

Steel Concrete Reinforcing Bar from Mexico and Turkey

Investigation Nos. 701-TA-502 and 731-TA-1227-1228 (Preliminary)

Publication 4432

November 2013

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-502 and 731-TA-1227-1228 (Preliminary)

Steel Concrete Reinforcing Bar from Mexico and Turkey

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. §§ 1671b(a) and 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Mexico and Turkey of steel concrete reinforcing bar, provided for in subheadings 7213.10, 7214.20, and 7228.30 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV), and by imports of steel concrete reinforcing bar that are allegedly subsidized by the government of Turkey.²

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce (Commerce) of affirmative preliminary determinations in the investigations under sections 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On September 4, 2013, a petition was filed with the Commission and Commerce by the Rebar Trade Action Coalition and its individual members: Nucor Corporation, Charlotte, NC; Gerdau Ameristeel U.S. Inc., Tampa, FL; Commercial Metals Company, Irving, TX; Cascade Steel Rolling Mills, Inc., McMinnville, OR; and Byer Steel Corporation, Cincinnati, OH, alleging that an

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 Shara L. Aranoff dissenting with regard to subject imports from Mexico.

industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of steel concrete reinforcing bar from Turkey and LTFV imports of steel concrete reinforcing bar from Mexico and Turkey. Accordingly, effective September 4, 2013, the Commission instituted countervailing duty investigation No. 701-TA-502 and antidumping duty investigation Nos. 731-TA-1227-1228 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of September 11, 2013 (78 FR 55755). The conference was held in Washington, DC, on September 25, 2013, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel concrete reinforcing bar (“rebar”) from Mexico and Turkey that are allegedly sold in the United States at less than fair value and imports of rebar from Turkey that are allegedly subsidized by the Government of Turkey.¹

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.² In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”³

II. Background

The Rebar Trade Action Coalition (“RTAC”), whose individual members are Byer Steel Corporation (“Byer”), Cascade Steel Rolling Mills, Inc., Commercial Metals Company (“CMC”), Gerdau Ameristeel US Inc. (“Gerdau”), and Nucor Corporation (“Nucor”), all U.S. producers of rebar, filed the petitions in these investigations on September 4, 2013. Representatives of four member companies of RTAC (Byer, CMC, Gerdau, and Nucor) appeared at the conference, and RTAC submitted a postconference brief. Several respondent entities participated in these investigations. Deacero S.A. de C.V. and Deacero USA, Inc. (collectively “Deacero”), which

¹ Commissioner Aranoff determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of rebar from Turkey that are allegedly sold in the United States at less than fair value and allegedly subsidized by the Government of Turkey, and that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of rebar from Mexico that are allegedly sold in the United States at less than fair value. See Separate and Dissenting Views of Commissioner Shara L. Aranoff. Except as otherwise noted, Commissioner Aranoff joins Sections 1 to VI.B. of these Views. Commissioner Kieff did not participate in these investigations.

² 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); see also *American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

³ *American Lamb Co.*, 785 F.2d at 1001; see also *Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

respectively produce and import subject merchandise from Mexico, appeared at the conference and submitted a postconference brief.⁴ The Government of Turkey had a representative appear at the conference, and it submitted a postconference brief. The Turkish Steel Exporters Association, a trade association, and two Turkish rebar producers, Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S., and Colakoglu Metalurji A.S. (collectively “Turkish Respondents”), appeared at the conference and submitted a postconference brief.

U.S. industry data are based on the questionnaire responses of nine U.S. producers, accounting for virtually all U.S. production of rebar in 2012.⁵ U.S. import data are based on official Commerce import statistics. The Commission received usable questionnaire responses from 19 U.S. importers.⁶ The Commission received usable responses to its questionnaires from eight producers of subject merchandise: four producers/exporters in Mexico;⁷ and four producers/exporters in Turkey.⁸

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”⁹ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁰ In turn, the Tariff 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.”¹¹

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or

⁴ A representative of the Embassy of Mexico participated in the conference.

⁵ Confidential Staff Report (“CR”) at I-4 to I-5, III-1; Public Staff Report (“PR”) at I-3, III-1. The period of investigation (“POI”) for which the staff collected data encompassed calendar years 2010, 2011, and 2012, as well as interim periods for 2012 and 2013 (January-June for each year).

⁶ CR at IV-1; PR at IV-1.

⁷ According to estimates provided by the responding Mexican producers, these four producers account for all production of rebar in Mexico. However, two Mexican firms did not provide questionnaire responses. CR at VII-3 and n.5; PR at VII-3 and n.5. The exports of these four Mexican producers accounted for virtually all U.S. imports of rebar from Mexico since 2010. CR at VII-3; PR at VII-3.

⁸ These four producers accounted for approximately *** percent of production of subject merchandise from Turkey in 2012. CR at VII-8; PR at VII-5. The exports of these four Turkish producers accounted for approximately *** percent of U.S. imports of rebar from Turkey in 2012. *Id.*

⁹ 19 U.S.C. § 1677(4)(A).

¹⁰ 19 U.S.C. § 1677(4)(A).

¹¹ 19 U.S.C. § 1677(10).

“most similar in characteristics and uses” on a case-by-case basis.¹² No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹³ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁴ Although the Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value,¹⁵ the Commission determines what domestic product is like the imported articles Commerce has identified.¹⁶

In its notice of initiation, Commerce defined the imported merchandise within the scope of these investigations as follows:

The merchandise subject to these investigations is steel concrete reinforcing bar imported in either straight length or coil form (“rebar”) regardless of metallurgy, length, diameter, or grade. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080,

¹² See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See *Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹³ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

¹⁴ See, e.g., *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

¹⁵ See, e.g., *USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

¹⁶ *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

7227.90.6085, 7228.20.1000, and 7228.60.6000. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth rebar). HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.¹⁷

Petitioner argues that the Commission should find one domestic like product, consisting of rebar, whether in straight lengths or coiled, that is coextensive with the scope of the investigations.¹⁸ Respondents do not contest this definition for purposes of the preliminary phase of these investigations.¹⁹

Based on the record, we define a single domestic like product, consisting of rebar, that is coextensive with the scope of these investigations.

Physical Characteristics and Uses. Rebar is a long-rolled steel product that is commonly used in construction projects to provide strength to concrete.²⁰ It is manufactured as either plain-round or deformed round bars, but in the United States deformed rebar is used almost exclusively because it provides greater adherence to concrete due to its ridges.²¹ Rebar sold in the U.S. market is generally manufactured to conform to the standards of the American Society for Testing and Material (“ASTM”) International, which specify for each bar size the nominal weight, nominal dimensions and deformation requirements, as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.²²

The construction industry is the principal end user of rebar, and uses it extensively to reinforce concrete structures. Rebar resists tension, compression, and temperature variation in reinforced concrete because the surface protrusions on a deformed bar inhibit longitudinal movement relative to the surrounding concrete.²³ Certain rebar sizes and lengths tend to predominate among end uses. Many smaller sizes are applied to light construction applications such as residences, while heavy construction applications (high-rise buildings, commercial facilities, industrial structures, bridges and roads) use all sizes and lengths. The larger sizes and longer lengths are used almost exclusively in heavy construction applications.²⁴

Rebar can be shipped in either straight lengths or coils; both have the same general end use applications. Coiled rebar is typically produced in smaller sizes than straight-length rebar, and is often used for applications that have more complex shapes.²⁵

Manufacturing Facilities, Production Processes and Employees. The most common manufacturing process to produce rebar from billet steel consists of three stages: (1) melting steel scrap; (2) casting billets; and (3) hot-rolling the bar. All types and forms of rebar share the

¹⁷ 78 Fed. Reg. 60827, 68031 (Oct. 2, 2013).

¹⁸ Petition at 13-16.

¹⁹ Deacero’s Postconference Brief at 3; Turkish Respondents’ Postconference Brief at 11.

²⁰ CR at I-11; PR at I-8.

²¹ CR at I-11; PR at I-8.

²² CR at I-11 to I-12; PR at I-9 to I-10.

²³ CR at I-12; PR at I-9.

²⁴ CR at I-14; PR at I-10.

²⁵ CR at I-11 to I-12, I-14 to I-15; PR at I-10, I-12; Transcript of September 25, 2013 Commission Staff Conference (“Conference Tr.”) at 82-83 (Kerkvliet); 83-84 (Webb).

fundamental manufacturing process of hot-rolling, with deformed rebar including deformation marking in the final rolling process. The manufacturing process for rebar involves common manufacturing facilities, production processes and employees.²⁶

Channels of Distribution. Rebar is sold to distributors and to end users, with a number of firms acting both as distributors and end users. Some manufactured rebar is used in construction applications with no further processing, but a large share is sold to fabricators that further process the rebar for construction applications.²⁷

Interchangeability. Rebar from different sources, regardless of whether coiled or in straight lengths, is viewed as interchangeable with rebar of the same size and grade.²⁸ Various sizes and grades of rebar, however, are generally not interchangeable in specific applications.²⁹

Producer and Customer Perceptions. While the record on customer perceptions is limited in these investigations, the available information suggests that rebar is perceived as a distinct product by producers and consumers, whether coiled or in straight lengths, based on applicable ASTM specification, along with industry-recognized size and grade designations.³⁰

Price. Prices for rebar may vary based on steel chemistry, size, and grade, but the form of coil or straight lengths does not significantly affect pricing, and any price differential between coiled rebar and straight-length rebar has narrowed during the POI.³¹

Conclusion. The analysis above indicates no clear dividing line between different types of rebar. We accordingly define a single domestic like product consisting of rebar, whether coiled or straight length, that is coextensive with the scope of these investigations.

IV. Domestic Industry

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³² 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.

²⁶ CR at I-15 to I-16; PR at I-12. After the rolling process, straight-length rebar is cut to length before being sent to a cooling bed to be air-cooled, while coiled rebar is sent to a reforming tub, where it is spooled and cut to the desired weights and lengths. The process of making coiled rebar is very similar to the process for making straight-length rebar, and the same equipment, machinery and production workers that are used to produce straight-length rebar may in some cases also be used to produce coiled rebar. In order to produce coiled rebar, a mill needs laying heads (coilers), whereby the rebar is spooled in the final finishing process, but laying heads are not needed to produce straight-length rebar. CR at I-15 to I-17; PR at I-11 to I-12; Conference Tr. at 137-138 (Kerkvliet).

²⁷ CR at II-1; PR at II-1.

²⁸ Conference Tr. at 35 (Kerkvliet); 47 (Darsey); 58 (Webb); 84 (Byer); 110-11 (Darsey).

²⁹ See Petition at 14.

³⁰ See Petition at 15.

³¹ See Petition at 16; Conference Tr. at 83, 85 (Kerkvliet).

³² 19 U.S.C. § 1677(4)(A).

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act.³³ This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.³⁴ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.³⁵

U.S. producer ArcelorMittal USA and Mexican subject producer and exporter ArcelorMittal Las Truchas are both subsidiaries of the same corporate parent, ArcelorMittal S.A. (Luxembourg).³⁶ ArcelorMittal USA is therefore a related party under 19 U.S.C. § 1677(4)(B)(ii)(III).³⁷ We find that the two domestic producers that purchased subject imports are not related parties.³⁸

³³ Petitioner argues that the Commission should define the domestic industry to include all domestic producers of rebar, and should not exclude any domestic producer as a related party. Petitioner's Postconference Brief at 4. Respondents do not contest Petitioner's proposed definition of the domestic industry for purposes of the preliminary phase of these investigations. Deacero's Postconference Brief at 3; Turkish Respondents' Postconference Brief at 11.

³⁴ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

³⁵ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
- (3) the position of the related producer vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, *e.g.*, *Torrington Co. v. United States*, 790 F. Supp. at 1168.

³⁶ CR/PR at Table III-1 and n.1; ArcelorMittal USA questionnaire response (EDIS Document No. 518884).

³⁷ U.S. producer Gerdau is affiliated with Mexican subject producer Sidertul SA DE CV ("Sidertul"), CR/PR at Table III-1 n.3, but Gerdau is not a related party because Sidertul *** and is not *** of subject merchandise. CR at VII-6 n.11; PR at VII-4 n.11.

³⁸ The Commission has previously concluded that a purchaser may be treated as a related party if it controls large volumes of subject imports. The Commission has found such control to exist when the domestic producer was responsible for a predominant proportion of an importer's purchases and these purchases were substantial. See *Foundry Coke from China*, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 at 8-9 (Sept. 2001).

In these investigations, *** reported purchasing *** throughout the POI. CR at III-11; PR at III-8. *** purchased ***. CR at III-11 n.6; PR at III-8 n.6. *** was not responsible for a predominant portion of the imports from ***, which were *** short tons in 2010, *** short tons in 2011, *** short tons in 2012, and *** short tons in interim 2013. ***. Accordingly, we determine that *** should not be treated as a related party.

(Continued...)

We next discuss whether there are appropriate circumstances to exclude ArcelorMittal USA from the domestic industry. ArcelorMittal Las Truchas exported *** short tons of rebar to the United States in 2010 and exported *** short tons in 2011, but ***.³⁹ ArcelorMittal USA *** the petition.⁴⁰ ArcelorMittal USA produced *** short tons of rebar in 2010, *** short tons in 2011, *** short tons in 2012, *** short tons in interim 2012, and *** short tons in interim 2013.⁴¹ Its share of U.S. production was *** percent in 2012.⁴² Because the record indicates that ArcelorMittal USA's domestic production is *** ArcelorMittal Las Truchas's exports to the United States, ArcelorMittal USA's principal interest appears to be in domestic production. Accordingly, we find that appropriate circumstances do not exist to exclude ArcelorMittal U.S.A. from the domestic industry.

