

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Hot-Rolled Carbon Steel Flat Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine
Inv. Nos. 701-TA-404-408 and 731-TA-898-908 (Review)

On November 6, 2006, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

The Commission received a joint response from six U.S. producers of hot-rolled carbon steel flat products (“hot-rolled steel”). These six U.S. producers are: Gallatin Steel; IPSCO Steel, Inc.; Mittal Steel USA, Inc.; Nucor Corp.; Steel Dynamics, Inc.; and United States Steel Corp. (collectively referred to as “domestic interested parties”). The Commission found each of the individual domestic interested party responses to be adequate, which collectively account for a majority of U.S. production of the domestic like product. The Commission therefore determined that the domestic interested party group response was adequate for all reviews.

With respect to the review of hot-rolled steel from Argentina, the Commission received an individually adequate respondent interested party response from Siderar S.A.I.C., a producer and exporter of the subject merchandise. Because Siderar accounts for a majority of total subject hot-rolled production in Argentina, the Commission concluded that the respondent interested party group response for this review was adequate.

With respect to the review of hot-rolled steel from China, the Commission received an individually adequate respondent interested party response from Baosteel Group Corp., a producer and exporter of the subject merchandise in China.¹ Because Baosteel accounts for a large share of total subject hot-rolled production in China, the Commission concluded that the respondent interested party group response for this review was adequate.²

¹This response also was filed on behalf of China Iron & Steel Association (“CISA”), a Chinese association whose membership includes Chinese producers and exporters of the subject merchandise. However, because a majority of CISA’s members are *not* producers, exporters, or importers of the subject merchandise, it is not an interested party in these reviews, pursuant to 19 U.S.C. § 1677(9)(A).

²Commissioner Koplan determined that the respondent interested party group response with respect to China was inadequate, but determined to conduct full reviews in order to promote administrative efficiency.

With respect to the review of hot-rolled steel from the Netherlands, the Commission received an individually adequate respondent interested party response from Corus Staal BV, a producer and exporter of the subject merchandise in the Netherlands. Because Corus accounts for all known subject hot-rolled production in the Netherlands, the Commission concluded that the respondent interested party group response for this review was adequate.

With respect to the review of hot-rolled steel from South Africa, the Commission received an individually adequate respondent interested party response from Mittal Steel (South Africa) Ltd., a producer and exporter of the subject merchandise in South Africa. Because Mittal Steel accounts for a majority of total subject hot-rolled production in South Africa, the Commission concluded that the respondent interested party group response for this review was adequate.

With respect to the review of hot-rolled steel from Thailand, the Commission received a joint response from three Thai producers of hot-rolled steel: G Steel Public Co. Ltd., Nakornthai Strip Mill Public Co. Ltd., and Sahaviriya Steel Industries Public Co. Ltd. (collectively referred to as “Thai interested parties”), each of which is a producer and exporter of the subject merchandise in Thailand. The Commission found each producer’s response to be individually adequate. Because the Thai interested parties collectively account for all known subject hot-rolled production in Thailand, the Commission concluded that the respondent interested party group response for this review was adequate.

The Commission received no response from any foreign producer, exporter, importer, or other respondent interested party of subject merchandise from India, Indonesia, Kazakhstan, Romania, Taiwan, and Ukraine. Thus, it unanimously determined that the respondent interested party group response to the notice of institution for the reviews with respect to each of these countries was inadequate.

Notwithstanding its determinations that the respondent interested party group responses with respect to India, Indonesia, Kazakhstan, Romania, Taiwan, and Ukraine were inadequate, the Commission determined to conduct full reviews in order to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders on hot-rolled steel from Argentina, China, the Netherlands, South Africa, and Thailand.

A record of the Commissioners’ votes is available from the Office of the Secretary and at the Commission’s web site (<http://www.usitc.gov>).