

Prestressed Concrete Steel Wire Strand From Japan

Investigation No. AA1921-188 (Review)

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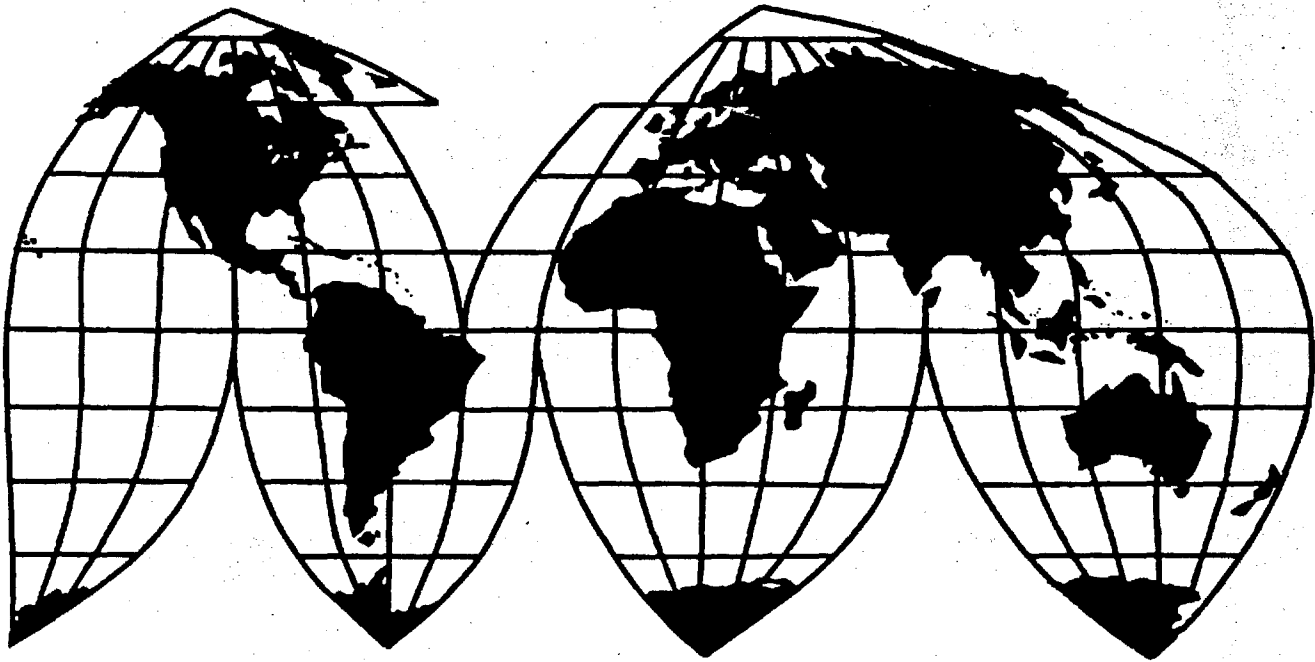
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Publication 3156

February 1999

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been replaced by asterisks (*) .**

GLOSSARY OF ABBREVIATIONS

COGS	Cost of goods sold
Commerce	U.S. Department of Commerce
Commission	U.S. International Trade Commission
Customs	U.S. Customs Service
FR	<i>Federal Register</i>
HTS	Harmonized Tariff Schedule of the United States
LTFV	Less than fair value
PC strand	Prestressed concrete steel wire strand
psi	Pounds per square inch
SG&A	Selling, general, and administrative expenses
Treasury	U.S. Department of the Treasury

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. AA1921-188 (Review)

PRESTRESSED CONCRETE STEEL WIRE STRAND FROM JAPAN

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission determines,² pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping finding on prestressed concrete steel wire strand from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on September 1, 1998 (63 FR 46477), and determined on December 4, 1998, that it would conduct an expedited review (63 FR 70158, December 18, 1998).

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

² Commissioner Askey dissenting.

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping finding concerning prestressed concrete steel wire strand (“PC strand”) from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In November 1978, the Commission determined that an industry in the United States was being injured by reason of dumped imports of PC strand from Japan pursuant to the Antidumping Act, 1921. Subsequently, the Department of the Treasury issued an antidumping finding covering these imports.² On September 1, 1998, the Commission instituted a review pursuant to section 751(c) of the Act to determine whether revocation of the antidumping finding on PC strand from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.³

In five-year reviews, the Commission first determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review. Specifically, the Commission determines whether individual responses to the notice of institution are adequate and, based on these individually adequate responses, whether the collective responses submitted by two groups of interested parties – domestic interested parties (such as producers, unions, trade associations, or worker groups) and respondent interested parties (such as importers, exporters, foreign producers, trade associations, or subject country governments) – show a sufficient willingness among each group to participate and provide information requested in a full review, and if not, whether other circumstances warrant a full review.⁴

In this review the Commission received one response to its notice of institution from interested parties American Spring Wire Corp., Florida Wire & Cable, Inc., Insteel Wire Products Co., and Sumiden Wire Products Corp., domestic producers of PC strand believed to account for 100 percent of domestic production. These parties also filed comments on adequacy, arguing that the review should be expedited because there was no respondent interested party response.⁵

On December 4, 1998, the Commission found that the response from the domestic interested party group was adequate and that the respondent interested party group response was inadequate because no respondent interested parties responded to the notice. Pursuant to Section 751(c)(3)(B) of the Act, the Commission voted to conduct an expedited review.⁶ On January 6, 1999, the domestic interested parties filed comments pursuant to 19 C.F.R. § 207.62(d) concerning the determination that the Commission should reach in this review.

¹ Commissioner Askey determined that revocation of the finding in this case is not likely to lead to continuation or recurrence of material injury to an industry in the United States. *See* her dissenting views. She joins Sections I-II of these views.

² 43 Fed. Reg. 34655 (Dec. 8, 1978).

³ 63 Fed. Reg. 46477 (Sept. 1, 1998).

⁴ *See* 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

⁵ *See* 19 C.F.R. § 207.62(b) (authorizing, *inter alia*, all interested parties that have responded to the notice of institution to file comments with the Commission on whether the Commission should conduct an expedited review).

⁶ 19 U.S.C. § 1675(c)(3)(B); *see* 63 Fed. Reg. 70158 (Dec. 18, 1998).

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines “the domestic like product” and the “industry.”⁷ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”⁸ In its final five-year review determination, the Department of Commerce (“Commerce”) defined the imported product covered by the existing antidumping finding as shipments of “steel wire strand, other than alloy steel, not galvanized, which are stress-relieved and suitable for use in prestressed concrete.”⁹

Under the then applicable statutory provisions, the Commission did not make a like product determination *per se* in its original determination. Instead, the Commission “considered the relevant domestic industry to consist of facilities in the United States devoted to the production of steel wire strand for prestressed concrete.”¹⁰ Thus, the Commission essentially treated all PC strand as a single product. The domestic producers agree with the definitions of the domestic like product and the domestic industry implicitly found in the original investigation.¹¹

We find, based on the facts available, that the appropriate definition of the domestic like product in this expedited five-year review is the same as Commerce’s scope: all steel wire strand, other than alloy steel, not galvanized, which has been stress-relieved and is suitable for use in prestressed concrete.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the “domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.”¹² In defining the domestic industry in this review, we consider whether any producers of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act.

One foreign producer, Sumitomo Electric Industries, is related to Sumiden Wire Products Corp., a current domestic producer. However, Sumitomo is no longer subject to the outstanding antidumping finding.¹³ Thus, there is no reason to exclude Sumiden from the domestic industry. Accordingly, we define the domestic industry to encompass all U.S. producers of PC strand.

⁷ 19 U.S.C. § 1677(4)(A).

⁸ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

⁹ See 64 Fed. Reg. 857 (Jan. 6, 1999); see also 52 Fed. Reg. 37997 (Oct. 13, 1987) (Commerce explaining that galvanized steel wire strand was not included in the scope of the antidumping finding).

¹⁰ Steel Wire Strand for Prestressed Concrete from Japan, Inv. No. AA1921-188, USITC Pub. 928, at 4, 7 (Nov. 1978) (“Original Determination”).

¹¹ Domestic Industry’s Response to Notice of Institution at 18.

¹² 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996).

¹³ 64 Fed. Reg. 858.

III. REVOCATION OF THE FINDING ON PC STRAND IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order or finding unless it makes a determination that dumping is likely to continue or recur and the Commission makes a determination that material injury would be likely to continue or recur if the order or finding is revoked, as described in section 752(a).

Section 752(a) of the Act states that in a five-year review “the Commission shall determine whether revocation of an order [or finding], or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹⁴ The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) indicates that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order or finding] . . . and the elimination of its restraining effects on volumes and prices of imports.”¹⁵ Thus, the likelihood standard is prospective in nature.¹⁶ The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”¹⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”^{18 19}

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.” It directs the Commission to take into

¹⁴ 19 U.S.C. § 1675a(a).

¹⁵ URAA SAA, H.R. Rep. No. 316, 103d Cong., 2d Sess., vol. I, at 883-84.

¹⁶ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

¹⁷ 19 U.S.C. § 1675a(a)(5).

¹⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

¹⁹ In analyzing what constitutes a reasonably foreseeable time, Commissioner Crawford examines all the current and likely conditions of competition in the relevant industry. She defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, she considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, her analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{20 21}

Section 751(c)(3) of the Act and the Commission's regulations provide that in an expedited five-year review the Commission may issue a final determination "based on the facts available, in accordance with section 776."²² We have relied on the facts available in this review, which consist primarily of the record in the original investigation and information submitted by the domestic industry in response to our notice of institution.

For the reasons stated below, we determine that revocation of the antidumping finding on PC strand from Japan would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."²³ Conditions of competition relevant to the PC strand industry are discussed below.

The supply of PC strand in the United States has expanded significantly since imposition of the original finding in 1978, reflecting new and diversified foreign sources of supply and some increase in domestic production capacity. Twenty years ago, three of the six domestic producers were large, integrated carbon steel producers. Now the domestic industry consists of four relatively small, non-integrated steel fabrication firms that begin the production process by purchasing carbon steel wire rod as a raw material input.²⁴ Wire rod is a global commodity and, as such, is available from a number of domestic and international sources.

