and in the first half of 2024. Thus, there can be no doubt

¹³⁵ USTIC Pub. 4620, 2016 CORE Determination at 15; USITC Pub. 5337, 2022 Reviews at 34.

¹³⁶ USTIC Pub. 4620, 2016 CORE Determination at 15; USITC Pub. 5337, 2022 Reviews at 34-35.

¹³⁷ USTIC Pub. 4620, 2016 CORE Determination at 15; USITC Pub. 5337, 2022 Reviews at 34-35.

that imports from all of the subject countries were simultaneously present in the U.S. market with the domestic like product.

5. Conclusion

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

E. Conditions of Competition

1. Subject Imports and Domestically Produced CORE Are Substitutable and Primarily Sold on the Basis of Price

The Commission has consistently found that there is a “moderate-to-high degree of substitutability” between domestically produced CORE and imported CORE.¹³⁸ As subject imports and domestically produced CORE are substitutable, purchasing decisions primarily are made on the basis of price.¹³⁹ The Commission has confirmed this phenomenon in past proceedings, recently finding that “{a} large majority of U.S. producers reported that factors other than price were never significant when comparing CORE from different sources and most importers and purchasers reported that factors other than price were either sometimes or never significant when comparing CORE from different sources.”¹⁴⁰

¹³⁸ USITC Pub. 5337, 2022 Reviews at 44.

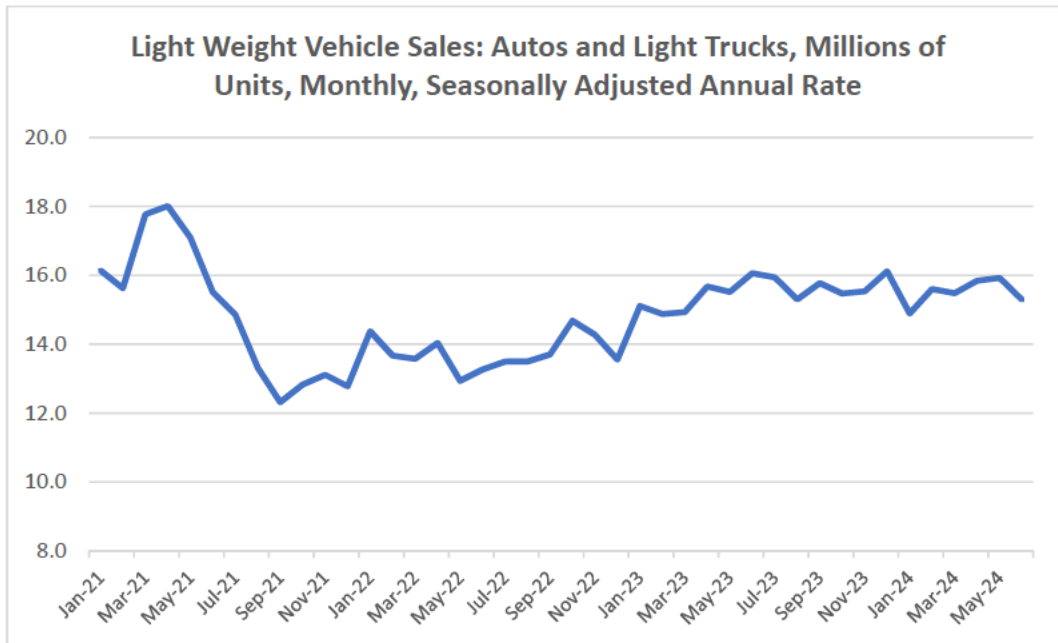
¹³⁹ USITC Pub. 4620, 2016 CORE Determination at 21 (“price is an important purchasing factor”).

¹⁴⁰ *Id.* at 32

3. Demand Is Tied to the Construction and Automotive Industries

As the Commission has recognized, CORE is used primarily in automotive and construction applications, which account for up to 90 percent of domestic demand for CORE.¹⁴¹ Other end uses include appliance manufacturing and HVAC systems, which are linked to residential construction.¹⁴² Thus, demand for CORE is mainly driven by demand in the automotive and construction sectors, as well as overall economic conditions.¹⁴³

As shown in the figure below, automotive demand as measured in sales of light weight vehicles declined in 2021, rebounded gradually in 2022 and the first half of 2023, and then remained relatively steady through the first half of 2024.¹⁴⁴



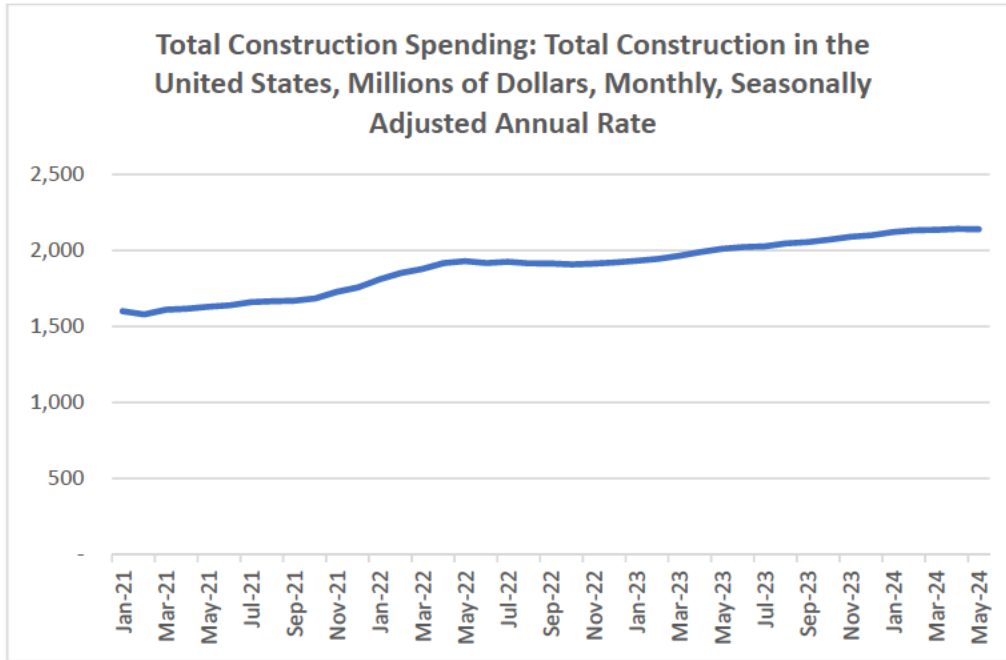
¹⁴¹ USTIC Pub. 4620, 2016 CORE Determination at 20; USITC Pub. 5337, 2022 Reviews at 40-41.