Consequently, in light of our domestic like product definition, we define the domestic industry to include all domestic producers of rebar.

V. Cumulation

For purposes of evaluating the volume and price effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market.⁴³ In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(...Continued)

In addition, *** reported that it purchased *** in 2012, but did not report *** purchases ***. CR at III-11 to III-12 and n.7; PR at III-8 and n.7; ***. *** was also not responsible for a predominant portion of the imports from ***. See ***. Consequently, we determine that *** should not be treated as a related party.

³⁹ CR at VII-6 n.11; PR at VII-4 n.11.

⁴⁰ CR/PR at Table III-1.

⁴¹ ***.

⁴² CR/PR at Table III-1.

⁴³ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); see also 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). Negligibility is not an issue in these investigations. The data indicate imports from each subject country exceeded the requisite 3 percent statutory negligibility threshold for the most recent 12-month period prior to the filing of the petition for which data are available. During the period September 2012 – August 2013, subject imports from Mexico accounted for 30.3 percent of total U.S. imports of rebar by quantity, and subject imports from Turkey accounted for 64.0 percent of total U.S. imports. CR at IV-6; PR at IV-5.

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.⁴⁴

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁴⁵ Only a “reasonable overlap” of competition is required.⁴⁶

We find that the statutory criteria for cumulation are satisfied.⁴⁷ As an initial matter, Petitioner filed the antidumping/countervailing duty petitions with respect to both countries on the same day, September 4, 2013.⁴⁸ We also find a reasonable overlap of competition between subject imports from the subject countries, and between subject imports from each source and the domestic like product, for the following reasons.

Fungibility. Almost all responding U.S. producers reported that U.S. produced rebar was “always” or “frequently” interchangeable with subject imports from Mexico and subject imports from Turkey, and that subject imports from Mexico were likewise “always” or “frequently” interchangeable with subject imports from Turkey.⁴⁹ Similarly, two-thirds of

⁴⁴ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff’d*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int’l Trade), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988).

⁴⁵ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁴⁶ The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

⁴⁷ No party has contested the appropriateness of cumulating subject imports from Mexico and Turkey for an analysis of whether there is a reasonable indication of material injury by reason of subject imports. See Petitioner’s Postconference Brief at Exh.1, pages 1-6; Deacero’s Postconference Brief at 3; Conference Tr. at 176 (Bond).

⁴⁸ None of the statutory exceptions to cumulation applies.

⁴⁹ CR/PR at Table II-5. Seven of nine responding U.S. producers reported that U.S. rebar was “always” interchangeable with subject imports from Mexico and subject imports from Turkey, and one producer reported that that U.S. rebar was “frequently” interchangeable with subject imports from Mexico and subject imports from Turkey. Six of seven responding U.S. producers reported that subject imports from Mexico were “always” interchangeable with subject imports from Turkey. *Id.*

responding U.S. importers reported that U.S. produced rebar was “always” or “frequently” interchangeable with subject imports from Mexico and subject imports from Turkey, and almost all responding U.S. importers reported that subject imports from Mexico were “always” or “frequently” interchangeable with subject imports from Turkey.⁵⁰ Moreover, both Petitioner and Deacero characterize rebar as a commodity product.⁵¹

Channels of Distribution. U.S. importers’ U.S. shipments of rebar from Turkey during the POI were overwhelmingly to distributors, with almost no shipments to end users in 2011 and 2012.⁵² A majority of U.S. importers’ U.S. shipments of rebar from Mexico went to firms that were strictly distributors during each year of the POI, but, unlike imports from Turkey, imports from Mexico also went in appreciable quantities to firms that were end users (including firms that were both distributors and end users).⁵³ U.S. producers’ U.S. shipments were primarily to end users (including firms that were both distributors and end users) during the POI.⁵⁴ The record indicates that during each year from 2010 to 2012, and during both interim periods, appreciable percentages of the domestic like product, subject imports from Mexico, and subject imports from Turkey were sold to distributors, and appreciable percentages of the domestic like product and the subject imports from Mexico were sold to end users.⁵⁵

Geographic Overlap. U.S. producers reported selling rebar in all regions of the contiguous United States.⁵⁶ Importers of rebar from Mexico reported serving all geographic areas of the United States except the Northeast, while importers of rebar from Turkey reported serving all geographic areas except the Mountain and Pacific Coast regions.⁵⁷ Thus, there is substantial geographic overlap between and among subject imports and the domestic like product.

⁵⁰ CR/PR at Table II-5. Five of twelve responding U.S. importers reported that U.S. rebar was “always” interchangeable with subject imports from Mexico and subject imports from Turkey, and three importers reported that that U.S. rebar was “frequently” interchangeable with subject imports from Mexico and subject imports from Turkey. Six of ten responding U.S. importers reported that subject imports from Mexico were “always” interchangeable with subject imports from Turkey, and three importers reported that subject imports from Mexico were “frequently” interchangeable with subject imports from Turkey. *Id.*

⁵¹ See Conference Tr. at 26 (Price); 30 (Bond).

⁵² The percentage of U.S. importers’ U.S. shipments of rebar from Turkey that went to firms that were strictly distributors was 86.3 percent in 2010, 99.2 percent in 2011 and 98.1 percent in 2012. It was 96.9 percent in interim 2012, and 97.1 percent in interim 2013. CR/PR at Table II-1.

⁵³ The percentage of U.S. importers’ U.S. shipments of rebar from Mexico that went to firms that were strictly distributors was *** percent in 2010, *** percent in 2011, and *** percent in 2012. It was *** percent in interim 2012, and *** percent in interim 2013. CR/PR at Table II-1.

⁵⁴ Over 79 percent of U.S. producers’ U.S. shipments were to firms that were end users in each year and interim period in the POI. Between 17.4 percent and 20.5 percent of U.S. producers’ U.S. shipments went to firms that were strictly distributors in each year and interim period in the POI. CR/PR at Table II-1.

⁵⁵ CR/PR at Table II-1.

⁵⁶ CR/PR at Table II-2; CR at II-2; PR at II-1.

⁵⁷ CR/PR at Table II-2.

Simultaneous Presence in Market. Subject imports from Mexico were present in the U.S. market in all 42 months during the POI, while subject imports from Turkey were present in 37 of 42 months during the POI.⁵⁸ The domestic like product was present in the U.S. market throughout the POI.⁵⁹

Conclusion. Based on the foregoing, the record indicates that there is a reasonable overlap of competition between and among subject imports and the domestic like product. We accordingly analyze subject imports from Mexico and Turkey on a cumulated basis for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

VI. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.⁶⁰ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.⁶¹ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁶² In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁶³ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁶⁴

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured by reason of” unfairly traded imports,⁶⁵ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.⁶⁶ In identifying a

⁵⁸ CR/PR at Table IV-5.

⁵⁹ CR/PR at Tables V-3 to V-6.

⁶⁰ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁶¹ 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... {a}nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

⁶² 19 U.S.C. § 1677(7)(A).

⁶³ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁴ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁵ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁶⁶ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’d* 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁶⁷

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.⁶⁸ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁶⁹ Nor does the

⁶⁷ The Federal Circuit, in addressing the causation standard of the statute, has observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was re-affirmed in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), in which the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

⁶⁸ SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); accord *Mittal Steel*, 542 F.3d at 877.

⁶⁹ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345. (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also *Softwood* (Continued...)

“by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.⁷⁰ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁷¹

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to

(...Continued)

Lumber from Canada, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), *citing Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

⁷⁰ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁷¹ *See Nippon*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

the subject imports.”⁷² ⁷³ Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁷⁴

The Federal Circuit’s decisions in *Gerald Metals*, *Bratsk*, and *Mittal Steel* all involved cases in which the relevant “other factor” was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit’s guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.⁷⁵ The additional “replacement/benefit” test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission’s interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have “evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports,’” and requires that the Commission not attribute injury from nonsubject imports or other factors to

⁷² *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

⁷³ Commissioner Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when considering present material injury, to undertake a particular kind of analysis of non-subject imports, albeit without reliance upon presumptions or rigid formulas. *Mittal Steel* explains as follows:

What *Bratsk* held is that “where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market,” the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

⁷⁴ *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

⁷⁵ *Mittal Steel*, 542 F.3d at 875-79.

subject imports.⁷⁶ Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.⁷⁷

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁷⁸ Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.⁷⁹

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

Rebar is primarily used to reinforce concrete structures, and the U.S market for rebar is tied closely to construction activity.⁸⁰ U.S. demand for rebar is driven by nonresidential construction spending, and to a lesser extent, residential construction spending.⁸¹ There are limited substitutes for rebar.⁸² Rebar generally accounts for a small share of the total cost of the applications in which it is used.⁸³

⁷⁶ *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

⁷⁷ To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in final phase investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of nonsubject imports.

⁷⁸ We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁷⁹ *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, citing *U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

⁸⁰ CR at II-1; PR at II-1.

⁸¹ CR at II-8; PR at II-6.

⁸² CR at II-1, II-13; PR at II-1, II-9 to II-10.

⁸³ CR at II-13; PR at II-10.

While some manufactured rebar is used in construction applications with no further processing, a large share is sold to fabricators that process the rebar before it is ultimately used in construction applications.⁸⁴ Three U.S. producers (***) own purchasing firms that operate as fabricators and/or distributors.⁸⁵ These purchasing firms obtain the rebar for fabrication or distribution from their parent companies and, in some cases, from other producers and import suppliers.⁸⁶

Most responding U.S. producers and half of responding U.S. importers reported that U.S. demand for rebar has increased since 2010.⁸⁷ Apparent U.S. consumption increased from 6.2 million short tons in 2010 to 6.4 million short tons in 2011, and then to 7.3 million short tons in 2012; it was 3.6 million short tons in interim 2012 and 3.7 million short tons in interim 2013.⁸⁸ Overall, apparent U.S. consumption was 17.8 percent higher in 2012 than in 2010.⁸⁹

2. Supply Conditions

The domestic industry supplied the predominant share of the U.S. market throughout the POI. Its share of apparent U.S. consumption declined from 91.7 percent in 2010 to 86.6 percent in 2012, and was lower in interim 2013 than in interim 2012.⁹⁰ The three largest U.S. producers, Gerdau, Nucor, and CMC, accounted for *** percent of total domestic industry net sales volume during the POI.⁹¹

Cumulated subject imports' share of apparent U.S. consumption during the POI increased throughout the POI from 7.6 percent in 2010 to 12.7 percent in 2012. Cumulated subject imports accounted for 94.7 percent of the quantity of all U.S. imports of rebar in 2012. During the POI, volumes of subject imports from Turkey were typically greater in the first half of the year.⁹²

⁸⁴ CR at II-1; PR at II-1.

⁸⁵ CR at II-1; PR at II-1.

⁸⁶ CR at II-1; PR at II-1.

⁸⁷ CR/PR at Table II-4. Eight of 16 responding importers reported that U.S. demand has increased, while seven reported that it has fluctuated. *Id.*

⁸⁸ CR/PR at Table IV-7.

⁸⁹ CR/PR at Table C-1.

⁹⁰ The domestic industry's share of apparent U.S. consumption declined from 91.7 percent in 2010 to 89.8 percent in 2011 and to 86.6 percent in 2012, and was 82.9 percent in interim 2012 and 82.4 percent in interim 2013. CR/PR at Table IV-7.

⁹¹ CR at VI-1; PR at VI-1.

⁹² During 2010-2012, 61.8 percent of total subject imports from Turkey were imported during January through June. CR at IV-10 n.6; PR at IV-8 n.6. However, imports during January through June accounted for only 46.4 percent of total subject imports from Mexico during 2010-2012. See EDIS Document No. 521140.

Nonsubject imports' share of apparent U.S. consumption was very small during the POI, ranging between a low of 0.7 percent in 2012 and a high of 1.6 percent in 2011.⁹³ The largest source of nonsubject imports during the POI was the Dominican Republic, which accounted for 76.0 percent of nonsubject imports in 2012, but only 4.0 percent of total U.S imports in 2012.⁹⁴ Imports of rebar from seven nonsubject countries are subject to antidumping duty orders, and were throughout the POI. These are Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.⁹⁵

3. Substitutability

Rebar sold in the U.S. market is generally manufactured to conform to ASTM specifications.⁹⁶ Rebar is generally regarded as a commodity, with rebar of the same grade and dimension being interchangeable regardless of origin.⁹⁷ As previously discussed, almost all responding U.S. producers and most responding U.S. importers reported that the domestic like product, subject imports from Mexico, and subject imports from Turkey are always or frequently interchangeable.⁹⁸

The record indicates several possible distinctions between the subject imports and the domestic like product that could limit substitutability. These possible distinctions include differences in length/size between subject imports of rebar and the domestic like product,⁹⁹ the existence of Buy America(n) and other domestic preference programs,¹⁰⁰ vertical downstream integration of some domestic producers, inasmuch as some producers have affiliated fabricators that may purchase their rebar production,¹⁰¹ and the possibility of longer lead times for subject imports than for the domestic like product in the U.S. market.¹⁰² The current record

⁹³ Nonsubject imports as a share of apparent U.S. consumption by quantity increased from 0.8 percent in 2010 to 1.6 percent in 2011, but then declined to 0.7 percent in 2012; they were 0.9 percent in interim 2012 and 1.0 percent in interim 2013. CR/PR at Table IV-7.