The domestic industry currently supplies about three-quarters of the U.S. market.²⁵ Domestic producers have some available capacity to meet future growth in demand.^{26 27}

²⁰ 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

²¹ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings "the findings of the administrative authority regarding duty absorption." 19 U.S.C. § 1675a(a)(1)(D). Commerce stated in its five-year review determination that it has not issued any duty absorption findings in this matter. 64 Fed. Reg. 859.

²² 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or another person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a).

²³ 19 U.S.C. § 1675a(a)(4).

²⁴ Commissioner Crawford notes that non-integrated firms have less flexibility in matching downward trends in prices.

²⁵ Domestic Producers' Response to Notice of Institution, Exh. 6; Table I-3, Confidential Report ("CR") at I-11, Public Report ("PR") at I-10.

²⁶ In 1997, the domestic producers utilized 90.4 percent of their capacity, and utilized 82.7 percent in January-June 1998. Domestic Producers' Response to Notice of Institution, Exh. 6; Table I-1, CR at I-7, PR at I-6.

²⁷ Commissioner Crawford notes that the barriers to entry into the U.S. PC strand market appear to be low, based
(continued...)

Before the antidumping finding was imposed, Japan accounted for more than 60 percent of domestic consumption,²⁸ as well as approximately 90 percent of all imports of PC strand. The volume of PC strand imports from Japan has declined substantially during the life of the finding to less than one percent of domestic consumption at present.²⁹

Nonsubject imports have become more important in the U.S. market than they were at the time that the finding was imposed. At present, nonsubject imports account for about one-quarter of domestic consumption.^{30 31}

Demand for PC strand is derived from its use in construction. PC strand is used in pre-tensioned and post-tensioned prestressed concrete construction applications, such as bridge girders, beams, pilings, and deck and roof trusses.³² Since imposition of the finding, the domestic construction industry has enjoyed a lengthy expansion, thus increasing demand for PC strand.³³ The domestic industry expects demand to remain positive in the near term due to the general level of growth in construction and the increasing attractiveness of concrete as a building material vis-a-vis its substitutes.³⁴

Another condition of competition relevant to demand is that PC strand is predominantly a commodity product. Its appearance, the uniformity of its surface, its exact specifications, and other quality factors typically associated with steel products matter little to most purchasers, so long as the strand meets general strength, elongation, and bendability requirements.³⁵ Sales of PC strand have become concentrated in certain grades and sizes since the original investigation, raising the degree of substitutability among PC strand from different sources.³⁶

²⁷ (...continued)

on the significant number of nonsubject and domestic competitors that have entered (and in some cases exited) the U.S. market.

²⁸ Original Determination at A-21; Table I-3, CR at I-11, PR at I-10.

²⁹ Domestic Producers' Response to Notice of Institution at 14 and Exhs. 4-6; Domestic Producers' Comments at 24; Table I-3, CR at I-11, PR at I-10; Table I-4, CR at I-13, PR at I-11. Import data are for all imports from Japan. It is not possible to distinguish between subject and nonsubject imports, except to note that there have been no antidumping duties collected on this merchandise during the three most recent years for which information is available. *Id.*

³⁰ Domestic Producers' Response to Notice of Institution, Exh. 9; Table I-3, CR at I-11, PR at I-10.

³¹ Commissioner Crawford notes that the volume of nonsubject imports has increased. Total nonsubject import volumes in 1997 were several times the levels of such imports in 1992. Domestic Producers' Response to Notice of Institution, Exh. 4. Approximately two dozen countries now supply PC strand to the U.S. market. CR at I-8 n.20, PR at I-7 n.20.

³² Original Determination at 3-4, 7; CR at I-5, PR at I-4.

³³ Domestic Producers' Response to Notice of Institution at 12; *see* Domestic Producers' Comments at 7.

³⁴ Domestic Producers' Response to Notice of Institution at 16; Domestic Producers' Comments at 7. This outlook contrasts with conditions at the time of the original investigation, when a rapid increase in demand in the early part of the period examined was followed by a recession. Original Determination at A-7.

³⁵ Domestic Producers' Response to Notice of Institution at 13. No substitutes for PC strand have been identified.

³⁶ Over 90 percent of current PC strand sales in the United States are of grade 270K (signifying "ultimate strength" of 270,000 pounds per square inch (psi)) and over 75 percent of total sales are of PC strand measuring 0.5 inches in diameter, although a limited number of other sizes from 0.25 to 0.60 inches in diameter are available. Domestic Producers' Response to Notice of Institution at 13; Domestic Producers' Comments at 23; *see also* Domestic Producers' Response to Notice of Institution, Exh. 2, indicating that most sales allegedly lost to imports involved 0.5 inch product, much of which was grade 270K.

other Asian countries would be diverted to the United States should the antidumping finding be revoked.⁴⁸ Total available capacity for the production of PC strand in Japan is equivalent to *** of the U.S. market, and unused capacity alone would supply *** of U.S. demand for PC strand in 1997.⁴⁹

The past behavior of the Japanese producers indicates a likelihood that they would resume significant exports of PC strand to the United States if the antidumping finding is revoked. Prior to the imposition of the finding in 1978, Japanese exports to the United States increased from over 139 million pounds in 1976 to 176 million pounds in 1977, and held over 60 percent of the U.S. market.⁵⁰ In the two years before the antidumping finding was in place, the Japanese producers shipped approximately two-thirds of their total production of this commodity product to the United States.⁵¹ For much of the period for which data were collected in the original investigation, Japanese PC strand accounted for approximately 90 percent of U.S. imports of that product.⁵²

Once the finding was in place, imports decreased sharply, to less than 152 million pounds in 1979 and 126 million pounds in 1980.⁵³ Imports from Japan continued to decline in the early 1980s from 40 million to 60 million pounds per year, to less than four million pounds per year in the late 1980s, and then to levels of less than two million pounds per year throughout the 1990s, such that Japanese PC strand now accounts for less than one percent of total U.S. imports.⁵⁴ Although it is unlikely that subject imports of PC strand would regain the 60 percent market share they once held within a reasonably foreseeable time, given their historical emphasis on the U.S. market and the relative conditions in the U.S. and world markets, we conclude that subject imports would increase to a significant level in the absence of the finding. Accordingly, while the U.S. market share for all Japanese PC strand is less than one percent,⁵⁵ we determine that subject Japanese producers likely would regain significant U.S. market share absent the restraining effect of the finding.^{56 57 58}

⁴⁸ Domestic Producers' Response to Notice of Institution at 15; Domestic Producers' Comments at 6-7. We note that imports of PC strand from Korea in particular, which are not subject to an antidumping finding or order, have increased considerably between the fourth quarter of 1997 and January-June 1998. Domestic Producers' Response to Notice of Institution, Exh. 5; Domestic Producers' Comments at 7.

⁴⁹ Domestic Producers' Comments at 5.

⁵⁰ Domestic Producers' Response to Notice of Institution, Exh. 7; Domestic Producers' Comments at 9; CR at I-8, PR at I-7.

⁵¹ Original Determination at A-9.

⁵² Tables I-2 and I-3, CR at I-10 and I-11, PR at I-9 and I-10.

⁵³ Domestic Producers' Response to Notice of Institution, Exh. 3; Domestic Producers' Comments at 9.

⁵⁴ Domestic Producers' Response to Notice of Institution, Exh. 3; Domestic Producers' Comments at 9; CR at I-8, PR at I-7. We note that recent imports from Japan were produced by nonsubject manufacturers. CR at I-8 n.19, PR at I-7 n.19.

⁵⁵ Table I-3, CR at I-11, PR at I-10.

⁵⁶ Following the imposition of a 13.3 percent antidumping duty against Shinko Wire Co.'s exports of PC strand to the United States, the company expanded its operations by establishing a U.S. subsidiary, Shinko Wire America, Inc., to produce PC strand in Houston, Texas. In late 1996, however, Shinko elected to consolidate its PC strand production and sales operations by selling its U.S. production facility. Domestic Producers' Response to Notice of Institution at 15-16; Domestic Producers' Comments at 7-8. While such a decision could reflect a diminished interest in the U.S. market, we note that Shinko was the *** Japanese exporter of PC strand to the United States prior to imposition of the antidumping finding. By foreclosing the option of U.S. production, any sales by Shinko to new customers or to its existing customer base in the United States would have to be in the form of exports. In the absence of any information or argument to the contrary, we find it likely that Shinko would ship significant quantities into the U.S. market if the finding were revoked, despite its decision to sell its U.S. facility.

⁵⁷ Chairman Bragg notes that, pursuant to statute, when relying upon facts available the Commission may take adverse inferences against parties that fail to respond adequately to the Commission's information request. 19 U.S.C. §§ 1675(c)(3)(B), 1677e(b). Chairman Bragg further notes that respondent parties failed to cooperate in this
(continued...)

There is no information on the record regarding the potential for product shifting, the level of Japanese inventories, or significant barriers to importation in other countries.⁵⁹ Based on the information in the record, including the un rebutted information provided by the domestic industry, we find it is likely that subject PC strand imports from Japan would increase significantly, resulting in a significant level of imports and significantly decreased demand for the domestic like product if the antidumping finding is revoked.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping finding is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and if the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.⁶⁰

The record in this expedited review contains very little pricing data because such data are not available from directly submitted or independently published sources.⁶¹ Moreover, there are no current prices of subject imports because there have been no shipments of subject merchandise in the last three years.⁶² Consequently, our conclusions regarding the likely price effects if the finding is revoked are

⁵⁷ (...continued)

review; indeed, no Japanese producer or exporter, or U.S. importer, of PC strand subject to the antidumping finding provided any information in response to the Commission's notice of institution.

The URAA SAA states that "[i]f the Commission finds that pre-order [or pre-finding] conditions are likely to recur, it is reasonable to conclude that there is likelihood of continuation or recurrence of injury." SAA at 884.