¹⁴² *Id.*

¹⁴³ *Id.*

¹⁴⁴ U.S. Bureau of Economic Analysis, Light Weight Vehicle Sales: Autos and Light Trucks (ALTSALES), retrieved from FRED, Federal Reserve Bank of St. Louis, available at <https://fred.stlouisfed.org/series/ALTSALES>.

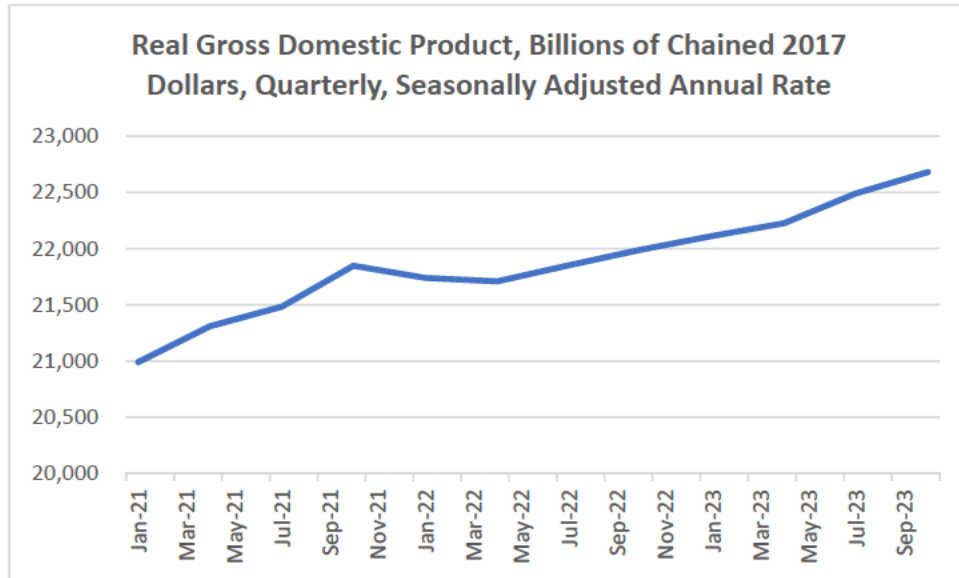
The figure below shows that construction activity has increased over the proposed period of investigation, with spending on construction increasing from \$1.6 billion in January 2021 to a peak of \$2.1 billion in February 2024, and remaining steady through the first half of 2024.¹⁴⁵



Finally, as shown in the figure below, real gross domestic product (“GDP”) in the United States grew by 8.4 percent from \$21.0 trillion in the first quarter of 2021 to \$22.8 trillion in the fourth quarter of 2023.¹⁴⁶

¹⁴⁵ U.S. Census Bureau, Total Construction Spending: Total Construction in the United States (TTLCONS), retrieved from FRED, Federal Reserve Bank of St. Louis, available at <https://fred.stlouisfed.org/series/TTLCONS>.

¹⁴⁶ U.S. Bureau of Economic Analysis, Real Gross Domestic Product, retrieved from FRED, Federal Reserve Bank of St. Louis, available at <https://fred.stlouisfed.org/series/TTLCONS>.



These industry and macroeconomic trends help explain trends in the total U.S. CORE consumption figures presented in Exhibit I-23, which shows that demand for CORE declined early in the proposed POI but increased more recently.

4. The Domestic Industry Is a Reliable Supplier of CORE

The domestic industry is the largest supplier of CORE in the U.S. market, representing over 75 percent of the U.S. market from 2013 to 2021.¹⁴⁷ The domestic industry has not experienced any significant supply constraints, and U.S. mills have substantial unutilized capacity with which to increase production.¹⁴⁸

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

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

- (I) The volume of imports of the subject merchandise,

¹⁴⁷ See USITC Pub. 5337, 2022 Reviews at C-3 and C-11.

¹⁴⁸ See Petitioners' Confidential Data, attached at **Exhibit I-22**.

- (II) The effect of imports of that merchandise on prices in the United States for domestic like products, and
- (III) The impact of imports of such merchandise on domestic producers of domestic like products¹⁴⁹

As demonstrated below, the evidence bearing upon these factors shows that the domestic CORE industry is materially injured by reason of the subject imports.

1. The Volume of Subject Imports Is Significant

In evaluating the volume of imports, the Commission must “consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹⁵⁰ In these investigations, available data show that the volume of subject imports, both in absolute terms and relative to U.S. consumption, is significant.