⁹⁴ CR/PR at Table IV-2; CR at II-8; PR at II-6.

⁹⁵ CR at I-7 to I-8, II-8; PR at I-5 to I-6, II-6. *See generally Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873-874, 878-880 and 882 (Second Review) USITC Pub. 4409 (July 2013).

⁹⁶ CR at I-12 to I-13; PR at I-9 to I-10.

⁹⁷ Conference Tr. at 35 (Kerkvliet); 47 (Darsey); 58 (Webb).

⁹⁸ CR/PR at Table II-5.

⁹⁹ CR/PR at Tables IV-3, IV-4.

¹⁰⁰ Buy America preferences apply to the procurement of iron and steel products, including rebar, for certain Federal-aid highway construction programs, while Buy American preferences apply to Federal Government procurement of certain goods and services. CR at II-16 n.17; PR at II-1 n.17. Buy America(n) requirements may impose some limits on substitutability, but projects subject to such preferences account for only a limited portion of U.S. shipments, and Petitioner and Deacero agree that the percentage of the market covered by public construction projects with Buy American requirements declined during the POI. Petitioner's Postconference Brief at 11-12; Deacero's Postconference Brief at 8, 21.

¹⁰¹ CR at II-1; PR at II-1.

¹⁰² CR at II-14 to II-15; PR at II-10 to II-11.

does not provide information or data indicating that any one of these factors by itself would significantly limit substitutability or insulate the domestic industry from import competition. In any final phase investigations, however, we intend to examine to what extent, if any, the combined effect of these factors may limit substitutability.¹⁰³

4. Other Conditions

The primary raw material input for rebar production is scrap metal. Raw material costs accounted for 65.5 percent to 70.2 percent of domestic producers' cost of goods sold between 2010 and 2012.¹⁰⁴ Prices for scrap steel in the United States fluctuated between January 2010 and August 2013, with the lowest price in January 2010 (\$298 per short ton) and the highest price in January 2012 (\$436 per short ton).¹⁰⁵

As previously discussed, several U.S. producers own purchasing firms that operate as fabricators and/or distributors.¹⁰⁶ In light of these affiliations, a group of U.S. and Canadian independent non-affiliated rebar fabricators and distributors started a purchasing cooperative, the Independent Steel Alliance, in January 2013 in order to increase negotiating leverage when making purchases from steel suppliers, including both members of the domestic industry and importers of the subject merchandise.¹⁰⁷

Rebar's high weight-to-value ratio requires that producers minimize overland transport. U.S. producers reported that most of their shipments were sold within 250 miles of their point of shipment, most subject imports from Turkey are sold within 100 miles of point of shipment, while most imports from Mexico are shipped between 251 and 1,000 miles.^{108 109}

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."¹¹⁰

The volume of cumulated subject Imports increased from 469,378 short tons in 2010 to 550,666 short tons in 2011 and then to 927,367 short tons in 2012; it was 588,957 short tons in interim 2012 and 614,999 short tons in interim 2013.¹¹¹ The share of apparent U.S.

¹⁰³ We note that these factors do not necessarily operate independently of each other (*e.g.*, certain heavy construction projects may require rebar of a larger length or size and may also include Buy America(n) domestic preferences).

¹⁰⁴ CR at V-1; PR at V-1.

¹⁰⁵ CR/PR at Figure V-1; CR at V-1; PR at V-1.

¹⁰⁶ CR at II-1; PR at II-1.

¹⁰⁷ CR at V-5; PR at V-3 to V-4; Conference Tr. at 164-65 (Melvin, Webb). In any final phase investigations, we intend to examine further the role of this group.

¹⁰⁸ CR/PR at Table II-3.

¹⁰⁹ Commissioner Aranoff does not join the remainder of this opinion. See Separate and Dissenting Views of Commissioner Shara L. Aranoff.

¹¹⁰ 19 U.S.C. § 1677(7)(C)(i).

¹¹¹ CR/PR at Table IV-2.

consumption by subject imports increased from 7.6 percent in 2010 to 8.6 percent in 2011 and then to 12.7 percent in 2012; it was 16.2 percent in interim 2012 and 16.6 percent in interim 2013.¹¹² The record indicates that subject imports took market share from the domestic industry: the subject imports gained 5.1 percentage points of market share from 2010 to 2012, and the domestic industry's market share declined by the same amount during this period.¹¹³

Subject imports increased during a time of rising apparent U.S. consumption, but the volume of subject imports increased at a much greater rate. Subject imports nearly doubled from 2010 to 2012, increasing by 97.6 percent, while apparent U.S. consumption increased by 17.8 percent during the same period.¹¹⁴

We find, for purposes of the preliminary phase of these investigations, that the cumulated volume of subject imports and the increase in that volume are significant both in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

- (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
- (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹¹⁵

As stated above, rebar is generally regarded as a commodity, with rebar of the same grade and dimension being interchangeable regardless of origin. In light of this and the questionnaire responses indicating that market participants generally perceived the domestic like product and imports from each subject country as always or frequently interchangeable,¹¹⁶ the record of these preliminary phase investigations indicates that price is an important factor in purchasing decisions.¹¹⁷¹¹⁸

¹¹² CR/PR at Table IV-7. The ratio of subject imports to U.S. production increased from 7.6 percent in 2010 to 8.7 percent in 2011 and then to 13.5 percent in 2012; it was 17.9 percent in interim 2012 and 19.0 percent in interim 2013. CR/PR at Table IV-8.

¹¹³ CR/PR at Table IV-7.

¹¹⁴ CR/PR at Table C-1.

¹¹⁵ 19 U.S.C. § 1677(7)(C)(ii).

¹¹⁶ CR/PR at Table II-5.

¹¹⁷ As noted above, in any final phase investigations, we intend to examine the extent, if any, to which other factors may have limited substitutability.

¹¹⁸ Representatives of U.S. rebar producers and representatives of non-affiliated U.S. purchasers of rebar testified that price is very important factor in purchasing decisions. Conference Tr. at 35 (Kerkvliet); 45 (Porter); 55-56 (Melvin); 58 (Webb); 61-62 (Crowe).

In these preliminary phase investigations, the Commission collected pricing data on four different products.¹¹⁹ The reported pricing data accounted for *** percent of U.S. shipments of subject imports from Mexico, 59.1 percent of U.S. shipments of subject imports from Turkey, and approximately 33.7 percent of U.S. producers' U.S. shipments during January 2010 to June 2013.¹²⁰ The subject imports undersold the domestic like product in 105 out of 108 pricing quarterly comparisons during this period, by margins ranging from 0.4 percent to 14.6 percent.¹²¹ In light of the importance of price to purchasing decisions and the pervasive underselling of the subject imports, which occurred during a period when subject imports were increasing their share of apparent U.S. consumption at the expense of the domestic industry, we find underselling by the subject imports to be significant for purposes of our preliminary determinations.¹²²

Between the first quarter of 2010 and the second quarter of 2013, prices rose for of the pricing products for both the domestic like product and the subject imports. The consequently indicates that the subject imports did not cause significant price The record further indicates that the subject imports did not have significant price suppressing effects. The domestic industry's ratio of cost of goods sold to sales improved by 5.7 percentage points between 2010 and 2012, although it was 1.2 percentage points higher in interim 2013 than in interim 2012.¹²⁴

E. Impact of the Subject Imports¹²⁵

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered

¹¹⁹ Each of the products concerns straight ASTM A615, grade 60 rebar. Separate pricing data were collected for no. 3, no. 4, no. 5, and no. 6 sizes. CR at V-6, PR at V-4.

¹²⁰ CR at V-6; PR at V-4.

¹²¹ CR/PR at Table V-8.

¹²² CR/PR at Tables IV-7, V-8. We additionally note that there were a limited number of confirmed lost sales or lost revenues due to competition from subject imports. CR/PR at Table V-9; CR at V-16 to V-17, V-22 to V-24; PR at V-11 to V-12.

¹²³ CR/PR at Table V-7. The pricing data do, however, show some declines in U.S. producers' prices at the end of the POI, particularly between the first and second quarters of 2013. CR/PR at Tables V-3 to V-6.

¹²⁴ CR/PR at Tables VI-1, C-1.

¹²⁵ In its notice initiating the antidumping duty investigations on rebar from Mexico and Turkey, Commerce reported estimated dumping margins ranging from 48.82 percent to 66.70 percent for imports from Mexico, and 35.01 percent to 36.99 percent for imports from Turkey. 78 Fed. Reg. 60827, 68030 (Oct. 2, 2013).

“within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”

Based on the record of the preliminary phase of these investigations, we find that cumulated subject imports had a significant adverse impact on the domestic industry. Most of the indicators of the domestic industry’s performance showed some improvement during the POI; however, these improvements occurred within the context of increased U.S. demand for rebar, and the domestic industry’s market share declined. In addition, a number of these indicators were lower in interim 2013 than in interim 2012.¹²⁶

U.S. producers’ capacity increased by 0.4 percent overall from 2010 to 2012, declining from 10.9 million short tons in 2010 to 10.7 million short tons in 2011, and then increasing to 10.9 million short tons in 2012; it was 5.3 million short tons in interim 2012 and 5.4 million short tons in interim 2013.¹²⁷ Production increased by 11.7 percent overall from 2010 to 2012, increasing from 6.1 million short tons in 2010 to 6.3 million short tons in 2011, and then to 6.9 million short tons in 2012; it was 3.3 million tons in interim 2012 and 3.2 million tons in interim 2013.¹²⁸ Capacity utilization increased from 56.5 percent in 2010 to 59.2 percent in 2011, and then to 62.8 percent in 2012; it was 61.8 percent in interim 2012 and 59.7 percent in interim 2013.¹²⁹

Net sales increased by 12.2 percent overall from 2010 to 2012, increasing from 6.0 million short tons in 2010 to 6.3 million short tons in 2011, and then to 6.8 million short tons in 2012. Net sales were 3.25 million short tons in interim 2012 and 3.20 million short tons in interim 2013.¹³⁰ U.S. shipments increased by 11.3 percent overall from 2010 to 2012, increasing slightly from 5.7 million short tons in 2010 to 5.8 million short tons in 2011, and then to 6.3 million short tons in 2012. U.S. shipments were 3.02 million short tons in interim 2012 and 3.05 million short tons in interim 2013.¹³¹ U.S. producers’ ending inventories increased by 46.1 percent overall from 2010 to 2012, increasing from 365,275 short tons in 2010 to 473,147 short tons in 2011 and then to 533,652 short tons in 2012; they were 510,247 short tons in interim 2012 and 591,010 short tons in interim 2013.¹³²

As the volume and market share of subject imports rose, the domestic industry’s share of apparent U.S. consumption fell. It declined from 91.7 percent in 2010 to 89.8 percent in 2011 and to 86.6 percent in 2012; it was 82.9 percent in interim 2012 and 82.4 percent in interim 2013.¹³³

Employment increased by 0.7 percent overall from 2010 to 2012, decreasing from 4,139 production-related workers (PRWs) in 2010 to 4,060 in 2011, and then increasing to 4,167 in

¹²⁶ As previously noted, apparent U.S. consumption increased by 17.8 percent from 2010 to 2012. CR/PR at Table C-1.

¹²⁷ CR/PR at Tables III-3, C-1.

¹²⁸ CR/PR at Tables III-3, C-1.

¹²⁹ CR/PR at Tables III-3, C-1.

¹³⁰ CR/PR at Tables VI-1, C-1.

¹³¹ CR/PR at Tables IV-6, C-1.

¹³² CR/PR at Tables III-8, C-1.

¹³³ CR/PR at Tables IV-7, C-1.

2012. The number of PRWs was 4,047 in interim 2012 and 4,204 in interim 2013.¹³⁴ Hours worked increased by 4.4 percent overall from 2010 to 2012, increasing slightly from 8.06 million hours in 2010 to 8.10 million hours in 2011, and then increasing to 8.4 million hours in 2012; they were 3.99 million hours in interim 2012 and 4.05 million hours in interim 2013.¹³⁵ Wages paid increased by 11.7 percent overall from 2010 to 2012, increasing from \$283.7 million in 2010 to \$290.8 million in 2011, and to \$317.0 million in 2012. Wages paid were \$149.3 million in interim 2012 and \$155.3 million in interim 2013.¹³⁶ Productivity (in short tons per thousand hours) increased from 761.2 in 2010 to 780.8 in 2011, and to 814.4 in 2012; it was 825.2 in interim 2012 and 801.4 in interim 2013.¹³⁷

Net sales value increased by 35.6 percent overall from 2010 to 2012, increasing from \$3.3 billion in 2010 to \$4.1 billion in 2011, and then to \$4.4 billion in 2012. Net sales value was \$2.2 billion in interim 2012 and \$2.0 billion in interim 2013.¹³⁸ Operating income improved from a loss of \$46.6 million in 2010 to profits of \$171.9 million in 2011 and \$212.2 million in 2012. Operating income was \$116.4 million in interim 2012 and \$74.9 million in interim 2013.¹³⁹ The industry's operating income margin improved from -1.4 percent in 2010 to 4.2 percent in 2011, and then increased to 4.8 percent in 2012; it was 5.4 percent in interim 2012 and 3.7 percent in interim 2013.¹⁴⁰

Based on the record of the preliminary phase of these investigations, we find that subject imports are having an adverse impact on the domestic industry. We find that increasing volumes of subject imports sold at lower prices than the domestic like product led to declines in the domestic industry's market share throughout the POI. Because of this decline, the U.S. industry's production, capacity utilization, and U.S. shipments did not rise commensurately with the 17.8 percent increase in apparent consumption between 2010 and 2012, while inventories increased.