Although it is unlikely that, in the absence of the antidumping finding, Japanese imports of PC strand would regain the 60 percent U.S. market share they once held within a reasonably foreseeable time, Chairman Bragg does infer that, in the absence of the finding, Japanese producers would revert to their historical emphasis on exporting to the United States evidenced in the Commission's original determination. Based upon the record in this review, Chairman Bragg finds that this historical emphasis will likely result in significant volumes of subject imports into the United States if the finding is revoked.

⁵⁸ Commissioners Crawford and Koplan note that, in contrast to Korean imports, nonsubject Japanese imports have not increased. It is not clear whether the behavior of nonsubject Japanese imports implies a lack of interest in the U.S. market, an inability to compete fairly in the U.S. market, the type of product they produce, or some other motivation. Nevertheless, given the information on the record, including the un rebutted information provided by the domestic industry, we find that subject producers would increase their exports to the United States to a significant level if the order is revoked.

⁵⁹ In the absence of such record information, and based upon the failure of Japanese producers or exporters, or U.S. importers, of PC strand subject to the antidumping finding to respond adequately to the Commission's information request, Chairman Bragg infers that, if available, such information would further support the conclusion that revocation of the antidumping finding will likely result in significant volumes of subject imports into the United States.

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

⁶¹ The limited data on the record indicate that over 75 percent of PC strand is sold in a single size (0.5 inch diameter) and over 90 percent is sold in a single grade (270K). We therefore find that average unit values are suitable bases for price comparisons in this review. See Domestic Producers' Response to Notice of Institution at 8 n.1; Domestic Producers' Comments at 11.

⁶² See Table I-2 n.1, CR at I-10, PR at I-9.

drawn largely from our conclusions on likely subject import volumes and the pertinent conditions of competition.⁶³

As noted above, PC strand is a commodity product and, as such, is traded largely on the basis of price. This is particularly true because the types of product commonly sold have narrowed since the original investigation. Prevailing price levels are declining. Specifically, the average unit value of domestic shipments declined by \$40 per ton between interim 1997 and interim 1998 despite generally high levels of demand.⁶⁴ While the data we have are limited, we conclude that the re-entry of subject Japanese producers into a diverse market of nearly two dozen domestic and import sources likely would win sales by discounting from prevailing price levels.⁶⁵

Based on the foregoing, we find that if the finding is revoked there is likely to be significant price underselling by the subject imports as compared to the domestic like product, and that subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of domestic PC strand. Thus, we conclude that imports of the subject merchandise would be likely to have significant negative price effects if the finding is revoked.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the finding is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁶⁶ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.^{67 68} As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping finding at issue and whether the industry is vulnerable to material injury if the finding is revoked.⁶⁹

⁶³ Based upon the limited pricing data available in the record, as well as the failure of Japanese producers or exporters, or U.S. importers, of PC strand subject to the antidumping finding to respond adequately to the Commission's information request, Chairman Bragg also infers that, if available, any further information would support the conclusion that revocation of the antidumping finding would likely result in subject imports causing significant negative price effects for the U.S. producers of PC strand.

⁶⁴ Domestic Producers' Response to Notice of Institution, Exh. 6; Domestic Producers' Comments at 11-12.

⁶⁵ In reaching this conclusion, we have taken into account the fact that subject imports consistently undersold the domestic product during the period examined in the Commission's prior injury determination. Original Determination at A-24. Commissioner Crawford does not join this footnote.

⁶⁶ 19 U.S.C. § 1675a(a)(4).

⁶⁷ 19 U.S.C. § 1675a(a)(4).

⁶⁸ Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce's expedited determination in its five-year review provided likely margins ranging from 4.5 to 13.3 percent for three specific PC strand producers. The estimated "all others" margin is 9.76 percent. 64 Fed. Reg. 860.

⁶⁹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the finding is revoked, (continued...)

There is limited information in the record that permits an evaluation of whether any improvement in the state of the industry is related to imposition of the antidumping finding. As discussed above, however, imports from Japan have largely exited the U.S. market since imposition of the finding, which has allowed U.S. producers to regain substantial market share. The current conditions of competition in the industry, together with the restraining effect of the antidumping finding on subject import volumes, suggest that the Japanese producers would again become significant competitors in the U.S. market if the finding were revoked.

With respect to vulnerability of the domestic industry, the data are mixed. In 1997, operating income was positive.⁷⁰ In conjunction with marked growth in PC strand consumption in the U.S. market, the domestic industry has increased its capacity to produce PC strand. Production capacity increased 11.1 percent between January-June 1997 and January-June 1998.⁷¹ In the first half of 1998, domestic shipments of PC strand increased, but not as rapidly as capacity.

In interim 1998, while net sales increased⁷² along with domestic shipments, gross profits, and operating income decreased sharply.^{73 74} Operating income declined as a result of much lower unit sales values combined with an increase in the cost of goods sold⁷⁵ and in selling, general and administrative expenses.⁷⁶

In view of the substantial increase in the ratio of the cost of goods sold to sales,⁷⁷ we conclude that the domestic industry is experiencing a cost-price squeeze. Although there is presently no actual competition with subject Japanese suppliers, as noted above, some two dozen other import sources, including nonsubject imports from Japan, compete for sales of a relatively homogeneous commodity,

⁶⁹ (...continued)

the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

⁷⁰ In 1997, operating income was \$17 million. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6. Operating income relative to sales was 11.2 percent in 1997. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6.

⁷¹ Capacity increased from 261 million pounds in interim 1997 to 290 million pounds in interim 1998. Domestic Producers' Response to Notice of Institution, Exh. 6; Table I-1, CR at I-7, PR at I-6.

⁷² Net sales increased from \$77 million during January-June 1997 to \$79 million during January-June 1998. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6.

⁷³ Gross profit was \$15 million and declined to \$9 million between interim periods. Operating income decreased from \$9 million to \$3 million between interim periods. Domestic Producers' Response to Notice of Institution, Exh. 8; Domestic Producers' Comments at 18, 21-22; Table I-1, CR at I-7, PR at I-6.

⁷⁴ Reported production fell from 255 million pounds in interim 1997 to 240 million pounds in interim 1998. Calculated capacity utilization rates decreased from 97.5 percent to 82.7 percent over the same time period. Domestic Producers' Response to Notice of Institution, Exh. 6; Table I-1, CR at I-7, PR at I-6.

⁷⁵ The cost of goods sold increased from \$62 million during January-June 1997 to \$70 million during January-June 1998. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6. The major cost element for PC strand is steel wire rod, its essential raw material. *See, e.g.*, Domestic Producers' Response to the Notice of Institution at 14. Raw material costs can move sharply higher as a result of a number of events, such as actual or expected outages by major suppliers or uncertainty in the supply chain as a result of trade litigation. *See generally* Certain Steel Wire Rod From Canada, Germany, Trinidad & Tobago, and Venezuela, Invs. Nos. 731-TA-763-766 (Final), USITC Pub. 3087 (Mar. 1998).

⁷⁶ Selling, general and administrative expenses increased from \$6.0 million during January-June 1997 to \$6.2 million during January-June 1998. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6.

⁷⁷ The cost of goods sold relative to sales increased from 80.6 to 88.6 percent between interim periods. Domestic Producers' Response to Notice of Institution, Exh. 8; Table I-1, CR at I-7, PR at I-6.

contributing to an environment characterized by declining prices. These nonsubject sources accounted for more than 17 percent of U.S. consumption in interim 1998.⁷⁸ In these circumstances, and based on the current record, we conclude that the domestic industry is vulnerable to material injury.⁷⁹

We have already concluded, on the record in this review, that if the antidumping finding is revoked, the volume of subject imports would be significant and that these volumes would have significant adverse price effects on the domestic industry. Our vulnerability finding supports the conclusion that these imports would likely have significant negative effects, within a reasonably foreseeable time, on the domestic industry's prices, output, profitability, capacity utilization, cash flow, and ability to raise capital and make future investments. Overall, we find that if the antidumping finding is revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping finding on PC strand from Japan would be likely to lead to continuation or recurrence of material injury to the U.S. PC strand industry within a reasonably foreseeable time.

⁷⁸ Table I-3, CR at I-11, PR at I-10. We note that nonsubject market share was more than 23 percent in interim 1997. *Id.*

⁷⁹ Commissioner Crawford finds that the magnitude of any adverse effects of revocation is likely to increase with the degree of vulnerability of the industry. She finds that the domestic industry in this review is relatively vulnerable to injury if the finding is revoked, primarily due to overcapacity and competition from nonsubject imports.



DISSENTING VIEWS OF COMMISSIONER THELMA J. ASKEY

Section 751(d) requires that Commerce revoke a countervailing duty or an antidumping finding in a “sunset” review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.¹ In this review of the finding on prestressed concrete steel wire strand (PC strand) from Japan, I find that material injury would be likely neither to continue nor to recur in the event of revocation and I therefore find that Commerce should revoke the finding.

I. THE LEGAL STANDARD FOR SUNSET REVIEWS

Under section 752(a) of the Act, the Commission determines “whether revocation of an order [finding] . . . would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”² The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act indicates that: “under the likelihood standard, the Commission will engage in a counter-factual analysis: it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo -- the revocation [of a finding] . . . and the elimination of its restraining effects on volumes and prices of imports.”³ The likelihood standard is prospective in nature and therefore differs from the standards for material injury and threat of material injury, which involve assessments of current injury or threat thereof, though some of the same analytical elements are applicable.⁴ The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”⁵ In making its determination, the Commission “shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order [finding] is revoked”⁶ Section 752(a)(1) also sets forth four general factors for the Commission to take into account in a five-year review. The first general factor instructs the Commission to take into account its prior injury determination, including the volume, price effects, and impact of the subject imports on the industry before the finding in question was issued.⁷ The second factor concerns whether any improvement in the state of the industry is related to the finding under review.⁸ The third concerns whether the industry is vulnerable to material injury if the finding is revoked.⁹ The fourth

¹ 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1).

² 19 U.S.C. § 1675a(a).

³ Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act, H.R. Rep. No. 103-316, vol. 1 at 884 (1994).

⁴ *Id.* The Commission “may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the finding is revoked.” *Id.*

⁵ 19 U.S.C. § 1675a(a)(5).