From 2021 to 2023, subject imports maintained a substantial presence in the U.S. market, exceeding 2.4 million NT each year and maintaining at least [] percent of total market share.¹⁵¹ The subject countries shipped over 3.4 million NT of CORE into the United States in 2021 and held [] percent of the U.S. market.¹⁵² In 2022, significant volumes of subject imports continued to pour into the United States, and they increased their share of the U.S. market to [] percent.¹⁵³ To regain market share, the domestic industry dropped its prices in 2023 in an attempt to compete with the subject imports. However, this strategy proved to be financially unsustainable and collapsed. When the domestic producers then attempted to increase prices,

¹⁴⁹ 19 U.S.C. § 1677(7)(B).

¹⁵⁰ 19 U.S.C. § 1677(7)(C)(i).

¹⁵¹ Calculation of Market Share, attached **Exhibit I-23**.

¹⁵² *Id.*

¹⁵³ *Id.*

subject imports used rampant underselling to surge into the U.S. market in massive volumes and take market share from the domestic industry in the first half of 2024.

From the first half of 2023 to the first half of 2024, subject imports skyrocketed from 1,233,742 NT to 1,947,968 NT – an increase of 57.9 percent.¹⁵⁴ At the same time, the share of the U.S. market held by subject imports rose from [] percent to [] percent – a gain of [] percentage points.¹⁵⁵ This gain came at the expense of the domestic industry, whose market share fell from [] percent to [] percent over the same period – a loss of [] percentage points.¹⁵⁶

The domestic market for CORE has recently been flooded with a surge of dumped and subsidized imports from the subject countries. In the most recent period, the market share for imports from the subject countries was at its highest level while the domestic industry’s market share was at its lowest. Thus, the volume of unfairly traded imports is significant, both in absolute terms and relative to U.S. consumption.

2. Subject Imports Have Had Significant Adverse Price Effects

In evaluating the effect of subject imports on prices, the Commission must consider whether “there has been significant price underselling by the imported merchandise,” and whether the effect of imports “otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.”¹⁵⁷ Subject imports of

¹⁵⁴ See *id.* $(1,947,968 - 1,233,742) / 1,233,742 = 0.579 = 57.9\%$.

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ 19 U.S.C. § 1677(7)(c)(ii).

CORE have undersold the domestic like product, and these imports also have depressed and suppressed prices to a significant degree over the period of investigation.

Evidence reasonably available to Petitioners indicates that subject producers have engaged in significant underselling. As shown below, the average unit values (“AUVs”) for subject imports were lower than the prices of CORE sold by the domestic industry during most of the period of investigation:

Comparison of Domestic Industry’s Prices to Subject Import AUVs (USD/NT)							
		2021	2022	2023	H1 2023	H1 2024	
Petitioners' Commercial Shipment AUVs	[]
Subject Imports		1,234	1,387	1,158	1,172	1,088	
Margin of Underselling	[]

The significant underselling shown above explains the massive market share shift in the most recent period. As the Commission has recognized, price is an important factor in purchasing decisions in the U.S. CORE market.¹⁵⁸ Thus, when low-priced subject imports flooded into the United States in H1-2024, they took sales from the domestic industry, with subject import market share gaining [] percentage points from H1-2023 levels, all at the expense of the domestic industry. Petitioners expect that pricing data collected by the Commission with respect to the particular pricing products identified above will further evidence subject import underselling during the period of investigation.

There is also no question that subject imports depressed and suppressed the domestic industry’s prices to a significant degree. Unfairly traded subject imports contributed to a significant decline in U.S. prices over the period of investigation. Petitioners’ AUVs for their

¹⁵⁸ USITC Pub. 5337, 2022 Reviews at 32.

commercial shipments of CORE declined from [] in 2021 to [] in 2023.¹⁵⁹

When Petitioners attempted to raise prices in 2024, subject imports surged back into the U.S. market at rock bottom prices. While Petitioners' AUVs for their commercial shipments increased somewhat in the first half of 2024, commensurate with rising demand,¹⁶⁰ Petitioners' commercial shipment AUVs remained far lower than those earlier in the period of investigation, thus evidencing the depressing effect of low priced subject imports.

[] likewise indicate that the price of hot-dipped galvanized coil – the most common type of CORE – has dropped significantly over the period of investigation:



In particular, [] show that, despite the domestic industry's attempts to increase prices earlier this year, hot-dipped galvanized prices have [] in the months since – falling

¹⁵⁹ See Petitioners' Confidential Data, attached at **Exhibit I-22**.

¹⁶⁰ See *id.* at Exhibit I-23 (showing U.S. consumption increasing from [] NT in H1-2023 to [] NT in H1-2024).

[] in January 2024 to [] in June 2024, a decline of [],¹⁶¹ These price declines further evidence the pernicious effects of low-priced subject imports in H1-2024.

Additionally, Petitioners were prevented from raising prices to meet the rising costs for their production of CORE. Petitioners' unit cost of goods sold ("COGS") increased from [] in 2021 to [] in 2023.¹⁶² Despite these rising costs, Petitioners could not increase prices and instead were forced to cut prices to compete with unfairly traded imports. As a result, Petitioners' COGS to sales ratio increased from [] percent in 2021 to [] percent in 2023.¹⁶³ In the first half of 2024, after the domestic industry raised prices for CORE in response to increasing demand, Petitioners' COGS to sales ratio remained at a near POI-high level of [] percent, reflecting the cost-price squeeze caused by aggressively undersold subject imports.¹⁶⁴

Finally, low-priced subject imports have caused the domestic industry to suffer lost sales and lost revenues, which further evidence the adverse price effects caused by subject imports. Such lost sales and lost revenues are reflected in the domestic industry's market share losses and declining financial performance over the period of investigation. Petitioners are separately submitting Lost Sales and Lost Revenue Allegations using the Commission's template form. Petitioners expect that purchaser responses to the Commission's Lost Sales and Lost Revenue Survey, combined with other evidence developed during the investigations, will confirm

¹⁶² See Petitioners' Confidential Data, attached at **Exhibit I-22**.