Moreover, as set forth above, a number of the industry's performance indicators were lower in interim 2013 than in interim 2012. These included production, capacity utilization, productivity, net sales value, operating income, operating income margin and market share, while inventories were higher in interim 2013 than in interim 2012.

In our analysis of the impact of subject imports on the domestic industry, we have taken into account whether there are other factors that may have had an adverse impact on the domestic industry during the POI to ensure that we are not attributing injury from other factors to the subject imports. Nonsubject imports had only a small presence in the U.S. market during the POI, with a share of apparent U.S. consumption ranging between a high of 1.6 percent in

¹³⁴ CR/PR at Tables III-9, C-1.

¹³⁵ CR/PR at Tables III-9, C-1.

¹³⁶ CR/PR at Tables III-9, C-1.

¹³⁷ CR/PR at Tables III-9, C-1.

¹³⁸ CR/PR at Tables VI-1, C-1.

¹³⁹ CR/PR at Tables VI-1, C-1.

¹⁴⁰ CR/PR at Tables VI-1, C-1.

2011, and a low of 0.7 percent in 2012.¹⁴¹ Accordingly, we find that nonsubject imports cannot explain the domestic industry's declines in market share during the POI.¹⁴²

We therefore conclude, for purposes of these preliminary determinations, that the cumulated subject imports have had a significant adverse impact on the domestic industry.

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of rebar from Mexico and Turkey that are sold in the United States at less than fair value and subject imports from Turkey that are subsidized by the Government of Turkey.

¹⁴¹ Nonsubject imports as a share of apparent U.S. consumption by quantity increased from 0.8 percent in 2010 to 1.6 percent in 2011, but then declined to 0.7 percent in 2012; they were 0.9 percent in interim 2012 and 1.0 percent in interim 2013. CR/PR at Table IV-7.

¹⁴² Commissioner Pinkert finds that although rebar is a commodity product for purposes of the *Bratsk/Mittal Steel* analysis, he need not perform that analysis in these investigations because nonsubject imports were not a significant factor in the U.S. market during the POI.

Separate and Dissenting Views of Commissioner Shara L. Aranoff

Based on the record in these investigations, I find no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of steel concrete reinforcing bar (“rebar”) from Mexico that are allegedly sold in the United States at less than fair value (“LTFV”). I find a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of rebar from Turkey that are allegedly sold at LTFV and allegedly subsidized by the government of Turkey.¹

I. No Reasonable Indication of Material Injury

A. Volume of Subject Imports

In December 2008, the Commission voted to revoke an antidumping duty order on rebar from Turkey which had been in effect since 1994.² During the annual period considered in that review, the domestic rebar industry’s U.S. market share ranged from 75.1 percent in 2006 to 88.5 percent in 2003; the Commission found that the industry was able to increase its prices and recoup rising costs; and the industry’s operating income margins ranged from a low of 2.3 percent in 2003 to a peak of 20.6 percent in 2007.³

Shortly after the order on rebar from Turkey was revoked, the U.S. economy suffered a severe recession and domestic demand for rebar fell dramatically. Lacking buyers, rebar imports from all sources largely exited the U.S. market, leaving the domestic industry with a market share of 92.5 percent in 2009, but in a market where apparent consumption was 4.1 million short tons below its level in 2007.⁴

In July 2013, the Commission completed five-year reviews of orders covering imports of rebar from seven countries, which examined data for the period 2007-12. The orders under review covered some of the largest global producers and exporters of rebar. In those reviews, the Commission found that the domestic industry was not vulnerable, but that revocation of the orders would nonetheless be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

In the current preliminary-phase investigations, the period of investigation begins in 2010, as apparent U.S. consumption in the rebar market began showing signs of recovery. Apparent U.S. consumption of rebar rose from 6.2 million short tons in 2010 to 6.4 million short

¹ I join the majority in its views as to background, domestic like product, domestic industry, cumulation for material injury, legal standards, and conditions of competition.

² *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997; and *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008.

³ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008.

⁴ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review)*, USITC Pub. 4409 at Table I-1 (Jul. 2013).

tons in 2011 and 7.3 million short tons in 2012. It was 3.7 million short tons in interim 2013 compared with 3.6 million short tons in interim 2012.⁵

It is against this backdrop, and consistent with the conditions of competition described in the Commission majority opinion, that I have considered the record data concerning the volume of subject imports in these preliminary-phase investigations.

The quantity of cumulated subject import shipments increased over the period of investigation, from 469,378 short tons in 2010 to 927,367 short tons in 2012, or by 97.6 percent; January-June 2013 showed cumulated subject imports of 614,999 short tons, 4.4 percent above the comparable period in 2012.⁶ Cumulated subject imports accounted for an increasing share of apparent U.S. consumption, increasing from 7.6 percent in 2010 and 8.6 percent in 2011, and to 12.7 percent in 2012. Subject imports accounted for 16.6 percent of the U.S. market in interim 2013 compared to 16.2 percent in interim 2012.⁷

The domestic industry's market share fell over the period, from 91.7 percent in 2010 to 86.6 percent in 2012. It was 82.4 percent in interim 2013. Nonsubject imports, many sources of which are subject to antidumping duty orders, accounted for 1.6 percent or less of apparent U.S. consumption throughout most of the period of investigation.⁸

I find this cumulated volume of subject imports to be significant in absolute terms. I do not, however, find the increase in volume of the subject imports to be significant for several reasons. First, the domestic industry's market share, while it declined over the period of investigation, remained above pre-recession levels,⁹ while the industry's production and shipments have grown in absolute terms. Second, as discussed *infra*, subject imports have not had price suppressing or depressing effects during the period of investigation, despite their absolute size and increase in market share. Finally, the rising volume and share of subject imports has occurred at the same time as the domestic industry's production, employment, and profitability indicators all improved.

B. Price Effects of the Subject Imports

The Commission has consistently found that rebar is a commodity product. As in prior rebar investigations and reviews, producers and importers reported in the current investigations that rebar from the United States, subject and nonsubject countries is always or frequently interchangeable.¹⁰

The Commission collected quarterly pricing data for four products.¹¹ Prices over the period of investigation for each product from both domestic and subject sources increased

⁵ CR/PR at Table IV-7.

⁶ CR/PR at Table IV-2.

⁷ CR/PR at Table IV-7.

⁸ CR/PR at Table IV-7.

⁹ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review)*, USITC Pub. 4409 at Table I-1 (Jul. 2013).

¹⁰ CR/PR at Table II-5

¹¹ Usable data was received accounting for 33.7 percent of U.S. producers' shipments, *** percent of subject imports from Mexico, and 59.1 percent of subject imports. CR at V-6; PR at p. 4.

overall,¹² although prices in these four categories trended down in the second half of 2012 and interim 2013.¹³ These price increases took place despite the fact that subject imports were underselling the domestic like product throughout the period -- in *** quarterly comparisons with subject imports from Mexico and *** comparisons with the subject product from Turkey.¹⁴ Given the price increases observed over the period, I do not find that subject imports depressed prices for the domestic like product to a significant degree.¹⁵

Similarly, I do not find that the subject imports suppressed domestic rebar prices to a significant degree. Not only was the domestic industry able to raise its prices and sustain them at levels above those seen at the beginning of the period of investigation, but its COGS to net sales ratio declined between 2010 and 2012, and remained at a lower level into 2013, indicating that price increases were generally sufficient to cover increased production costs.¹⁶

C. Impact of the Subject Imports

The domestic industry reported significant improvements in virtually all of its performance indicators during the period of investigation.

As apparent consumption increased, domestic production rose by 11.7 percent, from 6.1 million short tons in 2010 to 6.9 million short tons in 2012. Interim 2013 production, at 3.2 million short tons, was comparable to the 2012 interim level of 3.3 million short tons.¹⁷ The increase in the domestic industry's shipments of rebar tracked its increased production levels, improving by 11.3 percent from 5.7 million short tons in 2010 to 6.3 million short tons in 2012. Interim 2013 shipments were 3.05 million short tons compared to 3.02 million short tons in interim 2012.¹⁸

Employment indicators also strengthened over the period of investigation, with increases in production and related workers, hours worked, and wages paid, all of which were also higher in interim 2013 compared to interim 2012. As production increased, productivity

¹² CR/PR at Tables V-3-V-6.

¹³ These price increases came as apparent U.S. consumption grew by nearly 18 percent and the domestic industry saw its cost of goods sold as a ratio to sales value fall from 96.6 percent in 2010 to 90.9 in 2012, with a small increase to 91.9 percent in interim 2103. CR/PR at Table C-1.

¹⁴ CR/PR at Tables V-3-V-6.

¹⁵ The domestic industry argued that underselling by the subject imports from Mexico and Turkey was the cause of U.S. price suppression and depression and referenced specifically data for 2012 and the first half of 2013. RTAC Postconference Brief at 47. Because of price volatility throughout the period of investigation, with prices generally tracking changes in costs of raw materials and other factors, I do not conclude that the downward movement at the end of the period of investigation is sufficient to speculate that the subject imports are presently having price depressing effects.

¹⁶ CR/PR at Tables V-3-V-6; Table C-1.

¹⁷ CR/PR at Table III-3.

¹⁸ CR/PR at Table III-7. By value, per unit U.S. shipments also increased, by 19.4 percent in 2010-12, ending at \$647.80; interim 2013 U.S. shipment unit values fell to \$635.74. Net sales revenues increased from \$3.3 million in 2010 to \$4.4 million in 2012, or by 35.6 percent; interim 2013 revenue was \$2.0 million, a 5.7 percent difference from interim 2012 (consistent with *** lower export shipments.)

also improved, reaching 814.4 short tons per hour in 2012 compared to 761.2 short tons per hour in 2010.¹⁹

Despite rising production and shipment levels, the domestic industry reported only moderate capacity utilization levels, ranging from 56.5 percent in 2010 to 62.8 percent in 2012.²⁰ I view these levels of capacity utilization, however, in the context of overall demand. Throughout the period of investigation, the domestic industry's rebar production capacity, which remained relatively constant and peaked at 10.9 million short tons in 2012, exceeded total apparent U.S. consumption by 3.6 million short tons in 2012 and as much as 4.67 million short tons in 2010.²¹ Because the slow recovery of apparent U.S. consumption from its recessionary low plays such an important role in the domestic industry's current level of capacity utilization, I give limited weight to capacity utilization data in assessing the impact of subject imports on the domestic industry.

As production and shipments rose, and prices improved, the domestic industry's operating income also improved, rising from a loss of \$46.6 million in 2010 to a positive \$171.9 million in 2011 and \$212.2 million in 2012, resulting in operating income margins of 4.2 and 4.8 percent, respectively. Interim 2013 operating results were lower compared to interim 2012, at 3.7 percent versus 5.4 percent.

I recognize that interim 2013 results for multiple indicators were lower than those in interim 2012. Nevertheless, in light of the strong performance and financial improvements in 2010-12 and in overall conditions in the market as demand recovers from the recession that ended just prior to this period of investigation I find that the record as a whole contains clear and convincing evidence that the domestic industry is not presently materially injured by reason of cumulated subject imports, and no likelihood exists that contrary evidence will arise in a final investigation. Accordingly, I do not find a reasonable indication that an industry in the United States is materially injured by reason of cumulated subject imports.²²

¹⁹ CR/PR at III-9.

²⁰ CR/PR at Table III-3.

²¹ CR/PR at Table III-3 and IV-6, and derived from CR/PR at C-1. As noted above, demand in the U.S market has not reached these levels since prior to the recession, when apparent U.S. consumption exceeded 10 million short tons annually.

²² The domestic industry cited to a report presented to the OECD Steel Committee, finding that the global steel industry requires a minimum 16 percent margin for earnings before interest, taxes, depreciation, and amortization (EBITDA) "to be economically sustainable in the long term." *Overcapacities in the Steel Industry, McKinsey & Company, OECD Steel Committee: 74th Session, Paris (July 2, 2013)*. The domestic rebar industry then argued that its EBITDA of on average *** percent during the POI remains far below this "required minimum return". Because this particular study is not specific to the U.S. rebar industry, or even the U.S. steel industry, but instead focuses on the global steel industry as a whole without regard to differing production costs, conditions of competition, or other factors that may distinguish between results for specific steel products and producing countries, I give limited weight to its conclusions for purposes of my analysis of the impact of subject imports from Turkey and Mexico on this domestic industry.

II. Threat of Material Injury

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of subject imports by analyzing whether “further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”²³ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.²⁴ In making my determinations, I consider all statutory threat factors that are relevant to these investigations.²⁵

A. Cumulation

Cumulation in the context of a threat analysis is discretionary. Under section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.²⁶ In the Commission majority opinion, I join my colleagues in finding that the requirements for cumulating subject imports for purposes of a present material injury analysis are satisfied. For my analysis of threat of material injury, however, I find that subject imports from Mexico and Turkey are not likely to compete under similar conditions of competition in the U.S. market in the imminent future, based on the following considerations.