⁶ 19 U.S.C. § 1675a(a)(1). The statute provides that the Commission may consider the margin of dumping when making its determination. 19 U.S.C. § 1675a(a)(6). Commerce provided the margins it would expect in the event of revocation for three Japanese PC strand producers; those margins ranged from 4.5 percent to 13.3 percent. The “all others” margin would be 9.76 percent. Two Japanese producers are not subject to this review because the investigation concerning one company was discontinued and the finding against the second was revoked. 64 Fed. Reg. 857, 860 (Jan. 6, 1999).

⁷ 19 U.S.C. § 1675a(a)(1)(A).

⁸ 19 U.S.C. § 1675a(a)(1)(B).

⁹ 19 U.S.C. § 1675a(a)(1)(C).

relates to the findings of the administering authority regarding duty absorption under section 751(a)(4) of the Act.¹⁰

Finally, the statute provides that “[t]he presence or absence of any factor which the Commission is required to consider under this subsection shall not necessarily give decisive guidance with respect to the Commission’s determination. . . .”¹¹ The SAA explains that as in the case of injury and threat determinations, “the Commission must consider all factors, but no one factor is necessarily dispositive.”¹² The SAA further states that “[i]n particular, the Commission need not determine that both the volume and price effects of imports are likely to be significant to determine that material injury is likely within a reasonably foreseeable time.”¹³

II. MATERIAL INJURY WILL NEITHER CONTINUE NOR RECUR AS A RESULT OF REVOCATION

I join the majority of the Commission’s determination regarding domestic like product and domestic industry. Domestic producers representing 100 percent of the domestic industry responded to the Commission’s notice of initiation; no respondent interested parties chose to participate in the review. Publicly available data on the PC strand industry are scarce. We therefore have a limited record, with most current data composed of information provided by domestic producers, to review in determining whether revocation of the finding will likely lead to continuation or recurrence of material injury.¹⁴ On the basis of the record, and considering all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry,”¹⁵ I find that revocation of the finding would not likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

A. Conditions of Competition

PC strand is fabricated from cleaned (annealed) nonalloy steel wire rod that is cold-drawn to the appropriate wire size. The wire rod is then stranded into a multi-wire configuration and subsequently processed further to improve the load-bearing capability of the steel. PC strand is used to reinforce concrete and is therefore used in concrete construction applications that require load-bearing capability.¹⁶ PC strand is available in two grades ranging from 250,000 to 270,000 psi, and sizes ranging from 0.25 to 0.60 inch in diameter.¹⁷ The domestic industry estimates that more than 90 percent of PC strand sales are of grade 270 and more than 75 percent are in the size of 0.50 inch in diameter.¹⁸

¹⁰ Commerce observed in its five-year review determination that it has not issued any duty absorption findings in this matter. 64 Fed. Reg. 859.

¹¹ 19 U.S.C. § 1675a(a)(5).

¹² SAA at 886.

¹³ Id.

¹⁴ Congress and the administration anticipated that the record in expedited sunset reviews would likely be more limited than that in full reviews and accordingly provided that the Commission’s determination would be upheld unless it was “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 19 U.S.C. § 1516a(b)(1)(b)(ii). Nevertheless, even under a more relaxed standard of review, the Commission must ensure that its decision is based on some evidence in the record. See, Genentech Inc. v. United States Int’l Trade Comm’n, 122 F.3d 1409, 1415 (Fed. Cir. 1997) (discussing the Commission’s decision on sanctions).

¹⁵ 19 U.S.C. § 1675a(a)(4).

¹⁶ Confidential Report (“CR”) at I-5, Public Report (“PR”) at I-4.

¹⁷ CR at I-5, PR at I-4.

¹⁸ Response to the Notice of Institution by the Domestic Industry (RDI) filed Oct. 21, 1998, at 13.

1977 and a 40-percent decline in the price of imported PC strand over the period examined.³² It also noted a 31-percent decline in domestic prices of PC strand.³³

The industry, however, has changed dramatically in the twenty years since the original determination. Integrated steel producers no longer make PC strand in the United States. U.S. producers source wire rod from domestic and imported sources to produce PC strand. The domestic industry now supplies a majority of the U.S. market, 77.3 percent in 1997 and 82.6 percent in interim 1998.³⁴ Prior to the imposition of the finding, the domestic industry routinely accounted for less than one-third of the market. In addition, Japanese producers accounted for over 60 percent of the U.S. market prior to the finding. At present, nonsubject Japanese producers account for approximately 0.1 percent of the U.S. market, with other foreign producers supplying 22.6 percent of the market in 1997 and 17.3 percent in interim 1998.³⁵ Given the domestic industry's dominance of this market and strong competition from nonsubject imports, it is unlikely that Japanese producers would be able to re-establish their prior market share within a reasonably foreseeable time. I therefore find that pre-finding conditions are unlikely to recur as a result of revocation of the finding.

Though improvement in the industry's current position does not necessarily mean the finding is no longer necessary, because one would expect the imposition of an finding to have some beneficial effect on the industry, I do not find that the condition of the PC strand industry is likely to deteriorate if the finding is revoked. Given the changes in the domestic industry since the imposition of the finding, the absence of subject imports, and the large number of nonsubject imports, I find the current state of the industry largely unrelated to the existence of the finding.

I further find that the domestic industry does not appear to be vulnerable to material injury if the finding is lifted. U.S. producers account for a majority of the market and are currently competing against numerous foreign producers. In addition, the domestic industry remains profitable.³⁶

C. Volume

The Commission is to consider whether the likely volume of subject imports if the finding under review is revoked would be significant either in absolute terms or relative to production or consumption in the United States.³⁷ In so doing, the Commission shall consider "all relevant economic factors," including four enumerated in the statute: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise in countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.³⁸

Japanese imports currently hold a minimal 0.1 percent of the U.S. market, and no subject imports have entered the United States for the last three years.³⁹ Though the record reflects that Japanese

³² *Id.* at 5-6.

³³ *Id.* at 6.

³⁴ Table I-3, CR at I-11, PR at I-10.

³⁵ *Id.*

³⁶ Table I-1, CR at I-7, PR at I-6.

³⁷ 19 U.S.C. § 1675a(a)(2).

³⁸ 19 U.S.C. § 1675(a)(2)(A)-(D). The SAA indicates that the statutory factors specified for analysis of volume, price, and impact are a combination of those used to determine both material injury by reason of subject imports and threat of material injury in original antidumping and countervailing duty investigations. See SAA at 886.

³⁹ Table I-3 and n.1, CR at I-11, PR at I-10.

producers have unused capacity,⁴⁰ Japanese market share is unlikely to increase significantly in the reasonably foreseeable future given the dominance of domestic producers and the large number of foreign suppliers already competing in the market.

Further, in 1996, one Japanese producer sold its PC strand assets in the United States and relocated to Japan.⁴¹ Though the domestic industry argues that this shift in production means the Japanese producer is likely to sell dumped imports to its U.S. customers from its Japanese facility, this departure may just as reasonably be explained as a lack of interest in the U.S. market by a significant Japanese producer, particularly since foreign producers often maintain a platform in a market that they are supplying.

We have received no information from Japanese producers or exporters, or from U.S. importers. Publicly available data are scarce, and the record therefore does not contain any information on Japanese inventories or the potential for product shifting. The only information in the record as to significant barriers to importation in other countries is the assertion by domestic producers that the Asian economic crisis has caused Asian producers of PC strand to shift their focus to the growing U.S. market. Though this assertion is supported by dramatic increases in imports from Korea and Malaysia, Japanese imports have increased to a lesser extent and, in fact, U.S. producers have gained market share when one compares interim 1997 to interim 1998.⁴²

D. Price

In evaluating the likely price effects of the subject merchandise in the event of revocation, the Commission shall consider whether (1) imports are likely to be sold at a significantly lower price than the domestic like product and (2) imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like product.⁴³

According to the domestic industry, current Japanese imports have an average unit value⁴⁴ (AUV) nearly twice that of domestic producers (\$1,102 per short ton in 1997 as compared to domestic PC strand at \$660 per short ton in 1997).⁴⁵ Domestic producers attribute this difference in price to the dumping finding, though dumping margins range from 4.5 percent to 13.3 percent. Those dumping margins are unlikely to account for a 67 percent difference in value. The price differential may be attributable in part to some unexplained difference in product quality or specifications, though the record contains no relevant information. Given that domestic producers claim that there is a generally high level of substitutability of PC strand from different sources, it is unlikely that Japanese producers would be able to increase their presence in the U.S. market at current pricing levels even with the finding lifted. Moreover, Japanese producers would have to compete with imports from other countries with average

⁴⁰ RDI at 15. Domestic producers estimate that Japanese capacity utilization was *** percent in 1998.

⁴¹ RDI at 15-16.

⁴² Table I-3, CR at I-11, PR at I-10. U.S. producers held 76.6 percent of the market in interim 1997, and increased their share to 82.6 percent in interim 1998.

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

⁴⁴ The domestic industry argues that average unit values are suitable proxies for actual prices of PC strand because one or a few closely related products dominate sales (see above, conditions of competition). RDI at 8. The record contains no current pricing data aside from the AUV data provided by domestic producers and similar data from the Department of Commerce.

⁴⁵ RDI at 7-8 and exhibit 6.

unit values ranging from \$443 per short ton (Malaysia) to \$495 per short ton (Austria).⁴⁶ Given Japan's low level of imports and relatively high prices, I find it unlikely that imports from Japan would have suppressing or depressing effects on price in the event the finding is revoked.

E. Impact

When considering the likely impact of subject imports, the Commission is to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more enhanced version of the domestic like product.⁴⁷

Japanese imports of PC strand are unlikely to have any adverse impact on the domestic industry in the reasonably foreseeable future. Japanese producers currently have a negligible share of the U.S. market (0.1 percent) and imports of such merchandise enter the United States with extremely high average unit values. U.S. producers held 82.6 percent of the market in interim 1998.⁴⁸ Given U.S. market conditions, which include much lower prices and substantial presence by numerous foreign producers, it is highly unlikely that Japanese producers would be able to increase their share of the domestic market in the reasonably foreseeable future.