¹⁶³ *Id.*

¹⁶⁴ *Id.*

significant domestic industry lost sales and lost revenues and other indicia of adverse price effects during the period of investigation.

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

3. Subject Imports Have Had a Significant Adverse Impact on the Domestic Industry

In examining the impact of subject imports on the domestic industry, the Commission is instructed to “evaluate all relevant economic factors which have a bearing on the state of the industry in the United States.”¹⁶⁵ These factors include, but are not limited to:

- Actual and potential declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;
- Factors affecting domestic prices;
- Actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment;
- Actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product; and
- The magnitude of the margin of dumping.¹⁶⁶

Available evidence relating to these factors confirms that the domestic industry is materially injured.

From 2021 to 2023, the domestic industry increased CORE production capacity to serve the U.S. market, but was barely able to increase production during this period, thus resulting in

¹⁶⁵ 19 U.S.C. § 1677(7)(c)(iii).

¹⁶⁶ *Id.*

low and declining domestic industry capacity utilization, from [] percent in 2021 to [] percent in 2023.¹⁶⁷ While commercial shipment volumes increased modestly, total U.S. commercial shipment values dropped significantly, from [] billion in 2021 to [] billion in 2023.¹⁶⁸ Total net sales values exhibited the same trend, declining from [] billion in 2021 to [] billion in 2023.¹⁶⁹

During this period, net sales AUVs dropped, from [] in 2021 to [] in 2023, while at the same time, domestic industry costs increased, with unit COGS rising from [] in 2021 to [] in 2023.¹⁷⁰ Unsurprisingly, this resulted in a huge increase of the industry's ratio of COGS to net sales values, from [] percent in 2021 to [] percent in 2023, and a staggering decline in gross profits, from [] billion in 2021 to [] billion in 2023.¹⁷¹

Operating income similarly plummeted, from [] billion in 2021 to [] million in 2023, and as a percent of net sales, operating income fell from [] percent in 2021 to [] percent in 2023.¹⁷² Net income, both in terms of value and as a percent of net sales, exhibited the same downward trends.¹⁷³

As described above, during this period, significant, low priced subject import volumes captured a growing share of the U.S. market in 2022, forcing the domestic industry in 2023 to cut prices to compete and recapture its lost market share. As the foregoing data show, such price-

¹⁶⁷ See Petitioners' Confidential Data, attached at **Exhibit I-22**.

¹⁶⁸ *Id.*

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.*

based competition with subject imports was a losing proposition, with the domestic industry's operational and financial performance declining sharply from 2021 to 2023.

Unable to continue competing with subject imports at their cut rate prices, the domestic industry sought to establish rational pricing in H1-2024. But subject imports responded by surging into the United States and capturing market share. Thus, while certain production and financial performance indicators improved somewhat from H1-2023 to H1-2024, with rising demand a significant factor, the domestic industry's market share declined from [] percent in H1-2023 to [] percent in H1-2024, the lowest industry market share level during the POI and a decline of [] percentage points across the interim periods.¹⁷⁴

Other indicators confirm that the domestic industry's condition in H1-2024 remains far worse than it was at the beginning of the period of investigation.¹⁷⁵ Specifically, H1-2024 capacity utilization of [] percent is lower than in 2021, reflecting the industry's lost market share to subject imports and inability to increase production commensurate with its increased capacity.¹⁷⁶ The domestic industry's commercial shipment AUV of [] in H1-2024 is [] lower than in 2021 and its net sales AUV of [] is [] lower than in 2021.¹⁷⁷ With unit COGS higher in 2024 than at the beginning of the period of investigation, the industry's COGS to net sales ratio of [] percent is staggeringly higher in H1-2024 than the [] percent figure in 2021.¹⁷⁸ The industry's operating income as a percent of net sales value

¹⁷⁴ Calculation of Market Share, attached **Exhibit I-23**.

¹⁷⁵ See Petitioners' Confidential Data, attached at **Exhibit I-22**.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

¹⁷⁸ *Id.*

of [] percent in H1-2024 is more than [] percentage points lower than in 2021, and net income is similarly depressed compared to early POI levels.¹⁷⁹

With demand for CORE increasing in the U.S. market, the first half of 2024 should have been a period where the domestic industry saw significant improvements across the board in its production, capacity utilization, sales, market share, and profits. Instead, subject imports took virtually all of the increase in U.S. consumption for CORE in the first half of 2024 by underselling the domestic industry, robbing the domestic industry of this opportunity. Had subject imports not taken significant market share away from the domestic industry through rampant underselling and had they not dramatically driven down prices in the U.S. market, the domestic industry would have produced and sold more CORE at higher prices and, in the process, returned to a healthy level of performance that it experienced earlier in the POI. Instead, domestic producers are left with a lower share of the U.S. market and underperforming in virtually all industry metrics. In short, the production, shipment, and financial data presented in these petitions confirm that the domestic industry is materially injured. Domestic producers should be doing better in a rising market, but subject imports have prevented them from doing so.

* * *

As shown above, the volume, price effects, and impact of the subject imports have been both significant and harmful. The domestic CORE industry has been materially injured by

¹⁷⁹ *Id.*

imports of CORE from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam.