Subject import shipments from Mexico and Turkey both showed overall increases in absolute volumes, but subject import shipments from Turkey were substantially larger during much of the period of investigation and grew at a faster and more consistent rate than those from Mexico. The volume of subject imports from Mexico initially fell from 2010 to 2011, from 292.0 thousand short tons in 2010 to 283.3 thousand short tons in 2011, before rising to 293.7 thousand short tons in 2012, an overall increase of only 0.6 percent.²⁷ In comparison, subject import shipments from Turkey grew from a lower base than Mexico in 2010, 177.4 thousand short tons to 267.4 thousand short tons in 2011, and reached 633.6 thousand short tons in 2012, an overall increase of 257.3 percent.²⁸

Market share trends are also different for the subject imports from Mexico and Turkey. Mexico has been a generally consistent supplier to the U.S. market, accounting for 4.7 percent

²³ 19 U.S.C. § 1677(7)(F)(ii).

²⁴ 19 U.S.C. § 1677(7)(F)(ii).

²⁵ 19 U.S.C. § 1677(7)(F)(i). Statutory threat factor (VII) is inapplicable, as no imports of agricultural products are involved. In its notice of initiation for these investigations, Commerce calculated estimated alleged dumping margins for Mexico of 48.82 percent to 66.70 percent, and 35.01 percent to 36.99 percent for Turkey, and identified six programs alleged to have provided countervailable subsidies to producers and exporters of rebar in Turkey. CR at I-9-I-10; PR at I-7.

²⁶ 19 U.S.C. § 1677(7)(H).

²⁷ CR/PR at IV-2.

²⁸ CR/PR at IV-2.

of apparent U.S. consumption in 2010, 4.4 percent in 2011, and 4.0 percent in 2012 and in interim 2013, at 4.1 percent.²⁹ The market share for subject imports from Turkey, however, increased from 2.9 percent in 2010 to 4.2 percent in 2011 and 8.7 percent in 2012; the interim 2013 share for subject imports from Turkey was 12.6 percent (compared to 12.7 percent in interim 2012).

The rebar industries in Mexico and Turkey are also differently situated in terms of their total shipment patterns. While the Turkish industry is export-focused, exporting nearly *** percent of total production to dozens of countries worldwide, including many in North America, Europe, South America, the Middle East, and Africa,³⁰ the Mexican industry sells about *** percent of its production in the Mexican home market, and exports nearly exclusively in the Americas.³¹ During the period of investigation, the U.S. market accounted for a steadily increasing share of Turkish exports, rising from *** percent in 2010 to *** percent in 2011 and *** percent in 2012; interim 2013 exports to the United States were *** percent of the total.³² By contrast, exports to the United States from Mexico declined as a share of total Mexican shipments over the period, falling from *** percent of total shipments in 2010 to *** percent in 2011 and *** percent in 2012, and were *** percent in interim 2013.³³

Because subject imports from Turkey and Mexico exhibited differences in volume trends during the period of investigation, and based on the distinctions in the role of exports for the rebar industries in each of the subject countries, for purposes of my analysis of a reasonable indication of threat of material injury by reason of subject imports, I exercise my discretion not to cumulate subject imports from Mexico and Turkey.

B. Reasonable Indication of Threat of Material Injury by Reason of Subject Imports from Turkey

As discussed above, a prior antidumping duty order on rebar from Turkey was revoked in 2009, following a series of partial revocations.³⁴ As discussed above, the volume of total U.S. rebar imports remained low during the recession, but as the U.S. economy began to recover in 2010, the volume of rebar imports from Turkey began to rise sharply. The volume of subject imports from Turkey increased from 177.4 thousand short tons in 2010 to 267.4 thousand short tons in 2011, and increased further to 633.6 thousand short tons in 2012, an overall increase of 257.3 percent.³⁵ As the volume of subject imports rose, the United States market also accounted for a growing share of total rebar exports from Turkey, rising from the ninth largest market in 2010 to the fourth largest in 2012, and the third largest in interim 2013.³⁶

I find that subject producers in Turkey have both the ability and incentive to significantly increase both exports to the United States and the market share of Turkish imports in the U.S.

²⁹ CR/PR at IV-7.

³⁰ RTAC Postconference Brief at Exh. 20.

³¹ RTAC Postconference Brief at Exh. 21.

³² CR/PR at Table VII-4.

³³ CR/PR at Table VII-1.

³⁴ CR at I-6; PR at I-4-I-5.

³⁵ CR/PR at IV-2.

³⁶ Arent Fox Presentation at Slide 11, attached to Tr.

market in the imminent future for the following reasons. First, production capacity in Turkey increased from *** short tons in 2010 to *** short tons in 2012, with an additional capacity increase expected for full year 2013, to *** short tons³⁷. Production increases occurred in line with the capacity additions, as production rose from *** short tons in 2010 to *** short tons in 2012. The Turkish industry projects that it will have *** short tons of production in 2013 and *** short tons in 2014. Although capacity utilization was reported to be at *** percent in interim 2013 and is projected to remain at that level in 2014, the industry in Turkey has shown the ability to increase capacity to produce rebar, and for its production to rise commensurate with the capacity additions.

While the record shows Turkey's exports to other markets remaining relatively stable as a percentage of total shipments, ranging from *** percent in interim 2013 to *** percent in interim 2012, the increase in shipments to the United States occurred while Turkey also increased the absolute volume of its total exports.³⁸ Rather, as overall capacity and production have grown, home market shipments as a share of total shipments declined along with a stagnant share of exports to other markets. The percentage of total shipments destined for the United States will likely increase as pressure on producers in Turkey to export will continue to increase, indicating the likelihood of substantially increased imports.

Turkish Respondents have argued that their exports were responding in a gradual manner to stronger apparent consumption in the U.S. market, after having retreated from the market after the 2009 recession.³⁹ I find, however, that the rate of increase in the volume of subject imports from Turkey far exceeded the percentage growth in apparent U.S. consumption, and the record does not support the inference that the lower rate of increase in interim 2013 compared to 2012 will be a sustained change, given the growing importance of the U.S. market as a destination for exports from Turkey.⁴⁰

In assessing the likely price effects of the subject imports from Turkey, I consider pricing developments during the period of investigation and likely developments in the imminent future in light of conditions of competition in the U.S. market. As discussed above, subject imports from Turkey undersold the domestic like product in nearly all quarterly comparisons, with substantial margins of underselling that were more significant later in the period of investigation, beginning in the fourth quarter 2012 and throughout 2013. Although I concluded that cumulated subject imports did not depress or suppress domestic prices to a significant degree for purposes of assessing present material injury, unfavorable changes in the domestic industry's COGS/sales ratio and lower net sales unit values in interim 2013 provide a different outlook in the imminent future. Price decreases in the most recent quarters and more significant underselling margins compared to earlier comparisons, demonstrate that continued

³⁷ Data submitted in response to Commission questionnaires in these preliminary investigations is reported to account for nearly all exports to the United States, however coverage of overall rebar production in Turkey is estimated at only *** percent. CR at VII-8; PR at VII-5.

³⁸ CR/PR at Table VII-4.

³⁹ Postconference Brief of Turkish Exporters and Producers, p. 14.

⁴⁰ U.S. importers' inventories of subject rebar from Turkey *** over the period of investigation, from *** percent as a ratio to both U.S. imports and U.S. shipments of imports in 2010, to *** percent of U.S. imports, and *** percent of U.S. shipments of imports in 2012. These ratios remained at elevated levels in interim 2013. CR/PR at Table VII-8.

aggressive pricing behavior by the subject imports from Turkey at the likely imminent increased volumes will put continued downward pressure on domestic prices and in turn will have likely price depressing or suppressing effects on domestic prices.⁴¹ Thus, I find that subject imports from Turkey are likely to enter the U.S. market in the imminent future at prices that will have significant price depressing or suppressing effects.

As discussed above, subject imports from Turkey are likely to enter the United States in increased volumes and at prices that will likely undersell the domestic like product in the imminent future, resulting in an adverse impact on the domestic industry. The subject imports from Turkey are likely to take market share and sales from domestic producers and depress or suppress domestic prices significantly, negatively affecting the domestic industry's production, shipments, employment and inventories. Depressed or suppressed prices will negatively affect the domestic industry's revenues, profits and ability to continue to make capital improvements.

I have considered whether other factors, including nonsubject imports, will likely have an imminent adverse impact on the domestic industry, but conclude that any likely impact of these other factors will be limited. Although rebar is produced in substantial quantities throughout the world, nonsubject imports are nearly nonexistent in the U.S. market, accounting for 1.6 percent or less of apparent consumption throughout the period of investigation.⁴² This is due in part to the existence of antidumping duty orders on rebar from seven countries, for which sunset reviews were concluded in July 2013.⁴³ Accordingly, I do not find that imports from other sources are likely to take significant market share or sales from the domestic industry, or depress or suppress domestic prices, in the imminent future.⁴⁴

For these reasons, unless antidumping duty and countervailing duty orders on subject imports from Turkey are issued, significant volumes of dumped imports will gain additional U.S. market share in the imminent future and cause material injury to the U.S. industry. I therefore find that there is a likely causal relationship between subject imports from Turkey and an imminent adverse impact on the domestic industry. Accordingly, I find a reasonable indication that the domestic rebar industry is threatened with material injury by reason of subject imports from Turkey.

⁴¹ All of the lost sales and lost revenue allegations that the Commission was able to confirm involved subject imports from Turkey, with most allegations based on 2013 sales offers. CR/PR at Table V-10.

⁴² During the period of investigation, the Dominican Republic was the leading nonsubject source of U.S. imports of rebar, accounting for 1.3 percent of the U.S. market in 2011 and less than 0.7 percent in all other periods. CR/PR at Table IV-7.

⁴³ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review), USITC Pub. 4409 at Table I-1 (Jul. 2013).

⁴⁴ Because I find that the record as a whole contains clear and convincing evidence that the domestic industry is neither materially injured nor threatened with material injury by reason of subject imports from Mexico, I do not find that any imports from Mexico will have an imminent adverse impact on the domestic industry.

C. No Reasonable Indication Threat of Material Injury by Reason of Subject Imports from Mexico

The volume of subject imports from Mexico fluctuated over the period of investigation, falling by 8,734 short tons from 2010 to 2011, and then rising by 10,464 short tons from 2011 to 2012, for an overall increase of 0.6 percent. The market share of subject imports from Mexico fell from 4.7 percent in 2010 to 4.0 percent in 2012. While subject import volume from Mexico was higher in interim 2013 than in interim 2012 by 17.3 percent when viewed in absolute terms, the market share of rebar from Mexico was 4.1 percent, which is consistent with levels throughout the period of investigation.⁴⁵

The domestic industry argues that subject imports from Mexico will increase significantly in the imminent future as Mexican producer Deacero, which accounted for *** percent of Mexican exports to the United States during the period of investigation,⁴⁶ ramps up production at its new Ramos Arizpe mill.⁴⁷ While the domestic industry argues that the new mill can and will produce rebar for export to the United States, I find credible Deacero's explanation that this mill was designed to and will produce merchant bar, even though it produced a small amount of rebar during its start-up phase in 2012.⁴⁸ To date, no rebar has been exported from this mill to the United States, nor is there any indication that such exports are imminent.⁴⁹

Domestic producers argue further than declines in home market demand in Mexico and changes in other traditional export markets for rebar from Mexico will shift exports to the U.S. market.⁵⁰ Record data show that during the period of investigation, home market shipments in Mexico remained relatively steady, about *** short tons in each year; these home market shipments accounted for *** percent of total shipments in 2010, *** percent in 2011 and *** percent in 2012. Interim 2013 shipments were below those in interim 2012, at *** short tons compared to *** short tons. However, exports to the United States also were lower in interim 2013 compared to interim 2012, resulting in other export markets being the primary factor affecting the change in Mexican rebar shipments in interim 2013. All other markets accounted for *** percent of total shipments of Mexican rebar in interim 2013 compared to *** percent in interim 2012. Domestic producers' arguments as to weakening conditions in Mexico's traditional export markets are not supported on this record, as ***.

The Mexican industry operated at a high rate of capacity utilization throughout the period, and production increased largely in line with capacity increases. No current plans for significant additional capacity are in place.⁵¹ Thus, notwithstanding the absolute increase in U.S.

⁴⁵ CR/PR at Table IV-2 and IV-7.

⁴⁶ CR at VII-3, n. 4; PR at VII-3, n. 9.

⁴⁷ RTAC Postconference Brief at 32.

⁴⁸ Conf. tr. at pp. 180-81 (Mr. Noriega).

⁴⁹ The domestic industry also argues that even if Deacero's new mill produced only merchant bar, this will free up capacity at other Deacero facilities to produce more rebar that will then be available for export to the United States. The record indicates that Deacero increased its merchant bar capacity to meet demand for such products in the home market and there is no evidence to support the conclusion that other bar capacity in Mexico will be idled as Deacero's plant comes on line.

⁵⁰ RTAC Postconference Brief at 32-33.