Based on the information in the record, much of which was supplied by the domestic industry, the domestic industry's sales and market share have increased significantly since the imposition of the finding, and both increased most recently in interim 1998 over interim 1997.⁴⁹ Production was down slightly in interim 1998 as compared to interim 1997, and capacity utilization decreased from 97.5 percent to 82.7 percent, but overall capacity increased by more than 10 percent.⁵⁰ Gross profits decreased from interim 1997 to interim 1998, as did operating income, although the industry remained profitable.⁵¹ These declines occurred despite the continued existence of the finding. Given the negligible share of the U.S. market held by Japanese imports and the fact that I find it unlikely that the volume of Japanese imports will increase significantly in the event of revocation, I do not find that revocation of the finding will exacerbate any recent decline in profitability, production levels, or capacity utilization in the U.S. industry. I further find that revocation is not likely to have a negative effect on cash flow, inventories, employment, wages, growth, ability to raise capital, or investment, and the record contains no information on the likely impact of revocation on the development and production efforts of the industry. Taking into account all of these factors, I find that revocation is unlikely to have a negative impact on the domestic industry in the reasonably foreseeable future.

III. CONCLUSION

Subject imports are unlikely to have adverse volume or price effects in the event of revocation, and are therefore unlikely to have a negative impact on the domestic industry. Thus, I find that material injury is unlikely to continue or recur in the reasonably foreseeable future if the antidumping finding is revoked.

⁴⁶ RDI at exhibit 5.

⁴⁷ 19 U.S.C. § 1675a(a)(4).

⁴⁸ Table I-3, CR at I-11, PR at I-10.

⁴⁹ Table I-1, CR at I-7, PR at I-6; RDI at exhibit 8.

⁵⁰ Id.

⁵¹ Id.

INFORMATION OBTAINED IN THE REVIEW

INTRODUCTION

On September 1, 1998, the Commission gave notice that it had instituted a review to determine whether revocation of the antidumping duty finding on prestressed concrete steel wire strand ("PC strand") from Japan would be likely to lead to the continuation or recurrence of material injury.¹ On December 4, 1998, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.² The Commission voted on this review on January 20, 1999, and notified Commerce of its determination on February 2, 1999.

The Original Investigation

The Commission completed the original investigation in November 1978, determining that an industry in the United States was being injured by reason of the importation of steel wire strand for prestressed concrete from Japan which Treasury had determined was being, or was likely to be, sold at LTFV. The Commission found PC strand to be "all steel wire strand, other than alloy steel, which has been stress-relieved and is suitable for use in prestressing concrete" and the relevant domestic industry to consist of "facilities in the United States devoted to the production" of PC strand.³

In the original investigation, Treasury excluded one Japanese firm producing and exporting PC strand, Kawatetsu Wire Products Co., Ltd., from its dumping finding.⁴ In 1986, Commerce revoked the antidumping duty order against a second Japanese producer of PC strand, Sumitomo Electric Industries, Ltd.⁵

Commerce's Final Results of Expedited Sunset Review

On December 30, 1998, the Commission received Commerce's "Final Results of Expedited Sunset Review" concerning PC strand from Japan.⁶ The review covered imports from all manufacturers and exporters of PC strand from Japan other than imports produced by Sumitomo Electric Industries, Ltd., and exported by Sumitomo Corp., and imports produced by Kawasaki Steel Techno-Wire Co., Ltd. Commerce determined that dumping is likely to continue if the finding were revoked. Commerce also noted that, to date, it has not issued any duty absorption findings in this case. The following tabulation provides information with regard to the margin of dumping likely to prevail if the finding is revoked:

¹ 63 FR 46477, Sept. 1, 1998. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

² 63 FR 70158, Dec. 18, 1998. The Commission's notice of expedited review and Commerce's expedited determination appear in app. A. See also the Commission's web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct an expedited or full investigation.

³ *Statement of Reasons* at 3-4 (Chairman Joseph O. Parker and Commissioners George M. Moore and Catherine Bedell) and at 7 (Commissioner Bill Alberger). The domestic industry agrees with these definitions. *Response to the Notice of Institution by the Domestic Industry* at 18.

⁴ *Staff Report of Nov. 3, 1978* at A-3. Commerce later extended Treasury's "discontinuance" to Kawasaki Steel Techno-Wire Co., Ltd., the successor company to Kawatetsu Wire Products Co., Ltd. 55 FR 28796, July 13, 1990.

⁵ 51 FR 30894, Aug. 29, 1986.

⁶ Information in this section of the report summarizes the results of Commerce's expedited review (64 FR 857, Jan. 6, 1999).

<u>Manufacturer/exporter</u>	<u>Margin (percent)</u>
Kawasaki Steel Techno-Wire Co., Ltd., formerly Kawatetsu Wire Products Co., Ltd.	Discontinued
Shinko Wire Co., Ltd.	13.3
Sumitomo Electric Industries, Ltd. (and exported by Sumitomo Corp.)	Revoked
Suzuki Metal Industry Co., Ltd.	6.9
Tokyo Rope Manufacturing Co., Ltd.	4.5
All others	9.76

THE PRODUCT

The scope of Commerce's "Final Results of Expedited Sunset Review" defines PC strand as steel wire strand, other than alloy steel, not galvanized, which is stress-relieved and suitable for use in prestressed concrete. Such merchandise is currently classifiable under HTS statistical reporting number 7312.10.3012.⁷

The raw material input for PC strand is nonalloy steel wire rod. The steel wire rod is first cleaned (annealed), then cold-drawn to the appropriate wire size. The resulting wire is subsequently fabricated by stranding machines into a multi-wire configuration in which (typically) six wires helically encircle one core wire in a consistent lay. The wire strand then undergoes heat treatment or electrical induction to stress-relieve the strand, in order to convey the load-bearing capability of the steel to the concrete. The steel strand is then set in liquid concrete, which hardens around, and bonds to, the strand.⁸

PC strand is available in two grades (ranging in strength from 250,000 to 270,000 psi)⁹ and several sizes (ranging from 0.25 to 0.60 inch in diameter). However, the domestic industry currently estimates that more than 90 percent of PC strand sales are grade 270 and more than 75 percent are in a single size, 0.50 inch in diameter.¹⁰

PC strand is used in pre-tensioned and post-tensioned prestressed concrete construction applications. Prestressing permits concrete to withstand tensile forces without cracking; accordingly, the primary uses for prestressed concrete include bridge beams, piling, and deck and roof trusses.¹¹

⁷ 64 FR 857, Jan. 6, 1999.

⁸ *Staff Report of Nov. 3, 1978 at A-6 and Response to the Notice of Institution by the Domestic Industry at 13.*

⁹ Grade 250 and grade 270 have minimum ultimate strengths of 250,000 psi and 270,000 psi, respectively, based on the nominal area of the strand.

¹⁰ *Compare Staff Report of Nov. 3, 1978 at A-5-6 with Response to the Notice of Institution by the Domestic Industry at 13.*

¹¹ Stressing is accomplished by either the pre-tensioning process (in which the strand is tensioned before the concrete mix is poured around the steel and then released when the concrete has attained full strength) or the post-tensioning process (in which the strand is tensioned after the concrete is set). The properties required in the steel

(continued...)

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

In 1978, six firms manufactured PC strand in the United States: integrated producers Armco Steel Corp. (Kansas City, MO), Bethlehem Steel Corp. (Sparrows Point, MD), and CF&I Steel Corp. (Pueblo, CO); and nonintegrated producers American Spring Wire Corp. (Bedford Heights, OH), Florida Wire & Cable Co. (Jacksonville, FL), and Washburn Wire Products Co. (New York, NY).¹² Between 1978 and 1998, Armco Steel Corp., Bethlehem Steel Corp., CF&I Steel Corp., and Washburn Wire Products Co. exited the PC strand industry, while Insteel Wire Products, Sumiden Wire Products Corp.,¹³ and Shinko Wire America, Inc.,¹⁴ entered the industry. The industry in the United States currently consists of four nonintegrated producers: American Spring Wire Corp., Florida Wire & Cable Co., Insteel Wire Products Co. (Mt. Airy, NC), and Sumiden Wire Products Corp. (Stockton, CA).¹⁵

U.S. Production Operations

Data reported by U.S. producers in the Commission's original investigation and in response to its review institution notice are presented in table I-1. Pricing data are not available from directly-submitted or independently-published sources; however, because of the large share of PC strand sold in a single size and a single grade, the domestic industry feels that average unit values are suitable proxies for actual prices.¹⁶

¹¹ (...continued)

are essentially the same for either method, although a good bond between steel and concrete is of greater importance when the stressing is achieved through pre-tensioning. *See, e.g., Staff Report of Nov. 3, 1978 at A-6-7.*

¹² *Staff Report of Nov. 3, 1978 at A-12.* Five facilities halted production of PC strand between 1970 and 1974, while American Spring Wire Corp. began production in 1975 and Washington Wire Products Co. in 1978. *Staff Report of Nov. 3, 1978 at A-12-13.*

¹³ Sumiden Wire Products Corp. is related to Sumitomo Electric Industries, Ltd., a Japanese company that produces PC strand but is no longer subject to the antidumping duty order. *Response to the Notice of Institution by the Domestic Industry at 9.*

¹⁴ Shinko Wire America, Inc., a subsidiary of Japanese manufacturer and exporter Shinko Wire Co., Ltd., produced PC strand in Houston, TX, between 1979 and 1996, then sold its U.S. PC strand assets effective Dec. 31, 1996. *Response to the Notice of Institution by the Domestic Industry at 16.* American Spring Wire Corp. acquired the Houston, TX, plant.