G. Subject Imports Threaten Continued Material Injury to the Domestic Industry

In examining the threat of material injury by subject imports, the statute directs the Commission to consider a number of specific factors, including: (1) an increase in foreign producers' production capacity or existing unused capacity; (2) a significant rate of increase of the volume or market penetration of the subject imports; and (3) the likelihood that imports of the subject merchandise are entering at prices that will have a significant depressing or suppressing effect on domestic prices.¹⁸⁰ Based on these criteria, there is ample evidence that subject imports of CORE present an imminent threat of continued material injury to the U.S. industry.

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

The statute provides that in evaluating the threat of material injury, the Commission may “cumulatively assess the volume and price effects of imports of the subject merchandise” with respect to petitions which were filed on the same day, if such products compete with each other and with the domestic like product.¹⁸¹ As demonstrated above, imports of subject merchandise from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam are fungible and compete directly with each other and the domestic like product. Additionally, these petitions are being filed on the same day. The Commission should

¹⁸⁰ 19 U.S.C. § 1677(7)(F)(i).

¹⁸¹ *Id.* § 1677(7)(H).

therefore assess the cumulative impact of such imports when determining whether imports threaten additional material injury.

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

As part of its threat analysis, the Commission must consider “if a countervailable subsidy is involved” and, in particular, “whether the countervailable subsidy is a subsidy described in Article 3 or 6.1” of the WTO Agreement on Subsidies and Countervailing Measures (“the “WTO Subsidies Agreement”).¹⁸² Article 3 of the WTO Subsidies Agreement describes subsidies that are prohibited because they are contingent upon export performance or upon the use of domestic over imported goods.¹⁸³

a. Brazil

As documented in Volume XII of these petitions, the Government of Brazil and other government and public entities in Brazil provide numerous subsidies covered by Article 3 of the WTO Subsidies Agreement that benefit producers and exporters of CORE. These subsidies include:

- Export Financing from Banco do Brasil;
- The Export Guarantee Fund;
- Export Credit Insurance and Guarantees;
- The Reintegra Tax Credit for Export Revenue;
- The Special Regime for the Purchase of Capital Goods for Exporting Companies Scheme;
- Export Promotion and Marketing Assistance; and
- BNDES ExIm Pre- and Post-Shipment Loans.

¹⁸² *Id.* § 1677(7)(F)(i)(I).

¹⁸³ *Agreement on Subsidies and Countervailing Measures* (April 14, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14, at Art. 3.

b. Canada

As documented in Volume XIII of these petitions, the Government of Canada and other government and public entities in Canada also have in place numerous subsidies covered by Article 3 of the WTO Subsidies Agreement that benefit producers and exporters of CORE. These subsidies include:

- Export Buyer Financing;
- The Export Guarantee Program;
- Export Credit Insurance;
- Preferential Long-Term Financing for the Steel and Aluminum Industries;
- The Ontario Jobs and Prosperity Fund;
- The Duty Drawback Program; and
- The Duties Relief Program.

c. Mexico

Volume XIV of these petitions shows that the Government of Mexico provides a number of subsidies covered by Article 3 of the WTO Subsidies Agreement that benefit producers and exporters of CORE. These subsidies include:

- Financing for Exporters by the National Exterior Commerce Bank;
- The Manufacturing Industry, Maquiladora and Export Services Program; and
- The Duty Drawback Program

d. Vietnam

Finally, as established in Volume XV of these petitions, the Government of Vietnam and other government and public entities in Vietnam provide numerous subsidies covered by Article 3 of the WTO Subsidies Agreement that benefit producers and exporters of CORE. These subsidies include:

- Export Factoring by State-Owned Commercial Banks (“SOCBs”);
- Guarantees for Export Activities from SOCBs;
- Preferential Lending to Exporters by SOCBs;
- Export Credits from the Vietnam Development Bank;
- Income Tax Preferences for Exporters;

- Import Duty Exemptions for Imports Used to Produce Exported Goods;
- Refunds of Import Duties on Raw Materials Used to Produce Exports;
- Import Duty Exemptions on Imported Raw Materials for Export;
- Processing Enterprises and Export Processing Zones; and
- Export Promotion Grants.

These subsidies encourage Brazilian, Canadian, Mexican, and Vietnamese producers to export their production of CORE. As a result, these subsidies increase the threat posed by subject imports.

3. Other Trade Measures Incentivize Subject Producers to Export to the U.S. Market

As part of its threat determination, the Commission regularly analyzes whether the products subject to the proceeding have been the subject of import relief proceedings in other countries that would incentivize subject producers to export to the U.S. market.¹⁸⁴ The following third-country trade measures are in place that cover CORE from the subject countries:

Imposing Country	Product	Date Imposed	Measure	Affected Countries
Australia ¹⁸⁵	CORE	July 1, 2022	Antidumping	Vietnam
		June 22, 2023	Antidumping	Taiwan
Canada ¹⁸⁶	CORE	Feb. 6, 2019	Antidumping	Taiwan

¹⁸⁴ See, e.g., USTIC Pub. 4620, 2016 CORE Determination at VII-32.

¹⁸⁵ See Australia Department of Industry, Science and Resources, Anti-Dumping Commission, *Inquiry Concerning the Continuation of Anti-Dumping Measures Applying to Zinc Coated (Galvanised) Steel Exported to Australia from the People's Republic of China, The Republic of Korea and Taiwan* (June 22, 2023), attached as **Exhibit I-25**; Australia Department of Industry, Science and Resources, Anti-Dumping Commission, *Inquiry Concerning the Continuation of the Anti-Dumping measures Applying to Certain Zinc Coated (Galvanised) Steel Exported to Australia from the Republic of India, Malaysia and the Socialist Republic of Vietnam* (July 1, 2022), attached as **Exhibit I-26**.