⁵¹ CR/PR at Table VII-1.

imports from Mexico in interim 2013, the market share in the United States remained at traditional levels. I do not find that there is likely to be a significant rate of increase in the volume of subject imports from Mexico in the imminent future.

Pricing data for subject imports from Mexico accounted for nearly all U.S. shipments of subject imports. Underselling was pervasive, as discussed above, and margins can be described as significant. Nevertheless, I do not find that the underselling caused the subject imports to gain market share during the period of investigation. While I find that this pricing behavior is likely to continue, I do not find that it will have price depressing or suppressing effects in the imminent future. Because I find that subject imports from Mexico did not have significant price effects during the period of investigation and that neither pricing patterns nor the volume of these imports are likely to change significantly, these subject imports are also not likely to enter the U.S. market at prices that are likely to have significant depressing or suppressing effects on domestic prices.⁵²

I find no evidence that subject imports from Mexico will have significant negative effects on the performance of the domestic industry. There is no indication that the conditions of competition prevailing during the period of investigation will change significantly in the imminent future.⁵³ Given my conclusion that subject imports from Mexico will not imminently increase substantially above the levels they held during the period of investigation and will not likely have significant adverse price effects, I find that the record as a whole contains clear and convincing evidence that the domestic industry is not threatened with material injury by reason of subject imports from Mexico, and no likelihood exists that contrary evidence will arise in a final investigation. Accordingly, I do not find a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of subject imports from Mexico.

⁵² Domestic producers named subject imports from Mexico in only *** of *** lost sales and lost revenue allegations. Purchasers contacted by staff disagreed with *** allegations, agreed with *** that was reported to be from either Turkey or Mexico, and *** did not respond to the Commission. CR/PR at Table V-9-V-10; Cr at V-23; PR at V-12.

⁵³ Petitioners have argued that the decision by Deacero to join the Independent Steel Association (ISA) as a supplier will allow it further access to the U.S. market. RTAC Postconference Brief at p. 36. I note the existence of the Independent Steel Alliance (ISA), a group formed in early 2013 to facilitate buying and selling rebar and related products by companies not affiliated with the dominant U.S. rebar producers. As the ISA is still in the early stages of development, I do not find a significant change in purchasing patterns – including the volumes and prices of rebar available in the U.S. market – to be imminent. To date, only about 10 percent of ISA member purchases was of imported rebar. While I note Deacero’s participation in the ISA, at this stage the participation appears to be focused on rebalancing its customer base between distributors and fabricators. CR at V-5 and n.9, PR at V-3-V-4 and n.9 and Deacero Postconference Brief at Exh 7.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by the Rebar Trade Action Coalition and its individual members: Nucor Corporation, Charlotte, North Carolina; Gerdau Ameristeel U.S. Inc., Tampa, Florida; Commercial Metals Company, Irving, Texas; Cascade Steel Rolling Mills, Inc., McMinnville, Oregon; and Byer Steel Corporation, Cincinnati, Ohio, on September 4, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of steel concrete reinforcing bar (“rebar”) ¹ from Turkey, and less-than-fair value (“LTFV”) imports of rebar from Mexico and Turkey. The following tabulation provides information relating to the background of these investigations.²³

Effective date	Action
September 4, 2013	Petition filed with Commerce and the Commission; institution of Commission investigation (78 FR 55755, September 11, 2013)
September 25, 2013	Commission’s conference
October 2, 2013	Commerce’s notice of initiation of countervailing duty and antidumping duty investigations (78 FR 60831 and 78 FR 60827, October 2, 2013)
November 1, 2013	Commission’s vote
November 6, 2013	Commission’s determination
November 14, 2013	Commission’s views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations.

² Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ A list of witnesses appearing at the conference is presented in app. B of this report.

domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

. . .

In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

. . .

In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to . . . (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments,

inventories, and employment. *Parts IV* and *V* present the volume of subject imports and pricing of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission’s consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

Rebar generally is used to reinforce concrete structures in construction projects. The leading U.S. producers of rebar are Nucor, Gerdau Ameristeel U.S., Inc. (“Gerdau”), and Commercial Metals Company (“CMC”). The leading producers of rebar in subject countries include Deacero of Mexico, Icdas Celik Enerji Tersane e Ulasim Sanayi A.S. (“Icdas”) of Turkey, and Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisis A.S. (“Habas Sinai”) of Turkey. Leading producers of rebar in nonsubject countries include the following: ArcelorMittal Kryviy Rih of Ukraine, Byelorussian Steel Works of Belarus, Dongkuk Steel of Korea, and Hyundai Steel of Korea. The leading U.S. importer of rebar from Mexico is Deacero, while the leading importers of rebar from Turkey are Icdas, ***, ***, and ***. The leading nonsubject source of rebar is the Dominican Republic, and the leading U.S. importer of rebar from the Dominican Republic is ***. U.S. purchasers of product are rebar fabricators, distributors, or fabricators that also function as distributors in some instances.

Apparent U.S. consumption of rebar totaled approximately 7.3 million short tons (\$4.7 billion) in 2012. Currently, nine firms are known to produce rebar in the United States. U.S. producers’ U.S. shipments of rebar totaled 6.3 million short tons (\$4.1 billion) in 2012, and accounted for 86.6 percent of apparent U.S. consumption by quantity and 87.2 percent by value. U.S. imports from subject sources totaled 927,367 short tons (\$565.3 million) in 2012 and accounted for 12.7 percent of apparent U.S. consumption by quantity and 12.0 percent by value. U.S. imports from nonsubject sources totaled 52,064 short tons (\$37.6 million) in 2012 and accounted for 0.7 percent of apparent U.S. consumption by quantity and 0.8 percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of nine firms that accounted for virtually all U.S. production of rebar during 2012. U.S. imports are based on official Commerce import data.⁴

⁴ Official Commerce statistics presented in this report are for imports entered under Harmonized Tariff Schedule of the United States (2013) (“HTSUS”) numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. Petitioners and Respondents view Official Commerce statistics as representative of U.S.

(continued...)

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted five other antidumping duty investigations concerning rebar. In March 1964, the U.S. Tariff Commission issued an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation No. AA1921-33).⁵ In February 1970, the Commission issued an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).⁶ There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Commission issued a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).⁷

More recently, in 1997 the Commission issued a final affirmative determination concerning LTFV imports of rebar from Turkey.⁸ Commerce issued an antidumping duty order on April 17, 1997.⁹ In 2003, the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to a U.S. regional industry within a reasonably foreseeable time.¹⁰ In December 2008, following partial revocation by Commerce of the antidumping duty order with respect to four Turkish manufacturers/exporters, the Commission issued a negative determination in its second five-

(...continued)

imports. Petitioners' postconference brief, exh. 1, p. 36, and conference transcript, p. 213 (Nolan and Bond).

⁵ *Steel Reinforcing Bars from Canada, Investigation No. AA1921-33*, Tariff Commission Publication 122, March 1964. In this investigation, the Commission focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

⁶ *Steel Bars, Reinforcing Bars, and Shapes from Australia, Investigation No. AA1921-62*, Tariff Commission Publication 314, February 1970. In this investigation, the Commission also focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

⁷ *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico, Investigation No. AA1921-122*, Tariff Commission Publication 605, August 1973. In this investigation, the Commission considered all U.S. facilities devoted to rebar production, but gave special attention to rebar facilities within and outside Texas which produced most domestic rebar sold in that state during the years prior to the investigation.

⁸ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997. In making its determination, the Commission concluded that appropriate circumstances existed for a regional industry analysis, with the region consisting of the U.S. producers in the "Eastern Tier." This region consisted of 22 contiguous states (Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia), plus Puerto Rico and the District of Columbia.

⁹ *Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 18748, April 17, 1997.

¹⁰ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, February 2003. The Commission again defined the region as the Eastern Tier.

year review concerning rebar from Turkey.¹¹ Commerce published its revocation of the antidumping duty order on rebar from Turkey on January 5, 2009, with an effective date of March 26, 2008.¹²

In May and July 2001, the Commission issued affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.¹³ Commerce issued an antidumping duty order on September 7, 2001.¹⁴ In July 2007, following affirmative determinations by Commerce,¹⁵ the Commission completed full five-year reviews of the subject orders.¹⁶ The Commission determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, while revocation of the antidumping duty order on rebar from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁷

¹¹ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008. The Commission revisited its regional industry definition and found that appropriate circumstances did not exist to conduct a regional industry analysis.

¹² *Revocation of Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars from Turkey*, 74 FR 266, January 5, 2009.

¹³ *Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, May 2001 and *Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final)*, USITC Publication 3440, July 2001. In this determination, the Commission was evenly divided regarding the issue of a regional industry. Three Commissioners (Commissioners Koplan, Okun, and Bragg) based their determinations on a regional industry analysis of a 30-state region consisting of Wisconsin, Illinois, Missouri, Arkansas, and Louisiana, all states east of these states, as well as Puerto Rico, the District of Columbia, and Texas, whereas three Commissioners (Miller, Hillman, and Devaney) based their determinations on a national industry analysis.

¹⁴ *Antidumping Duty Orders: Certain Steel Concrete Reinforcing Bars From Belarus, Indonesia, Latvia, Moldova, People's Republic of China, Poland, Republic of Korea and Ukraine*, 66 FR 46777, September 7, 2001.

¹⁵ *Steel Concrete Reinforcing Bars from Moldova, the People's Republic of China, South Korea, Indonesia, Poland, and Belarus; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 70509, December 5, 2006; *Steel Concrete Reinforcing Bars from Ukraine; Final Results of the Sunset Review of Antidumping Duty Order*, 72 FR 9732, March 5, 2007; and *Steel Concrete Reinforcing Bars from Latvia; Final Results of the Sunset Review of Antidumping Duty Order*, 72 FR 16767, April 5, 2007.

¹⁶ *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007. In these first reviews, the Commission found that appropriate circumstances did not exist to conduct a regional industry analysis, so it based its determinations on a national industry analysis.

¹⁷ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine: Determinations*, 72 FR 42110, August 1, 2007.

Commerce consequently revoked the antidumping order on rebar from Korea¹⁸ and continued the antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, effective August 9, 2007.¹⁹ In 2013, following affirmative determinations by Commerce,²⁰ the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²¹

PREVIOUS AND RELATED GLOBAL SAFEGUARD INVESTIGATIONS

In 2001, the Commission determined that rebar was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles, and recommended an additional *ad valorem* duty decreasing from 10 percent to 4 percent over four years.²² On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to rebar consisted of an additional tariff for a period of three years and one day (15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year).²³ Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.²⁴ On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by President Bush on imports of

¹⁸ *Steel Concrete Reinforcing Bars from South Korea: Revocation of Antidumping Duty Order*, 72 FR 44830, August 9, 2007.

¹⁹ *Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland and Ukraine: Continuation of Antidumping Duty Orders*, 72 FR 44830, August 9, 2007.

²⁰ *Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, Poland, People's Republic of China and Ukraine: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 77 FR 70140, November 23, 2012.

²¹ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine: Determinations*, 78 FR 41079, July 9, 2013. The Commission conducted its analysis in these second reviews on a national industry basis.

²² *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

²³ *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

²⁴ *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

certain steel products. The Commission transmitted its report on the evaluation to the President and the Congress on September 19, 2005.

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On October 2, 2013, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on rebar from Turkey.²⁵ Commerce identified the following government programs in Turkey:

- Provision of Natural Gas for Less Than Adequate Remuneration;
- Provision of Steam Coal for Less Than Adequate Remuneration;
- Export Credits, Loans, and Insurance from Turk EXIMBANK;
- Investment Incentives;
- Deductions from Taxable Income for Export Revenue;
- Incentives for Research & Development (“R&D”) Activities; and
- Regional Development Subsidies.²⁶

Alleged sales at LTFV

On October 2, 2013, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on rebar from Mexico and Turkey.²⁷ Commerce has initiated antidumping duty investigations based on estimated dumping margins of 48.82 percent to 66.70 percent for rebar from Mexico and 35.01 percent to 36.99 percent for rebar from Turkey.

THE SUBJECT MERCHANDISE

Commerce’s scope

Commerce has defined the scope of these investigations as follows:

Steel concrete reinforcing bar imported in either straight length or coil form (“rebar”) regardless of metallurgy, length, diameter, or grade.

²⁵ *Steel Concrete Reinforcing Bar from Turkey: Initiation of Countervailing Duty Investigation*, 78 FR 60831, October 2, 2013.

²⁶ *Steel Concrete Reinforcing Bar from Turkey: Import Administration Office of AD/CVD Operations Countervailing Duty Investigation Initiation Checklist*, September 24, 2013, pp. 6-26.

²⁷ *Steel Concrete Reinforcing Bar from Mexico and Turkey: Initiation of Antidumping Duty Investigations*, 78 FR 60827, October 2, 2013.

Specifically excluded are plain rounds (i.e., nondeformed or smooth rebar).²⁸

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported primarily under the following provisions of the Harmonized Tariff Schedule of the United States (2013) (“HTSUS”): 7213.10.0000, 7214.20.0000, and 7228.30.8010.²⁹

HTS number 7213.10.0000 covers concrete reinforcing bars and rod, of iron or nonalloy steel, hot-rolled, in irregularly wound coil form; the 2013 general rate of duty is free. HTS number 7214.20.0000 covers straight concrete reinforcing bars and rods, of iron or nonalloy steel, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling; the 2013 general rate of duty is free. HTS number 7228.30.8010 covers concrete reinforcing bars of other alloy steel, not further worked than hot-rolled, hot-drawn, or extruded; the 2013 general rate of duty is free.