¹⁵ *Response to the Notice of Institution by the Domestic Industry at 2, 9, and 13.*

¹⁶ *Response to the Notice of Institution by the Domestic Industry at 8, fn. 1.*

Table I-1
PC strand: U.S. producers' trade and financial data, 1974-77, 1997, Jan.-June 1997, and Jan.-June 1998

Item	Calendar years					Jan.-June	
	1974	1975	1976	1977	1997	1997	1998
Capacity (1,000 pounds)	133,600	129,600	176,600	180,800	533,715	261,444	290,391
Production (1,000 pounds)	118,916	77,418	78,112	92,020	482,666	254,884	240,036
Capacity utilization (percent)	89.0	59.7	44.2	50.9	90.4	97.5	82.7
Domestic shipments (1,000 pounds) ¹	117,075	72,580	80,452	90,737	454,460	229,205	242,152
Domestic shipments (1,000 dollars)	N/A	N/A	N/A	N/A	150,311	74,624	76,049
Domestic shipments (per pound)	N/A	N/A	N/A	N/A	\$0.33	\$0.33	\$0.31
Net sales (1,000 dollars) ²	28,063	24,636	20,905	24,848	155,705	77,417	78,568
COGS (1,000 dollars)	20,328	17,940	19,575	24,261	128,952	62,414	69,640
Gross profit (1,000 dollars)	7,735	6,696	1,330	587	26,753	14,735	8,928
SG&A (1,000 dollars)	1,673	1,908	1,942	2,314	9,302	6,022	6,210
Operating income (1,000 dollars)	6,062	4,788	(612)	(1,727)	17,451	8,711	2,718
Operating income/sales (percent)	21.6	19.4	-2.9	-7.0	11.2	11.3	3.5
COGS/sales (percent)	72.4	72.8	93.6	97.6	82.8	80.6	88.6
SG&A/sales (percent)	6.0	7.7	9.3	9.3	6.0	7.8	7.9

¹ U.S. producers reported no beginning-of-period inventories for 1997 and 1998; between 1974 and 1977, reported end-of-period inventories ranged from 3,608,000 to 7,806,000 pounds.

² Net sales include small volumes of export shipments (3.9 percent of total shipments in 1997). U.S. producers reported no company transfers.

Note.—Reported data for 1997 and 1998 exhibit minor discrepancies in both the trade and the financial data.

Source: *Staff Report of Nov. 3, 1978 at A-16, A-19, and A-26, and Response to the Notice of Institution by the Domestic Industry at exhibits 6 and 8.*

U.S. IMPORTS AND CONSUMPTION

U.S. Importers

In the mid- to late-1970s, imports of PC strand were overwhelmingly produced in Japan and sold in the United States through about eight primary importers, including Kurt Orban Co. and Japanese trading houses Kawasho International USA Inc., Mitsubishi International Corp., and Mitsui & Co. USA. Twenty years later, recent U.S. importers of Japanese PC strand are believed to include Mitsubishi International Corp., Nippon Express USA, Inc., and Mitrans Corp.¹⁷

U.S. Imports

For much of the period for which data were collected in the Commission's original investigation, Japanese PC strand accounted for about 90 percent of U.S. imports of such merchandise.¹⁸ In the past two decades, however, imports from Japan have fallen noticeably, as shown in figure I-1.¹⁹ In recent years, the largest share of imported PC strand has originated in Mexico; by quantity, Japanese PC strand now accounts for less than one percent of total U.S. imports.²⁰ While the domestic industry continues to consider Japan to be a "low-priced source" of PC strand, it notes that the average unit values of PC strand imports from nonsubject countries have been much lower than those from Japan (as well as the domestic industry's selling prices) in recent years, a fact which it attributes to the existing antidumping duty.²¹ Data on the quantities, values, and average unit values of imports are presented in table I-2.

¹⁷ *Staff Report of Nov. 3, 1978* at A-13 and *Response to the Notice of Institution by the Domestic Industry* at 11.

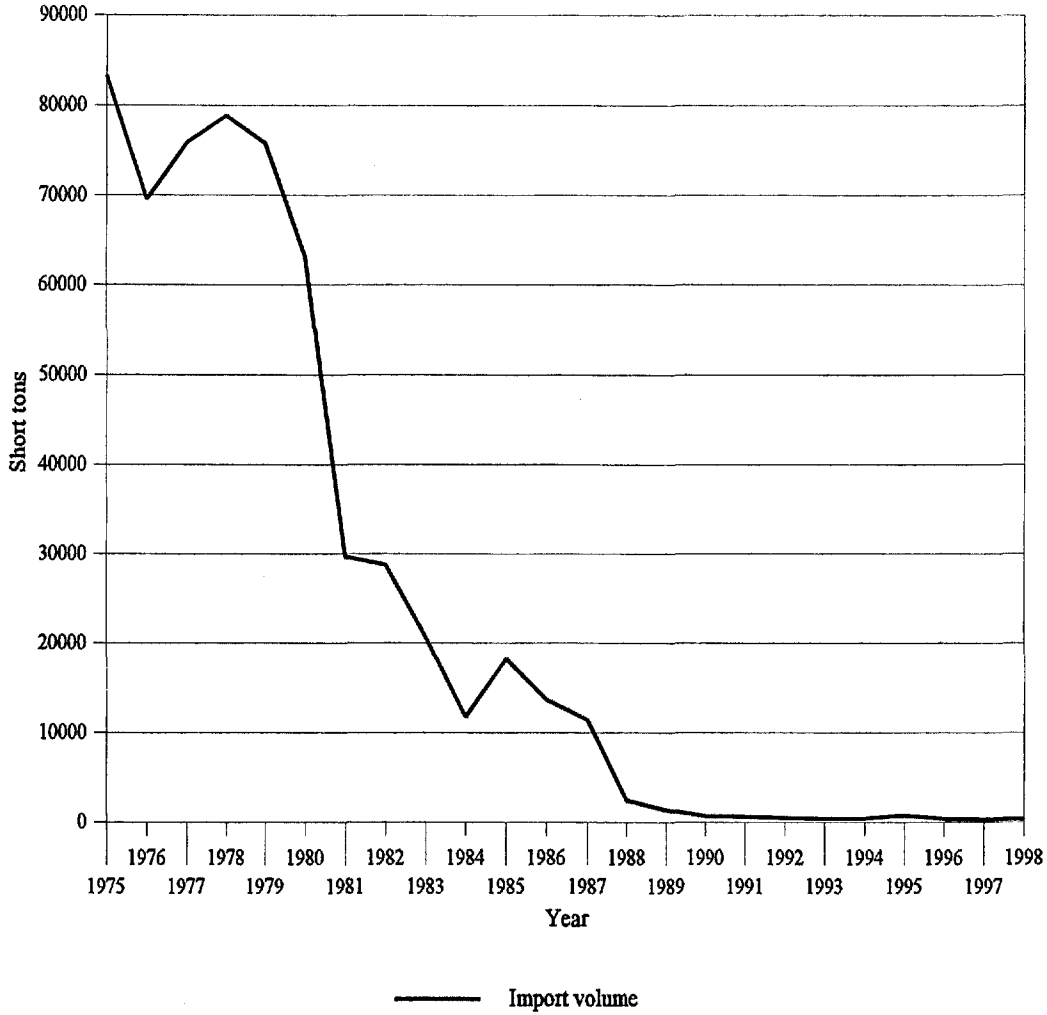
¹⁸ Japanese merchandise accounted for 88.3 - 93.5 percent of PC strand imports between 1974 and 1977, before rising imports from other countries reduced the Japanese share to 73.7 percent for the first eight months of 1978. *Staff Report of Nov. 3, 1978* at A-20.

¹⁹ It is not known how much of total imports from Japan prior to 1995 was accounted for by producers/exporters not subject to the antidumping duty order. However, as noted in table I-2, nonsubject Japanese suppliers are believed to have accounted for all PC strand imports from Japan during fiscal years 1995-97.

²⁰ Japan is one of about two dozen countries supplying PC strand to the U.S. market. *Response to the Notice of Institution by the Domestic Industry* at exhibit 5. Import data presented by the domestic industry for 1991-98 include merchandise entering the United States under both HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012. While no Japanese merchandise entered under the former statistical reporting number in 1997 or 1998, this item (stranded wire (other than stainless steel) for prestressing concrete, covered with textile or other nonmetallic material) accounts for about 15 percent of the total imports included in the domestic industry's calculations.

²¹ Because of the lower average unit values of imported PC strand from nonsubject countries, allegedly the cause of 41 instances of lost sales and 3 instances of lost revenues, the domestic industry asserts that revocation of the antidumping duty would lead to an increased volume of subject imports sold at prices that meet the import competition but "undercut" the prices of the U.S. industry. *Response to the Notice of Institution by the Domestic Industry* at 7-8 and exhibit 2 (lost sales and lost revenue allegations). In light of the preponderance of "undifferentiated" product sold in a single size and a single grade, the domestic industry feels that average unit values are suitable proxies for actual prices. *Id.* at 8, fn. 1.

Figure I-1
PC strand: U.S. imports from Japan, by quantity, 1975-98 (annualized)



Note.-- Data provided by the domestic industry in short tons.

Source: *Response to the Notice of Institution by the Domestic Industry at exhibit 3.*

Table I-2
PC strand: U.S. imports, by sources, 1974-77, 1997, Jan.-June 1997, and Jan.-June 1998

Source	Calendar years					Jan.-June	
	1974	1975	1976	1977	1997	1997	1998
	Quantity (1,000 pounds)						
Japan ¹	295,304	166,750	139,096	176,452	597	268	393
Other countries	20,740	15,659	9,657	23,311	133,096	69,684	50,590
Total	316,044	182,409	148,753	199,763	133,693	69,952	50,984
	Value (1,000 pounds)						
Japan ¹	67,589	52,973	28,662	34,372	362	165	217
Other countries	5,876	5,592	1,891	4,474	37,311	20,119	14,377
Total	73,465	58,565	30,553	38,846	37,673	20,284	14,594
	Unit value (dollars per pound)						
Japan ¹	\$0.23	\$0.32	\$0.21	\$0.20	\$0.61	\$0.62	\$0.55
Other countries	0.28	0.36	0.20	0.19	0.28	0.29	0.28
Average	0.23	0.32	0.21	0.19	0.28	0.29	0.29
	Share of quantity (percent)						
Japan ¹	93.4	91.4	93.5	88.3	0.4	0.4	0.8
Other countries	6.6	8.6	6.5	11.7	99.6	99.6	99.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)						
Japan ¹	92.0	90.5	93.8	88.5	1.0	0.8	1.5
Other countries	8.0	9.5	6.2	11.5	99.0	99.2	98.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Data include PC strand produced and exported by Kawatetsu Wire Products Co., Ltd., its successor company, and Sumitomo Electric Industries, Ltd. Annual reports prepared by Customs on the collection of antidumping and countervailing duties do not list this order for fiscal years 1995-97, suggesting no imports of subject merchandise during this period.