¹⁸⁶ See Canada Border Services Agency, *Statement of Reasons Concerning the Final Decisions with Respect to the Dumping and Subsidizing Investigations of Certain Corrosion-Resistant Steel Sheet Originating in or Exported from Turkey, the United Arab Emirates, and Vietnam* (Oct. 30, 2020), attached as **Exhibit I-27**; Canada Border Services Agency, *Statement of Reasons Concerning the Final Determination with Respect to the Dumping of Certain Corrosion-Resistant Steel Sheet from China, The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India and South Korea* (Feb. 6, 2019), attached as **Exhibit I-28**.

		Oct. 30, 2020	Antidumping	Turkey, UAE, Vietnam
EU ¹⁸⁷	CORE	Aug. 11, 2022	Antidumping	Turkey
		Jan. 12, 2023	Safeguard	Global
Malaysia ¹⁸⁸	CORE	Dec. 12, 2020	Antidumping	Vietnam
Mexico ¹⁸⁹	CORE	Feb. 23, 2023	Antidumping	Vietnam
		Sept. 13, 2023	Antidumping, countervailing duty	Taiwan
Thailand ¹⁹⁰	CORE	May 12, 2023	Antidumping	Vietnam
UK ¹⁹¹	CORE	Feb. 21, 2024	Safeguard	Global

In addition to the trade barriers noted above, other large export markets have recently announced significant increases in their most-favored nation (“MFN”) duty rates for CORE products. These include: (i) Brazil (duty rate increase to 25 percent from 10 percent on galvanized products);¹⁹² (ii) Mexico (duty rate increase to 25 percent for galvanized and coated products);¹⁹³ and (iii) Turkey (duty rate increase to 20 percent on galvanized strip).¹⁹⁴

¹⁸⁷ EU Commission Implementing Reg. (EU) 2023/104 (Jan. 12, 2023), attached as **Exhibit I-29**; EU Commission Implementing Reg. (EU) 2022/1395 (Aug. 11, 2022), attached as **Exhibit I-30**.

¹⁸⁸ Reuters, *Malaysia imposes anti-dumping duties on flat-rolled steel from China, S.Korea, Vietnam* (Dec. 23, 2020), attached as **Exhibit I-31**.

¹⁸⁹ See Steel Orbis, *Mexico Declares final AD to Vietnamese coated flat steel companies* (Feb. 27, 2023), attached as **Exhibit I-32**; Steel Orbis, *Mexico maintains AD/CVD duties on coated flat steel from China and Taiwan in sunset review* (Sep. 13, 2023), attached as **Exhibit I-33**.

¹⁹⁰ Tu Nguyen, *Thailand issued the final determination in the cases of the end-of-term reviews of the anti-dumping duty order on Vietnamese steel products*, ASL Law (May 12, 2023), attached as **Exhibit I-34**.

¹⁹¹ United Kingdom Trade Remedies Authority, *Statement of Intended Final Determination, Case SE0041 – Extension review of safeguard measure on certain steel products* (Feb. 21 2024), attached as **Exhibit I-35**.

¹⁹² Renato Rostas, Ana Enis, Gabriela Brumatti, *Brazil increases import duty to 25%; quotas include HRC, CRC, HDG, Galvalume, tubes*, Fastmarkets (Apr. 25, 2024), attached as **Exhibit I-36**.

¹⁹³ Steel Orbis, *Mexico sets tariffs up to 50 percent on certain steel imports* (Apr. 23, 2024), attached as **Exhibit I-37**.

¹⁹⁴ Steel Orbis, *Turkey introduces 20 percent duty on galvanized strip imports* (Jan. 2, 2024), attached as **Exhibit I-38**.

These trade measures will likely cause subject producers to divert their exports of CORE to other markets. As the United States is one of the largest and most open markets for CORE in the world, these barriers incentivize producers to redirect their exports to the U.S. market.

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

The statute provides that in making a threat determination, the Commission shall consider “any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports,” taking into account the availability of other export markets to absorb additional exports by subject producers.¹⁹⁵ In this case, the subject countries had [] unused capacity last year.

Despite this unused galvanizing capacity, the subject countries continue to add additional capacity. In August 2023, Australian CORE producer BlueScope announced approval of a \$415 million expansion of metal coating capacity at its Erskine Park, New South Wales site.¹⁹⁶ The additional metal coating line, which is expected to be operational by the end of 2025, will have the capacity to produce up to 240,000 tons annually of BlueScope’s value-added, metal coated products, such as ZINCALUME® steel, TRUECORE® steel, and feed for the company’s COLORBOND® steel products.¹⁹⁷ BlueScope also announced in August 2023 that it is investing

¹⁹⁵ 19 U.S.C. § 1677(7)(F)(i)(II).

¹⁹⁶ BlueScope to invest \$415 million in Western Sydney to add 240ktpa metal coating capacity (Aug. 11, 2023), attached as **Exhibit I-39**.

¹⁹⁷ *Id.*

\$1.15 billion to reline and upgrade a blast furnace used to make flat-rolled products that has been mothballed since 2011.¹⁹⁸

In late 2022, Brazilian CORE producer Companhia Siderurgica Nacional (“CSN”) announced a \$77.8 million investment in a new 165,000-ton pre-painted steel coil plant to “add value to CSN’s galvanized steel.”¹⁹⁹ This year, CSN announced another \$402.44 million investment to modernize its Presidente Vargas plant, which includes galvanizing lines and has a total production capacity of 5.8 million metric tons (“MT”).²⁰⁰ Not to be outdone, ArcelorMittal, the largest steelmaker in Brazil, recently completed a \$350 million investment to expand the galvanizing capacity of its Vega do Sul plant, increasing its annual production capacity from 1.6 million MT to 2.2 million MT.²⁰¹

In Canada, one of the country’s leading CORE producers, Corbec Inc., announced its fifth galvanizing plant in 2022, a \$45 million investment that it promised is “not going to be the last { }”²⁰² Meanwhile, CORE producer ArcelorMittal Dofasco is spending over \$1 billion to replace its Hamilton, Ontario blast furnace with electric arc furnace technology that will enhance its ability to produce automotive steel.²⁰³ This latter investment, which has received significant

¹⁹⁸ Breathing new life into steelworks' No 6 blast furnace will cost a cool billion dollars (Aug. 24, 2023), attached as **Exhibit I-40**.