THE PRODUCT

Description and applications

Rebar is a long-rolled steel product that is commonly used in construction projects to provide strength to concrete. Rebar is manufactured as either plain-round or deformed round bars. However, in the United States deformed rebar is used almost exclusively because it provides greater adherence to concrete due to its ridges.³⁰ Rebar can be shipped in either straight lengths or coils. Coiled rebar is produced in smaller sizes than straight lengths and is used for smaller, more complex applications.

²⁸ *Steel Concrete Reinforcing Bar from Turkey: Initiation of Countervailing Duty Investigation*, 78 FR 60831, October 2, 2013; *Steel Concrete Reinforcing Bar from Mexico and Turkey: Initiation of Antidumping Duty Investigations*, 78 FR 60827, October 2, 2013.

²⁹ The subject merchandise may also enter under other HTSUS numbers that cover cold-formed/finished or alloy bars and rods, including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. The HTSUS statistical reporting numbers are provided for convenience and customs purposes only; the written description of the scope remains dispositive.

³⁰ Plain-round rebar tends to be used in concrete for special purposes, such as dowels at expansion joints where bars must slide in a metal or paper sleeve, for contraction joints in roads and runways, and for column spirals. Plain-round rebar offers only smooth, even surfaces for bonding with concrete. As a result, approximately 40 percent more of the plain-round rebar must be used than deformed rebar when applied in building reinforcement or construction projects. *Purposes and Types of Reinforcing Steel*, found at <http://www.tpub.com/steelworker2/76.htm>, retrieved on October 17, 2013.

The construction industry is the principal consumer of rebar and uses it extensively to reinforce concrete structures. Embedding rebar in concrete enhances the concrete's compressional and tensional strength and controls cracking as concrete shrinks during curing or due to temperature fluctuations. Rebar resists tension, compression, temperature variation, and shear stresses in reinforced concrete because the surface protrusions on a deformed bar inhibit longitudinal movement relative to the surrounding concrete. During construction projects, rebar is placed in a form and concrete from a mixer is poured over it. Once the concrete has set, deformation is resisted and stresses are transferred from the concrete to the rebar by friction and adhesion along the surface of the steel. A smaller market for rebar is for mine bolts, which hold support structures in mines.³¹

Rebar sold in the U.S. market is generally manufactured to conform to the test standards of the American Society for Testing and Materials ("ASTM") International,³² which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing of deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.³³ There are several ASTM specifications for rebar, based on steel composition. Generally, deformed rebars of these various ASTM specifications can be interchangeable with plain-round rebar, except for use in seismic areas.³⁴

To conform to ASTM specifications, deformed rebar is identified by distinguishing sets of raised marks legibly rolled onto the surface of one side of the bar to denote: (1) the producer's hallmark, (2) mill designation, (3) size designation, (4) specification of steel type, and (5) minimum yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code. Guidelines for use of deformed rebar in highway and bridge construction are provided by the American Association of State

³¹ Petition, p. 8.

³² ASTM International is not a product testing or certification organization. Rather, manufacturers can choose voluntarily to indicate on the label or packaging that their products have been tested according to ASTM standards.

³³ The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. There are separate and non-interchangeable standards for rebar with dimensions and designations in English units (e.g., ASTM A615) versus SI (metric) units (e.g., ASTM A615M).

³⁴ Deformed rebar is most commonly rolled from nonalloy billet steel to the requirements of ASTM A615/A615M. Rebar can also be re-rolled from the head (top) portion that has been slit from scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M, deformed rebar of either rail or axle steel; ASTM A616/A616M, deformed and plain rebar of rail steel; and A617/A617M, deformed and plain rebar of axle steel). For special applications (e.g., in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M (a high-strength low-alloy (HSLA) steel) is specified. Certain forged rebars of nonalloy or HSLA steel are covered under ASTM A970/970M. There is also a standard for deformed and plain rebar of stainless steel (ASTM A955/A955M) for special applications requiring corrosion resistance (e.g., for long-term resistance to road salts and de-icing chemicals on bridges) or controlled magnetic permeability (e.g., for avoiding interference with hospital imaging equipment).

and Highway and Transportation Officials (“AASHTO”) Standard Specifications. The contents of the two specifications are similar and are applicable throughout the continental United States and in Puerto Rico.

Rebar is available in sizes #3 through #18, as specified by ASTM standards. These size indicators are about eight times the respective nominal diameters in inches (e.g., 3/8-inch bar is designated as size #3 and 1-inch rebar is designated as size #8),³⁵ although the relationship diverges somewhat for rebar larger than size #9.³⁶ Coiled rebar is only sold from sizes #3 to #6, as larger sizes of rebar cannot be coiled.³⁷

Certain rebar sizes and lengths tend to predominate among end uses. A considerable portion of smaller sizes (i.e., #3-#5) is applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) use all sizes and lengths. The larger sizes (#6 and above) and longer lengths (60 feet or more) are used almost exclusively in heavy construction applications.³⁸

Rebar is shipped in either straight lengths or coils. Straight length rebar is available from mills in various lengths, from less than 20 feet to more than 60 feet. Coiled rebar is produced in ASTM 615 (Grades 40 and 60) and A706.³⁹ Coiled rebar is more preferred for use in smaller applications that have more complex shapes because coiled rebar is able to run efficiently through more complicated fabrication processes with less waste and scrap than straight length rebar.⁴⁰

Rebar may be coated by an epoxy (a powder-coated paint) after the manufacturing process to enhance corrosion resistance.⁴¹ Coated rebar is used in applications where the rebar is exposed to a high degree of salt, such as in roads, bridges and parking garages. Rebar may also be bent in the post-manufacturing fabrication process to reinforce the rebar joints.⁴²

Manufacturing processes

Rebar mills typically specialize in producing rebar either from (1) billet steel, (2) rail steel, or (3) axle steel, because each involves different starting materials and imposes somewhat different rolling requirements. The most common manufacturing process to produce rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3)

³⁵ Nominal diameters of deformed rebar are equivalent to those of plain round bars of the same unit weight (mass) per foot (meter).

³⁶ Rebar is also available in metric sizes, with nominal diameters from 10 millimeters (mm) to 57 mm, as specified by ASTM standards.

³⁷ Conference transcript, p. 173 (Noriega).

³⁸ *Harris Supply Solutions’ Website*, Rebar Sizes #3 to #18, found at <http://www.harrissupplysolutions.com/3-rebar.html>, retrieved on October 18, 2013.

³⁹ Conference transcript, p. 80 (Kerkvliet).

⁴⁰ Conference transcript, pp. 80-81 (Webb and Kerkvliet).

⁴¹ Conference transcript, p. 150 (Byer).

⁴² Conference transcript, pp. 149-150 (Byer).

hot-rolling the bar. In contrast, the manufacturing process for rebar produced from scrapped rail or axle steel, or from purchased billets, requires only reheating these materials and hot-rolling the bar.

In the United States, non-integrated “mini-mills” typically produce billets for rebar by melting steel scrap in electric arc furnaces. Once molten, liquid steel is poured from the furnace into a refractory-lined ladle, where any necessary alloys are added to effect the required chemical and physical properties. Molten steel must be cast into billets of the size and shape suitable for the rolling process. In the more common continuous strand-casting process, molten steel is poured from the ladle into a tundish (reservoir dam), which controls the rate of flow into the molds of the caster. A solid “skin” forms around the molten steel at the top openings of the mold, and as the columns of partially solidified steel descend through the caster, water sprays rapidly cool the cast steel (which helps minimize compositional segregation) to the point that the strands are completely solidified when emerging from the bottom of the caster. Lengths of continuous-cast billets are flame cut at intervals, and then may be either sent directly for further processing or be cooled on a cooling bed and subsequently stored for later use.

Prior to rolling, newly cast billets, scrapped rails or scrapped railroad axles are heated to rolling temperature in a reheat furnace. The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. For deformed rebar, deformations are rolled onto the surface of the rebar as it passes through the final finishing stand, which has patterns cut into the grooves of the rolls.⁴³ After the rolling process, straight length rebar is cut to length before being sent to a cooling bed to be air-cooled. However, coiled rebar goes to a reforming tub, where it is spooled and cut to the desired weights or lengths.⁴⁴

Rebar can be water-quenched and tempered, rather than air-cooled. Water-quenching is a cooling process used to increase tensile strength in order for the rebar to comply with ASTM standards.⁴⁵ Quenched-and-tempered rebar can meet the same physical property requirements of the ASTM A615/A615M specification without the addition of certain alloys to the steel billets that are rolled into rebar, and thus is slightly less expensive to produce. In this process (the Thermex process),⁴⁶ hot-rolled rebar passes through a water-quenching stand (a series of water coolers), which rapidly cools the outer case of the rebar, before the final finishing process. The quench-and-temper treatment causes a dual metallurgical structure to form in the cross-section of the bar, which ultimately produces a rebar with a stronger outer case and a more ductile core.

⁴³ When rolling plain rebar with uniformly smooth surfaces rather than with deformations, smooth-grooved rolls are substituted in the final finishing stand.

⁴⁴ Conference transcript, p. 132 (Kerkvliet).

⁴⁵ Conference transcript, p. 151 (Porter).

⁴⁶ Thermex refers to both the water-quench and tempering process, as well as the mill equipment used to produce rebar through this process. The Thermex process was developed and branded by Germany engineering firm Hennigsdorfer Stahl Engineering (HSE) in the 1970s.

Some U.S. rebar producers produce additional products using the same equipment, machinery, and production workers that are used to produce rebar, merchant bar, special-bar quality (SBQ) bar products, and wire rod. Coiled rebar is produced by steel mills that possess laying heads (coilers). Merchant bar products include bars with round, square, flat, angled, and channeled cross sections, and are used by fabricators and manufacturers to produce a variety of products, including steel floor and roof joists, safety walkways, ornamental furniture, stair railings, and farm equipment.⁴⁷ SBQ bar products are made from higher-quality carbon and alloy steels that have greater mechanical properties, metallurgical consistency, and dimensional accuracy than do merchant bar products, and are principally used to produce automotive components. Wire rod (delivered in coil form) is used by manufacturers to provide a variety of products, such as chain-link fencing, nails, and wire.⁴⁸

DOMESTIC LIKE PRODUCT ISSUES

No party has raised an issue with respect to the domestic like product proposed by the petitioners, i.e., co-extensive with Commerce's scope.⁴⁹ In their post-conference briefs, the Turkish respondents (the Turkish Steel Exporters Association, Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. and Colakoglu Metalurji) and Mexican respondent (Deacero) did not contest petitioner's proposed definition of the domestic like product in the preliminary phase of the investigations.⁵⁰

⁴⁷ Schnitzer Steel, "Products," (available at http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved September 27, 2013).

⁴⁸ Schnitzer Steel, "Products," (available at http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved September 27, 2013).

⁴⁹ Petition at p. 14 and petitioners' postconference brief, p.3-4.

⁵⁰ Deacero postconference brief, p. 3, and Turkish Steel Exporters' Association postconference brief at pp. 11.

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

U.S. MARKET CHARACTERISTICS

The primary use of rebar is concrete reinforcement. As a result, the U.S. market for rebar is tied closely to U.S. construction activity. Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction.

While some manufactured rebar is used in construction applications with no further processing, a large share is sold to fabricators that further process the rebar before it is finally used in construction applications. Three U.S. producers, CMC, Gerdau, and Nucor, all own purchasing firms that operate as fabricators and/or distributors. These purchasing firms obtain the rebar for fabrication or distribution from their parent companies and in some cases from other producers and import suppliers.¹ U.S. producers and importers sell to the same types of customers, but the proportions vary.

CHANNELS OF DISTRIBUTION

U.S. producers sold mainly to firms that were both distributors and end users, while importers of subject product (particularly product from Turkey) sold mainly to firms that are strictly distributors, as shown in table II-1.

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling rebar to all regions in the contiguous United States (table II-2). Importers in aggregate also sell to all regions, however those importing rebar from Mexico reported that they did not sell into the Northeast, and those importing rebar from Turkey reported that they did not sell into the Mountain and Pacific Coast regions.

The weight of rebar relative to its price limits the inland distances that it is typically transported (see table II-3). U.S. producers report that most of their sales are within 250 miles of their point of shipment. Most imports from Turkey are sold within 100 miles of point of shipment. In contrast, most imports from Mexico are shipped between 251 and 1,000 miles.

¹ Deacero reported that, in 2012, *** of its imports were sold to firms owned by U.S. rebar producers. Deacero's postconference brief, responses to Commission staff questions, p.2.