Source: Staff Report of Nov. 3, 1978 at A-21; Commerce's official import statistics for HTS statistical reporting number 7312.10.3012; and Commerce web site at http://www.ita.doc.gov/import_admin/records/sunset.

Apparent U.S. Consumption and Market Shares

Between 1977 and 1997, apparent U.S. consumption of PC strand more than doubled,²² while the share of the market accounted for by imports fell by two-thirds. Data on apparent U.S. consumption and market shares (by quantity) are provided in table I-3 below.²³

Table I-3 PC strand: Apparent U.S. consumption and market shares, by sources, 1974-77, 1997, Jan.-June 1997, and Jan.-June 1998							
Item	Calendar years					Jan.-June	
	1974	1975	1976	1977	1997	1997	1998
	Quantity (1,000 pounds)						
U.S. producers' shipments	117,075	72,580	80,452	90,737	454,460	229,205	242,152
Imports from Japan	295,304	166,750	139,096	176,452	597	268	393
Other imports	20,740	15,659	9,657	23,311	133,096	69,684	50,590
Total imports	316,044	182,409	148,753	199,763	133,693	69,952	50,984
Apparent consumption	433,119	254,989	229,205	290,500	588,153	299,157	293,136
	Share of quantity (percent)						
U.S. producers' shipments	27.0	28.5	35.1	31.2	77.3	76.6	82.6
Imports from Japan	68.2	65.4	60.7	60.7	0.1	0.1	0.1
Other imports	4.8	6.1	4.2	8.0	22.6	23.3	17.3
Total imports	73.0	71.5	64.9	68.8	22.7	23.4	17.4
Apparent consumption	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ Data include PC strand produced and exported by Kawatetsu Wire Products Co., Ltd., its successor company, and Sumitomo Electric Industries, Ltd. Annual reports prepared by Customs on the collection of antidumping and countervailing duties do not list this order for fiscal years 1995-97, suggesting no imports of subject merchandise during this period.</p> <p>Source: Staff Report of Nov. 3, 1978 at A-30; Response to the Notice of Institution by the Domestic Industry at exhibit 6; Commerce's official import statistics for HTS statistical reporting number 7312.10.3012; and Commerce web site at http://www.ita.doc.gov/import_admin/records/sunset.</p>							

²² The domestic industry observes that, over the short term, demand for PC strand, a necessary element for most concrete construction, fluctuates in correlation to the construction cycle. Over the long term, demand for PC strand in the United States has been growing. The domestic industry contrasts the observed growth conditions in the United States (increases in construction activity and the use of concrete) to the slowdown in economic activity in Japan and its trading partners. *Response to the Notice of Institution by the Domestic Industry* at 16-18.

²³ The original report does not include data for the value of U.S. domestic shipments.

THE INDUSTRY IN JAPAN

In the mid-1970s, the industry producing PC strand in Japan for export to the United States consisted of one large integrated steel producer (Sumitomo Electric Industries, Ltd.) and four independent steel producers (Kawatetsu Wire Products Co., Ltd.; Shinko Wire Co., Ltd.; Suzuki Metal Industry Co., Ltd.; and Tokyo Rope Manufacturing Co., Ltd.).²⁴ While producers Sumitomo Electric Industries, Ltd., and Kawasaki Steel Techno-Wire Co., Ltd., are not subject to the antidumping order,²⁵ five Japanese companies are believed to manufacture merchandise subject to the antidumping duty order on PC strand: original producers Shinko Wire Co., Ltd., Suzuki Metal Industry Co., Ltd., and Tokyo Rope Manufacturing Co., Ltd.; plus Kokoku Steel Wire Co., Ltd., and Tesac Corp. Available data regarding the industry producing the subject merchandise in Japan are provided in table I-4.

Table I-4 PC strand: Japanese producers' trade data, 1974-77,¹ 1997, Jan.-June 1997, and Jan.-June 1998							
Item	Calendar years					Jan.-June	
	1974	1975	1976	1977	1997	1997	1998
Capacity (1,000 pounds)	449,298	487,217	487,217	533,513	(2)	(2)	(2)
Production (1,000 pounds)	400,384	216,373	211,199	282,037	(2)	(2)	(2)
Capacity utilization (percent)	89.1	44.4	43.3	52.5	(2)	(2)	(2)
Export shipments (1,000 pounds)	N/A	N/A	212,832	253,485	N/A	N/A	N/A
Shipments to the United States (1,000 pounds) ³	295,304	166,750	143,023	195,414	N/A	N/A	N/A
Exports/production (percent)	N/A	N/A	100.8	89.9	N/A	N/A	N/A
U.S. exports/production (percent) ³	73.8	77.1	67.7	69.3	N/A	N/A	N/A

¹ Data for 1974-77 include the operations of Kawatetsu Wire Products Co., Ltd.
² U.S. producer *** estimates Japanese capacity to produce the merchandise subject to the antidumping duty order to be *** in 1998, with a capacity utilization rate of ***. Based on this estimate, 1998 production of the subject merchandise would be ***.
³ Shipments to the United States for 1974 and 1975 are calculated from U.S. import data.

Source: Staff Report of Nov. 3, 1978 at A-14 and A-21 and Response to the Notice of Institution by the Domestic Industry at exhibit 11.

²⁴ During Treasury's period of investigation (June 1 - Nov. 30, 1977), Sumitomo Electric Industries, Ltd., and Shinko Wire Co., Ltd., exported *** of PC strand to the United States, and were found to have the highest weighted-average margins of dumping. *Staff Report of Nov. 3, 1978 at A-9*. Both companies subsequently established subsidiaries to produce PC strand in the United States: Sumiden Wire Products Corp. (1980 - present) and Shinko Wire America, Inc. (1979 - 1996).

²⁵ As noted earlier, Treasury excluded Kawatetsu Wire Products Co., Ltd., from its 1978 dumping finding, and Commerce revoked the antidumping duty order against Sumitomo Electric Industries, Ltd., in 1986. Kawasaki Steel Techno-Wire Co., Ltd., is the successor company to Kawatetsu Wire Products Co., Ltd.

APPENDIX A
FEDERAL REGISTER NOTICES

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. AA1921-188 (Review)]****Prestressed Concrete Steel Wire
Strand From Japan****AGENCY:** United States International
Trade Commission.**ACTION:** Scheduling of an expedited five-
year review concerning the antidumping
duty order on prestressed concrete steel
wire strand from Japan.

SUMMARY: The Commission hereby gives
notice of the scheduling of an expedited
review pursuant to section 751(c)(3) of
the Tariff Act of 1930 (19 U.S.C.
1675(c)(3)) (the Act) to determine
whether revocation of the antidumping
duty order on prestressed concrete steel
wire strand from Japan would be likely
to lead to continuation or recurrence of
material injury. For further information
concerning the conduct of this review
and rules of general application, consult
the Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207). Recent amendments to the Rules
of Practice and Procedure pertinent to
five-year reviews, including the text of
subpart F of part 207, are published at
63 FR 30599, June 5, 1998, and may be
downloaded from the Commission's
World Wide Web site at [http://
www.usitc.gov/rules.htm](http://www.usitc.gov/rules.htm).**EFFECTIVE DATE:** December 4, 1998.**FOR FURTHER INFORMATION CONTACT:**
Douglas Corkran (202-205-3177), Office
of Investigations, U.S. International
Trade Commission, 500 E Street SW,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)).**SUPPLEMENTARY INFORMATION:****Background**On December 4, 1998, the
Commission determined that the

domestic interested party response to its notice of institution (63 FR 46477, September 1, 1998) of the subject five-year review was adequate. The Commission also determined that, because there was no respondent interested party response, such response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review. Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act. A record of the Commissioners' votes and statements by Commissioners, if any, are available from the Office of the Secretary and at the Commission's web site.

Staff Report

A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on December 31, 1998, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written Submissions

As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided adequate responses to the notice of institution,¹ and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before January 6, 1999, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by January 6, 1999. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI

service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: December 15, 1998.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 98-33582 Filed 12-17-98; 8:45 am]

BILLING CODE 7020-02-P

¹ The Commission has found responses submitted by American Spring Wire, Florida Wire and Cable, Insteel Wire Products, and Sumiden Wire Products, to be adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

EFFECTIVE DATE: January 6, 1999.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to this antidumping finding is steel wire strand, other than alloy steel, not galvanized, which are stress-relieved and suitable for use in prestressed concrete. Such merchandise is currently classifiable under Harmonized Tariff Schedule (HTS) item number 7312.10.30.12. The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

This review covers imports from all manufacturers and exporters of steel wire strand from Japan, other than imports produced by Sumitomo Electric Ind., Ltd. and exported by the Sumitomo Corp., for which the finding has been revoked (51 FR 30894, August 29, 1986), and imports produced by Kawasaki Steel Techno-Wire (formerly known as Kawatetsu Wire Products Co., Ltd.), for which the investigation was discontinued (43 FR 38495, August 28, 1978).

Background

On September 1, 1998, the Department initiated a sunset review of the antidumping finding on steel wire strand from Japan (63 FR 46410), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of the American Spring Wire Corp., Florida Wire & Cable, Inc., Insteel Wire Products and Sumiden Wire Products Corp. (collectively "the domestic industry") on September 16, 1998,

DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-068]

Final Results of Expedited Sunset Review: Steel Wire Strand from Japan

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset review: steel wire strand from Japan.

SUMMARY: On September 1, 1998, the Department of Commerce ("the Department") initiated a sunset review of the antidumping finding on steel wire strand from Japan (63 FR 46410) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of the domestic industry and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of the Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import

within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. Each company claimed interested party status under section 771(9)(C) of the Act, as a U.S. manufacturer of a domestic like product. In addition, American Spring Wire Corp and Florida Wire & Cable indicated that they were two of the original five petitioners and that the three other original petitioners are no longer producers of the subject merchandise. We received a complete substantive response from the domestic industry on October 1, 1998, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this finding.