¹⁹⁹ Ivo Ribeiro, *CSN will invest to replace imported steel*, Valor International (Oct. 31, 2022), attached as **Exhibit I-41**.

²⁰⁰ Steel Orbis, *Brazil’s CSN to modernize Presidente Vargas Plant* (Feb. 5, 2024), attached as **Exhibit I-42**.

²⁰¹ Steel Orbis, *ArcelorMittal Brazil concludes first stage of galvanizing plant expansion* (May 18, 2023), attached as **Exhibit I-43**.

²⁰² Don Wall, *Corbec already plans growth in Ontario galvanized steel sector*, Daily Commercial News (Nov. 2, 2023), attached as **Exhibit I-44**.

²⁰³ ArcelorMittal, *ArcelorMittal decarbonization project in Hamilton, Canada confirmed with the announcement of a CAD\$500M investment by the Government of Ontario* (Feb. 15, 2022), attached as **Exhibit I-45**.

financial assistance from the Government of Canada and the provincial Government of Ontario, is discussed in more detail in Volume XIII of these petitions.

Mexican CORE producer Ternium Mexico S.A. de C.V. (“Ternium”) is investing \$1 billion in the expansion of its Pesquería plant to include a state-of-the-art galvanizing line.²⁰⁴ The new line will have a production capacity of 600,000 MT and will be designed by the Fives Group, which will supply proprietary technology that is focused on serving the North American market.²⁰⁵ Its new galvanizing line is expected to come online in 2025 as part of a \$6.8 billion investment plan for Ternium to become “one of the main suppliers of steel for the automotive industry from its unit in Mexico.”²⁰⁶

Yieh Phui in Taiwan is also planning additional investments. The company announced in November 2023 that it will “expand its market share by developing green low-carbon steel, . . . strengthening new product development and application, and developing a green product supply chain,” and it specifically mentioned developments in the U.S. market in announcing this investment.²⁰⁷ Part of this investment will consist of a transition to electric arc furnace production.²⁰⁸

²⁰⁴ Reuters, *Ternium says to invest \$1 billion in Mexico expansion* (Feb. 17, 2022), attached as **Exhibit I-46**.

²⁰⁵ Fives Group, *Highly advanced line to galvanize heavy-gauge steel* (Aug. 23, 2023), attached as **Exhibit I-47**.

²⁰⁶ Steel Orbis, *Ternium to invest \$6.8 billion to supply the automotive industry* (Feb. 23, 2024), attached as **Exhibit I-48**.

²⁰⁷ Yieh Corp. Steel News, *Yieh Phui to explore business opportunities, expecting growing steel demand* (Nov. 29, 2023), attached as **Exhibit I-49**.

²⁰⁸ Yieh Corp. Steel News, *Yieh Phui to invest in electric furnace production to reduce carbon emissions* (Aug. 24, 2023), attached as **Exhibit I-50**.

In Turkey, steelmaker Tat Metal Celik (Tatcelik) recently announced that it will increase its galvanized steel capacity with the commissioning of a new 650,000 MT line, almost doubling its existing galvanized production capacity of 800,000 MT.²⁰⁹

In the UAE, a consortium of Emirati companies, including CIM Steel Industry LLC, Rhino Steel, Metal Care Center Factor LLC, and Aziz Steel, are collectively investing in a large steel manufacturing center at the Umm Al Quwain Industrial City that will “produce high-quality Aluzinc coils{.}”²¹⁰ The planned project includes the region’s first fully automated continuous coating line, with an annual capacity of 250,000 MT.²¹¹

In Vietnam, Nam Kim Steel has announced a \$170 million investment in a new 1.2-million MT galvanized steel plant that will be completed in 2026.²¹² Additionally, Hoa Phat Group, one of the largest steelmakers in the region and a major producer of CORE, recently signed a memorandum of understanding to invest \$4.8 billion in three separate steelmaking and infrastructure projects in the South Phu Yen Economic Zone.²¹³ Hoa Phat is also engaged in constructing its massive Dung Quat 2 Integrated Steel and Iron complex, which will add an additional 5.6 million tons of hot-rolled capacity.²¹⁴ Volume XV of these petitions provides

²⁰⁹ Eurometal, *Turkish Tatcelik to start new galvanized line in June* (Mar. 7, 2024), attached as **Exhibit I-51**.

²¹⁰ Steel Orbis, *Emirati consortium to build metal zone in UAE* (Sept. 13, 2023), attached as **Exhibit I-52**.

²¹¹ *Id.*

²¹² South East Asia Iron and Steel Institute, *Vietnam’s Nam Kim Steel plans to enter higher-end galvanized steel field* (Dec. 1, 2023), attached as **Exhibit I-53**.

²¹³ VN Economy, *Hoat Phat Group plans to invest \$4.8bln in Phu Yen* (Mar. 6, 2024), attached as **Exhibit I-54**.

²¹⁴ *Id.*

detailed information regarding Vietnam’s state-directed policy to increase its steelmaking capacity.

In sum, the subject producers’ growing excess capacity poses a grave threat of additional material injury to the domestic industry.

