

From: [Pat Morin](#)
To: [Boyland, David](#)
Subject: Re: U.S. ITC Investigations (Third Review): Inv. Nos: 701-TA-350 and 731-TA-616 and 618 (Corrosion-Resistant Carbon Steel Flat Products from Germany and Korea)
Date: Tuesday, September 11, 2012 6:03:52 PM
Attachments: [ITC Revision Corrosion Resistant Steel.pdf](#)

Hi David,

My apologies, as I apparently neglected to attach the revised tables. They should be attached now. Please let me know if you need anything else.

Regards,

Pat Morin, CPA
Manager, Finance & Treasury
California Steel Industries, Inc.
[909-350-6205](tel:909-350-6205)

On Tue, Sep 11, 2012 at 5:28 AM, <David.Boyland@usitc.gov> wrote:

Good morning Pat,

Thank you for your responses to my follow-up questions. With regard to your initial August 24, 2012 e-mail response to my follow-up questions, please send the referenced revisions to table II-8 and III-10. They don't appear to have been included in the initial e-mail. I appreciate your time in this matter.

Regards,

David Boyland, CPA
Financial Analysis and Accounting Division
Office of Investigations International Trade Commission
Phone: [202-708-4725](tel:202-708-4725) Fax: [202-205-3205](tel:202-205-3205)

From: Pat Morin [mailto:pmorin@californiasteel.com]
Sent: Tuesday, September 04, 2012 7:36 PM

PART II.--TRADE AND RELATED INFORMATION--Continued

II-8. **Trade data.**--Report your firm's production capacity, production, shipments, inventories, and employment related to the production of corrosion-resistant steel in your U.S. establishment(s) during the specified periods. (See definitions in the instruction booklet.)

Quantity (in short tons) and value (in \$1,000)								
Item	Calendar year						January-June	
	2006	2007	2008	2009	2010	2011	2011	2012
Average production capacity¹ (quantity) (A)								
Beginning-of-period inventories (quantity) (B)	14,235	16,027	2,568	7,780	8,146	7,088	7,088	14,697
Production (quantity) (C)	756,500	648,103	506,006	360,179	493,157	630,952	327,742	329,397
U.S. shipments:								
Commercial shipments:								
quantity (D)	749,784	653,990	489,850	355,821	475,577	604,531	304,813	310,867
value (E)	569,795	501,183	497,175	237,353	376,031	530,418	269,820	266,530
Internal consumption:²								
quantity (F)								
value (G)								
Transfers to related firms:²								
quantity (H)								
value (I)								
Export shipments:³								
quantity (J)	2,462	3,786	5,472	1,996	9,319	9,406	5,259	6,547
value (K)	1,742	3,037	6,483	1,481	7,332	8,041	4,464	5,441
End-of-period inventories (quantity) (L)	16,027	2,568	7,780	8,146	7,088	14,697	19,499	26,680
Channels of distribution:								
U.S. shipments to automotive end users (quantity) (M)								
U.S. shipments to construction end users (quantity) (N)								
U.S. shipments to other end users (quantity) specify _____ (O)								
U.S. shipments to steel service centers and distributors (quantity) (P)								
Employment data:								
Average number of PRWs (number) (Q)								
Hours worked by PRWs (1,000 hours) (R)								
Wages paid to PRWs (value) (S)								

¹ The production capacity (see definitions in instruction booklet) reported is based on operating _____ hours per week, _____ weeks per year. Please describe the methodology used to calculate production capacity, and explain any changes in reported capacity (use additional pages as necessary).

² Internal consumption and transfers to related firms should be valued at fair market value. In the event that you use a different basis for valuing these transactions, please specify that basis (e.g., cost, cost plus, etc.) and provide value data using that basis for each of the periods noted above:

³ Identify your principal export markets: _____.

PART III.--FINANCIAL INFORMATION--Continued

III-10. Operations on corrosion-resistant steel.--Report the revenue and related cost information requested below on the corrosion-resistant steel operations of your U.S. establishment(s).¹ Do not report resales of products. Note that internal consumption and transfers to related firms must be valued at fair market value and purchases from related firms must be at cost.² Provide data for your six most recently completed fiscal years in chronological order from left to right, and for the specified interim periods. If your firm was involved in tolling operations (either as the toller or as the tollee), please contact David Boyland at (202) 708-4725 before completing this section of the questionnaire.

Item	Quantity (in short tons) and value (in \$1,000)					
	Fiscal years ended--					
	2006	2007	2008	2009	2010	2011
Net sales quantities: ³						
Commercial sales ("CS")	752,246	657,776	495,322	357,817	484,896	613,937
Internal consumption ("IC")						
Transfers to related firms ("Transfers")						
Total net sales quantities	752,246	657,776	495,322	357,817	484,896	613,937
Net sales values: ³						
Commercial sales	571,537	504,220	503,658	238,834	383,363	538,459
Internal consumption						
Transfers to related firms						
Total net sales values	571,537	504,220	503,658	238,834	383,363	538,459
Cost of goods sold (COGS): ⁴						
Raw materials	340,284	350,244	390,888	160,887	286,031	445,271
Direct labor	38,868	28,903	34,421	33,579	25,128	42,257
Other factory costs	133,634	178,346	114,264	66,142	66,839	89,047
Total COGS	512,786	557,493	539,573	260,608	377,998	576,575
Gross profit or (loss)	58,751	-53,273	-35,915	-21,774	5,365	-38,116
Selling, general, and administrative (SG&A) expenses:						
Selling expenses	4,030	3,666	3,967	1,665	1,521	1,991
General and administrative expenses	6,996	7,352	7,020	6,684	6,073	7,381
Total SG&A expenses	11,026	11,018	10,987	8,349	7,594	9,372
Operating income (loss)	47,725	-64,291	-46,902	-30,123	-2,229	-47,488
Other income and expenses:						
Interest expense	2,167	4,634	3,373	3,896	3,472	3,604
All other expense items						
All other income items						
All other income or expenses, net	2,167	4,634	3,373	3,896	3,472	3,604
Net income or (loss) before income taxes	45,558	-68,925	-50,275	-34,019	-5,701	-51,092
Depreciation/amortization included above	16,340	17,872	19,154	18,034	18,551	17,773