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping finding, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the finding is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition, parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on

methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.3). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

The antidumping finding on steel wire strand from Japan was published in the *Federal Register* as Treasury Decision 78-487 (43 FR 57599, December 8, 1978). Prior to this finding, on August 28, 1978, Treasury discontinued the dumping investigation with respect to imports from Kawatetsu Wire Products Co., Ltd. (43 FR 38495, August 28, 1978). Since the Treasury finding, the Department has conducted several administrative reviews.¹ On August 29, 1986, the Department revoked the finding with respect to imports produced by Sumitomo Electric Ind., Ltd. and exported by the Sumitomo Corp. (51 FR 30894, August 29, 1986). On March 5, 1990, the Department issued the final results of a changed circumstances review, determining that Kawasaki Steel Techno-Wire was the successor to

Kawatetsu Wire Products Co., Ltd. and, therefore, that the discontinuance issued to Kawatetsu Wire Products Co., Ltd. applied to Kawasaki Steel Techno-Wire (55 FR 7759, March 5, 1990). The finding remains in effect for all other manufacturers and exporters of the subject merchandise.

In its substantive response, the domestic industry argued that the actions taken by producers and exporters of Japanese steel wire strand during the life of the finding indicate that "(w)ere the finding to be revoked, it is likely that dumping would continue because the evidence demonstrates that the Japanese producers and exporters need to dump to sell in any significant quantities in the United States" (see October 1, 1998, Substantive Response of the Domestic Industry). With respect to whether dumping continued at any level above *de minimis* after the issuance of the finding, the domestic industry stated that, as documented in the final results of administrative reviews issued by the Department, a "review of the behavior of Japanese producers following the imposition of the antidumping finding shows continued dumping by at least one producer, Tokyo Rope Manufacturing, at a rate of 4.5 percent following imposition of the order" (see October 1, 1998, Substantive Response of the Domestic Industry).

With respect to whether imports of the subject merchandise ceased after the issuance of the finding, the domestic industry, citing U.S. Department of Commerce reports and U.S. Census statistics for U.S. imports (IM146 reports), asserted that "imports of PC Strand from Japan have fallen to insignificant commercial volumes" since the imposition of the finding.² Furthermore, the domestic industry argued that decreasing import volumes together with the existence of an antidumping duty finding strongly supports the conclusion that dumping would continue if the finding were revoked and demonstrates that Japanese manufacturers of steel wire strand cannot sell in the United States without dumping.

In conclusion, the domestic industry argued that the Department should determine that there is a likelihood that dumping would continue were the finding revoked because (1) dumping margins have existed throughout the life of the finding, and (2) most companies

¹ See *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 48 FR 45586 (October 6, 1983); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review and Revocation in Part*; 51 FR 30894 (August 29, 1986); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 52 FR 4373 (February 11, 1987); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 52 FR 37997 (October 13, 1987); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 53 FR 9787 (March 25, 1988); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 53 FR 11162 (April 5, 1988); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 55 FR 28796 (July 13, 1990); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 55 FR 46853 (November 7, 1990); *Steel Wire Strand for Prestressed Concrete from Japan: Final Results of Antidumping Duty Administrative Review*; 56 FR 66840 (December 26, 1991); and *Steel Wire Strand for Prestressed Concrete from Japan: Notice of Final Court Decision and Amended Final Results of Antidumping Duty Administrative Review*; 62 FR 60688 (November 12, 1997).

²The domestic industry provided information on U.S. imports of steel wire strand for prestressed concrete from Japan, on an annual basis, in short tons, from 1975 through 1998. The 1998 data was annualized based on data from January through July, 1998.

have dramatically reduced exports or ceased exports of the subject merchandise altogether.

As discussed in Section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed. A dumping margin above *de minimis* continues to exist for shipments of the subject merchandise from the Tokyo Wire Rope Manufacturing Co., Ltd.³

Consistent with section 752(c) of the Act, the Department also considered the volume of imports before and after issuance of the finding. The import statistics provided by the domestic industry on imports of the subject merchandise between 1975 and 1998, and confirmed through the Department's examination of U.S. Census data (IM146 reports), demonstrate that in the two years following the imposition of the finding, imports of the subject merchandise fell by approximately 50,000 short tons (from approximately 80,000 in 1978 to approximately 30,000 short tons in 1980). Since that period, imports of subject merchandise have decreased every year, with few exceptions. The statistics demonstrate that imports of steel wire strand from Japan have not been above 1000 short tons per year since 1990. This is consistent with the Department's findings of no shipments by the reviewed companies in many of the administrative reviews conducted by the Department.⁴

³ See *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 52 FR 4373 (February 11, 1987), as corrected by *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review; Correction*; 52 FR 37997 (October 13, 1987).

⁴ See *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 48 FR 45586 (October 6, 1983); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review and Revocation In Part*; 51 FR 30894 (August 29, 1986); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 52 FR 4373 (February 11, 1987); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 52 FR 37997 (October 13, 1987); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 53 FR 9787 (March 25, 1988); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 53 FR 11162 (April 5, 1988); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 55 FR 28796 (July 13, 1990); *Steel Wire Strand for Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review*; 55 FR 46853 (November 7, 1990); *Steel Wire Strand for*

Based on this analysis, the Department finds that the existence of dumping margins after the issuance of the finding is highly probative of the likelihood of continuation or recurrence of dumping. A deposit rate above a *de minimis* level continues in effect for exports of the subject merchandise by at least one known Japanese manufacturer/exporter. Therefore, given that dumping has continued over the life of the finding, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue if the finding were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

Treasury, in its final determination of sales at less than fair value, published weighted-average dumping margins for five Japanese manufacturers and exporters of steel wire strand (43 FR 38495, August 28, 1978). Of these five manufacturers, Treasury discontinued the investigation for one because of *de minimis* margins (Kawatetsu, 43 FR 38495, August 28, 1978) and the Department subsequently revoked the order with respect to another (Sumitomo, 51 FR 30894, August 29, 1986). Treasury did not publish an "all others" rate in its determination. The Department indicated in the *Sunset Policy Bulletin* that, under these circumstances, the Department normally will provide to the Commission, as the margin for any new company not reviewed by Treasury, the first "new shipper" rate established by the Department for that finding (see section II.B.1). We note, that, to date, the

Prestressed Concrete from Japan; Final Results of Antidumping Duty Administrative Review; 56 FR 66840 (December 26, 1991); and *Steel Wire Strand for Prestressed Concrete from Japan; Notice of Final Court Decision and Amended Final Results of Antidumping Duty Administrative Review*; 62 FR 60688 (November 12, 1997).

Department has not issued any duty absorption findings in this case.

In its substantive response, the domestic industry recommended that, consistent with the *Sunset Policy Bulletin*, the Department provide to the Commission the company-specific margins included in the Treasury determination published in the *Federal Register*. Further, the domestic industry stated that the Department should inform the Commission of the two companies for which this finding has been revoked, Kawasaki Steel Techno Wire and Sumitomo Electric Industries, Ltd.

As for companies not reviewed in the original investigation, the domestic industry argued that the Department assign these companies a rate of 15.8 percent, the highest company-specific rate identified by Treasury in its determination. Citing the September 29, 1982, *Federal Register* notice *Clear Sheet Glass from Taiwan: Final Results of Administrative Review of Antidumping Finding*, 47 FR 42769, the domestic industry stated that the Department should follow its practice of automatically assigning the highest rate for any of the investigated companies as the "all others." Therefore, the all others rate should be the 15.8 percent calculated by Treasury for Sumitomo Electric Industries, Ltd. and published on August 28, 1978 (43 FR 38495, August 28, 1978). Alternatively, the domestic industry argued that, should the Department believe it should rely on its more recent practice of deriving the "all others rate," the Department should use the weighted-average dumping margin from the original investigation as identified in the Commission's final injury determination of November 29, 1978. In its final determination, the Commission stated that "[t]he weighted average dumping margin for all the sales compared was 9.76 percent".⁵

The Department agrees with the domestic industry's assertion that it should report to the Commission the company-specific margins published in the original Treasury final determination. The Department noted, in the *Sunset Policy Bulletin*, that the margins from the original investigation are the only calculated rates that reflect the behavior of exporters without the discipline of the order in place. Therefore, the Department finds these rates are the most probative of the behavior of these companies if the finding were revoked absent

⁵ See *Steel Wire Strand for Prestressed Concrete from Japan*, inv. No. AA1921-188, USITC Pub. 928 at 4 (Nov. 1978) or *Steel Wire Strand for Prestressed Concrete from Japan*, 43 FR 55826, November 29, 1978.

information and argument to the contrary.

The Department agrees with the domestic industry, in part, concerning the choice of the "all others" rate. We have no basis for applying the Department's early all others rate policy to the Treasury investigation. In fact, the Department itself abandoned the practice of applying the highest rate for responding firms as the all others rate. Currently, the all others rate is the weighted-average of the individual dumping margins calculated for those exporters and producers that are individually investigated. Therefore, we agree with the domestic industry that the weighted-average dumping margin for all sales of the subject merchandise, as calculated by Treasury and published by the Commission in its final injury determination for this proceeding, is an appropriate measure of the first "all others" rate. Thus, the Department will report to the Commission the company-specific and all others rates from the original investigation as contained in the Final Results of Review section of this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping finding would likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Kawasaki Steel Techno-Wire Co, Ltd.	Investigation
(formerly Kawatetsu Wire Products Co., Ltd.)	Discontinued
Shinko Wire Co., Ltd	13.3
Sumitomo Electric Industries, Ltd. (and exported by Sumitomo Corp.)	Revoked
Suzuki Metal Industry Co., Ltd.	6.9
Tokyo Rope Manufacturing Co., Ltd.	4.5
All Others	9.76

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 30, 1998.

Richard W. Moreland,
Acting Assistant Secretary for Import
Administration.

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