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

The statute provides that “a significant rate of increase of the volume or market penetration of imports of the subject merchandise” shall be considered in determining whether the domestic industry is threatened with material injury from the subject imports.²¹⁵ In this case, there have recently been dramatic increases in both the volume and market penetration of subject imports. As discussed above, from the first half of 2023 to the first half of 2024, subject imports skyrocketed from 1,233,742 NT to 1,947,968 NT – an increase of 57.9 percent.²¹⁶ At the same time, the share of the U.S. market held by subject imports rose from [] percent to [] percent – a gain of [] percentage points.²¹⁷ These facts demonstrate that subject imports have rapidly surged into this market and will likely increase further unless antidumping and countervailing duties are imposed to address the unfair trade practices detailed in these petitions. This dramatic surge in dumped and subsidized imports, therefore, indicates “the likelihood of substantially increased imports” that threatens the domestic industry with additional material injury.

²¹⁵ *Id.* § 1677(7)(F)(i)(III).

²¹⁶ *See* Calculation of Market Share, attached **Exhibit I-23**.

²¹⁷ *Id.*

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

The statute provides that in determining whether the domestic industry is threatened with material injury, the Commission should consider “whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports.”²¹⁸ As demonstrated above, subject imports appear to be underselling the domestic like product and are likely to continue doing so in the future. This underselling has depressed and suppressed domestic prices, leading to declining financial performance by the domestic industry. Furthermore, the significant increase in market share held by subject producers in the first half of 2024 plainly shows that those imports are entering this market at prices that “are likely to increase demand for further imports.” Accordingly, this statutory factor shows that the domestic industry is threatened with additional material injury from subject imports.

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

The statute provides that the Commission must consider inventories of the subject merchandise as an indicator of the extent to which subject imports threaten additional material injury to the domestic industry.²¹⁹ In these investigations, Petitioners do not have access to data regarding inventories of CORE in the subject countries. However, the surge of dumped and subsidized imports into this market has likely contributed to a significant increase in U.S.

²¹⁸ 19 U.S.C. § 1677(7)(F)(i)(IV).

²¹⁹ *Id.* § 1677(7)(F)(i)(V).

inventories of CORE. These high inventory volumes in the United States may cause prices to remain depressed or continue to fall in the near future. Thus, this statutory factor indicates that the domestic industry is threatened with material injury by reason of subject imports.

8. Facilities in the Subject Countries that Are Currently Being Used to Make Other Products Could Be Used to Make CORE

The statute provides that in weighing the threat to the domestic industry, the Commission must consider “the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.”²²⁰ The Commission has recognized in prior investigations of CORE that foreign producers have the ability to switch production from other products to CORE.²²¹ CORE is one of the highest-valued sheet products, and foreign producers have a strong incentive to maximize their output of this particular product. Thus, this factor further confirms the threat of further material injury presented by subject imports.

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

The statute provides that, in determining the threat to the domestic industry from subject merchandise, the Commission must consider “the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product.”²²² U.S. producers have suffered declining operating and financial performance due to dumped and subsidized

²²⁰ *Id.* § 1677(7)(F)(i)(VI).

²²¹ *See, e.g.*, USTIC Pub. 4620, 2016 CORE Determination at II-9, II-12 (discussing the ability of certain Chinese and Korean producers to shift production between CORE and other products).

²²² 19 U.S.C. § 1677(7)(F)(i)(VI).

subject imports. Continuing harm of this type will make it difficult, if not impossible, for domestic producers to adequately fund their development and production efforts. Accordingly, this statutory factor also indicates that the domestic industry is threatened with additional material injury by subject imports.

* * *

For all the foregoing reasons, subject imports present an imminent threat of further material injury to the U.S. industry unless relief is provided in the form AD and CVD duties.

III. CONCLUSION

As these petitions demonstrate, the domestic CORE industry has been “materially injured by reason of” subject imports during the period investigation. Accordingly, Petitioners respectfully request that Commerce and the Commission initiate AD and CVD investigations on CORE from Australia, Brazil, Canada, Mexico, the Netherlands, South Africa, Taiwan, Turkey, the UAE, and Vietnam.

TABLE OF EXHIBITS

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I-5	AISI Data Regarding Domestic Industry's Shipments	BPI Requested
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I-9	Producers/Exporters of CORE from Australia	Public
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I-25	Australia Department of Industry, Science and Resources, Anti-Dumping Commission, <i>Inquiry Concerning the Continuation of Anti-Dumping Measures Applying to Zinc Coated (Galvanized) Steel Exported to Australia from the People's Republic of China, The Republic of Korea and Taiwan</i> (June 22, 2023)	Public
I-26	Australia Department of Industry, Science and Resources, Anti-Dumping Commission, <i>Inquiry Concerning the Continuation of the Anti-Dumping measures Applying to Certain Zinc Coated (Galvanized) Steel Exported to Australia from the Republic of India, Malaysia and the Socialist Republic of Vietnam</i> (July 1, 2022)	Public
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I-30	EU Commission Implementing Regulation (EU) 2022/1395 (Aug. 11, 2022)	Public
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I-33	Steel Orbis, <i>Mexico maintains AD/CVD duties on coated flat steel from China and Taiwan in sunset review</i> (Sep. 13, 2023)	Public
I-34	Tu Nguyen, <i>Thailand issued the final determination in the cases of the end-of-term reviews of the anti-dumping duty order on Vietnamese steel products</i> , ASL Law (May 12, 2023)	Public
I-35	United Kingdom Trade Remedies Authority, <i>Statement of Intended Final Determination, Case SE0041 – Extension review of safeguard measure on certain steel products</i> (Feb. 21 2024)	Public
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