Table II-1

Rebar: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2010-12, January-June 2012, and January-June 2013

Item	Period				
	Calendar year			January-June	
	2010	2011	2012	2012	2013
U.S. producers' U.S. shipments of rebar:					
Distributors	19.1	18.8	19.6	17.4	20.5
End users	26.7	28.1	27.5	25.9	27.4
Firms that are both distributors and end users	54.2	53.0	53.0	56.7	52.1
U.S. importers' U.S. shipments of rebar from Mexico:					
Distributors	***	***	***	***	***
End users	***	***	***	***	***
Firms that are both distributors and end users	***	***	***	***	***
U.S. importers' U.S. shipments of rebar from Turkey:					
Distributors	86.3	99.2	98.2	96.9	97.1
End users	13.7	0.8	1.8	3.1	2.9
Firms that are both distributors and end users	0.0	0.0	0.0	0.0	0.0
U.S. importers' U.S. shipments of rebar from all other countries:					
Distributors	40.4	0.0	0.0	0.0	19.7
End users	0.0	0.0	0.4	0.0	1.4
Firms that are both distributors and end users	59.6	100.0	99.6	100.0	78.9

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

Table II-2

Rebar: Geographic market areas in the United States served by U.S. producers and importers of Mexican and Turkish rebar, by number of responding firms

Region	U.S. producers	Importers of rebar from Mexico	Importers of rebar from Turkey
Northeast	8	0	7
Midwest	8	6	6
Southeast	7	2	7
Central Southwest	6	12	9
Mountain	6	5	0
Pacific Coast	6	5	0
Other ¹	3	2	3

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

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

Table II-3
Rebar: Distances transported by share of total shipments

Distance	U.S. producers	Importers of rebar from Mexico	Importers of rebar from Turkey
100 miles or less	32.4	***	85.3
101 to 250 miles	22.2	***	5.0
251 to 500 miles	23.7	***	4.3
501 to 1,000 miles	17.3	***	5.3
Over 1,000 miles	4.4	***	0.0

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of U.S.-produced rebar to the U.S. market. The main factors contributing to this degree of responsiveness of supply are excess capacity, the availability of inventory, and the ability to switch to and from producing other products on the same equipment.

Industry capacity

Responding U.S. producers' production capacity fluctuated between 2010 and 2012, but overall changed little in 2012 compared with 2010. Production increased from 6.1 million short tons in 2010 to 6.8 million short tons in 2012. As a result, capacity utilization rates increased from 56.5 percent in 2010 to 62.8 percent in 2012. This level of capacity utilization indicates that U.S. rebar producers have a substantial amount of available capacity with which they could increase production in the short run in the event of a price change.

Potentially, changes in the product mix could affect capacity. No U.S. producer, however, noted any significant changes in the product range, product mix, or marketing of rebar in the United States since 2010, nor did any U.S. producer anticipate any changes.

Alternative markets

U.S. producers' reported exports of their U.S.-produced rebar decreased from *** percent of total shipments in 2010 to *** percent in 2012. U.S. producers exported product to Canada, the Caribbean, Central America, and Mexico.

Inventory levels

Inventories are typically moderate in this industry. The ratio of inventories to total shipments increased from *** percent at the end of 2010 to *** percent by the end of 2012.

These levels of inventories suggest that U.S. producers may have some ability to use inventories to respond to price changes. Inventory levels may also vary over the year with lower inventories at the end of the year when demand is relatively low.

Production alternatives

Seven of the nine responding U.S. producers reported producing other products using the same equipment, machinery, and workers. These products include merchant bar and SBQ bar. All producers reported that their ability to shift was limited by either the plants, the market, need to service customers, or the geographic location.

Subject imports from Mexico

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

Industry capacity

Reported rebar production capacity in Mexico increased unevenly from *** short tons in 2010 to *** short tons in 2012. Capacity utilization decreased unevenly from *** percent in 2010 to *** percent in 2011 and *** percent in 2012. Thus the rebar industry in Mexico has some excess capacity that might be available to increase shipments to the United States.

Alternative markets

Most rebar shipments by producers in Mexico (between *** and *** percent) are to the home market. Shipments to other (non-U.S.) markets increased from *** percent of total shipments in 2010 to *** percent in 2012. Principal export markets are mainly Caribbean, Central American, or South American countries. Rebar producers in Mexico may be able to shift sales from sales within Mexico to the U.S. market.

Inventory levels

The Mexican producers' rebar inventories, as a share of total shipments, decreased from *** percent in 2010 to *** percent in 2012. These data indicate that producers in Mexico may have a somewhat limited ability to shift sales to the United States from inventories.

Production alternatives

Mexican producers report the production of more than *** short tons of alternative materials (mainly ***) in their facilities. Thus, Mexican producers may have some ability to increase sales to the U.S. market by shifting production to rebar from alternative products.

Supply constraints

Two Mexican producers reported supply constraints including the availability of Mexican iron ore and scrap, and limits caused by the capacity constraints of their cooling beds.²

Subject imports from Turkey

Based on available information, producers of rebar from Turkey have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of rebar to the U.S. market. The main contributing factors to the moderate-to-high degree of responsiveness of supply are the availability of unused capacity, existence of alternate markets, and the ability to produce alternate products.

Industry capacity

Turkish producers' rebar production capacity increased from *** short tons to *** short tons between 2010 and 2012. Capacity utilization increased from *** percent in 2010 to *** percent in 2012 as well. Thus, rebar producers in Turkey have excess capacity that might be available to increase shipments into the United States.

Alternative markets

Most shipments of rebar produced in Turkey are exported to other markets. The percentage of export shipments (relative to total shipments) declined from *** percent in 2010 to *** percent in 2011 and then increased to *** percent in 2012, while shipments to the U.S. market increased steadily from *** percent of shipments in 2010 to *** percent of shipments in 2012. Thus, rebar producers in Turkey may be able to shift sales from other export markets to the U.S. market.

Inventory levels

Turkish inventories, as a share of total shipments, were relatively low, decreasing unevenly from *** percent of total shipments in 2010 to *** percent of shipments in 2012. This indicates that Turkish rebar producers may have a somewhat limited ability to shift sales to the United States from inventories.

² Firms also reported that capacity was affected by the size of the billets used, product mix, and the diameter of the rebar produced. Capacity in terms of tons is lower for smaller diameter rebar. This may also prevent firms from reaching 100 percent capacity utilization.

Production alternatives

Turkish producers report approximately *** short tons of production of alternative product in 2010-12. Thus, Turkish rebar producers may have some ability to increase sales to the U.S. market by shifting production to rebar from alternative products.

Supply constraints

Turkish producers reported supply constraints included maintenance, length, width, and size breakdowns.

Nonsubject imports

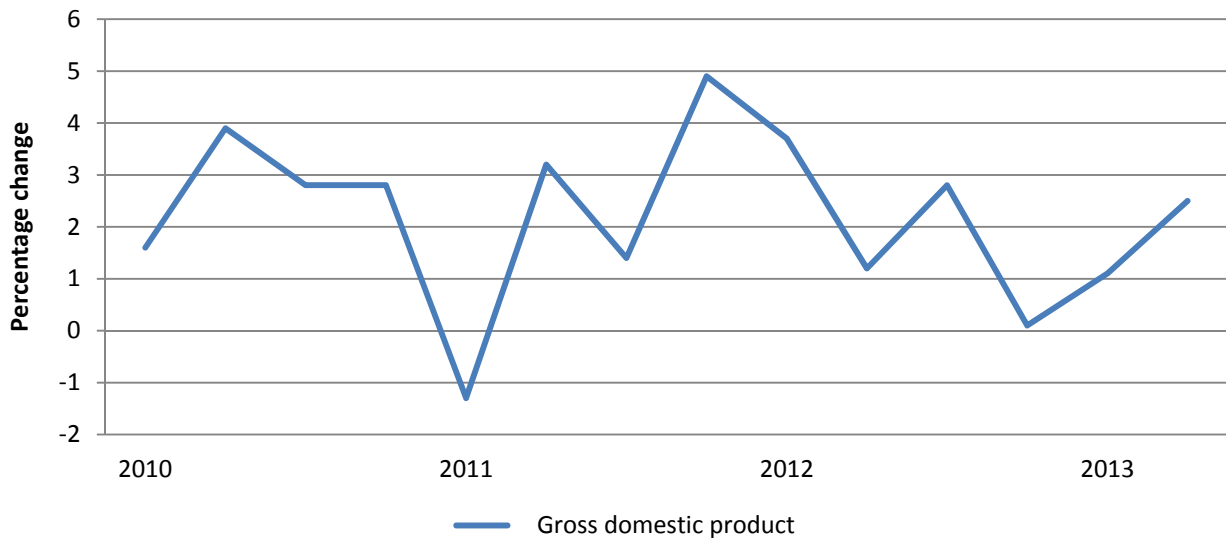
The largest source of nonsubject imports during 2010-12 was the Dominican Republic which accounted for 76.0 percent of nonsubject imports in 2012. Imports from seven rebar-producing countries are subject to antidumping duty orders.

U.S. demand

Based on available information, it is likely that changes in the price level of rebar would result in small to moderate changes in the quantity of rebar demanded. The main contributing factor to this degree of responsiveness of demand is the lack of substitutability of other products for rebar and the relatively small cost share attributable to rebar in its major uses.

The overall U.S. demand for rebar is driven by the U.S. economy and by nonresidential construction spending and, to a lesser extent, residential construction spending. The value of the aggregate U.S. economy, as measured by percentage changes in the gross domestic product, has fluctuated between a low of -1 percent in the first quarter of 2011 to a high of 5 percent in the fourth quarter of 2011 (figure II-1). Overall the economy has grown since 2010, a trend reflected in increased demand for rebar.

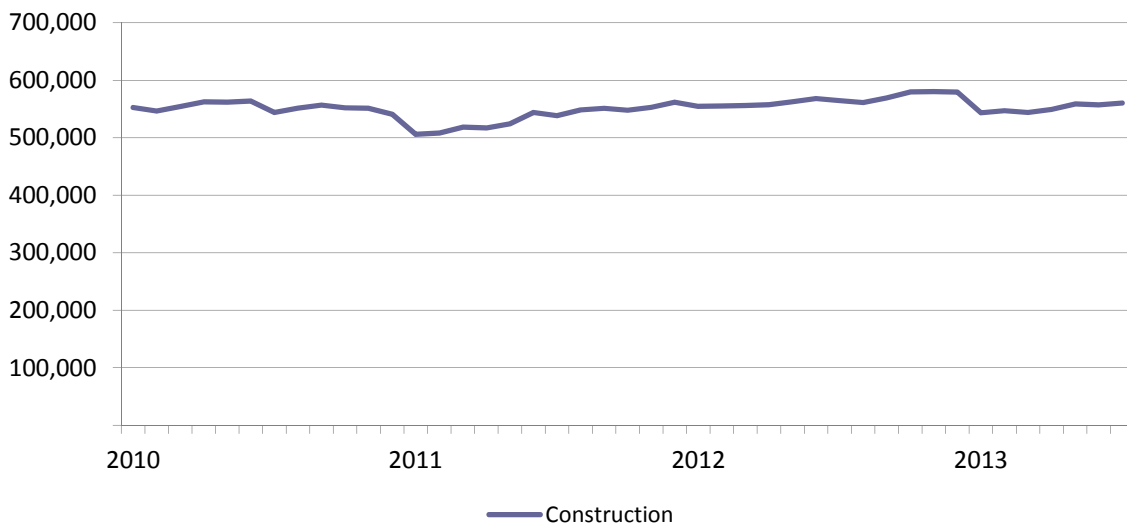
Figure II-1
**Percent changes in real gross domestic product (GDP) growth, by quarters, first quarter 2010-
 second quarter 2013**



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

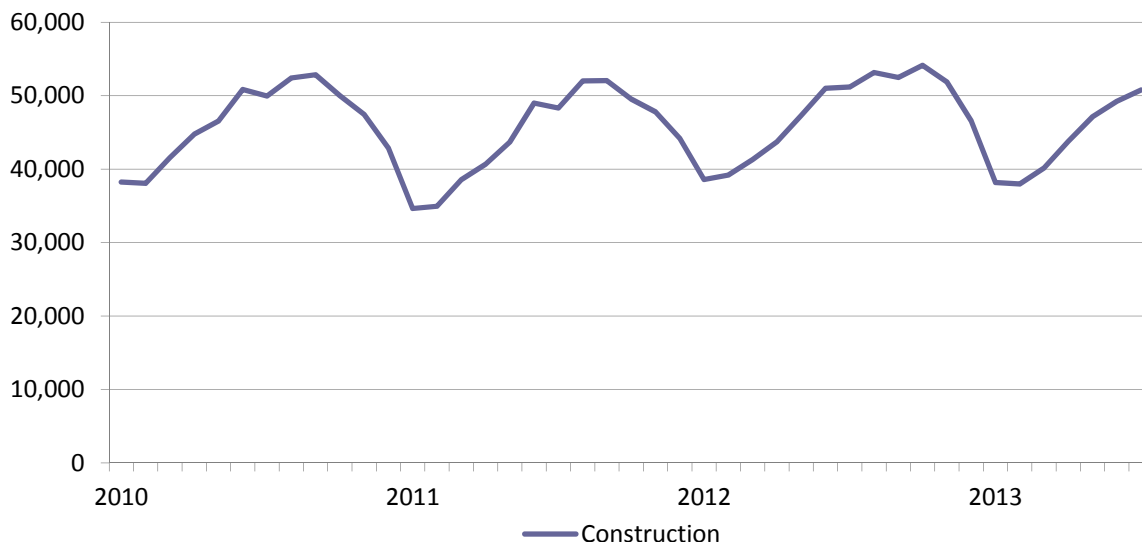
Private nonresidential construction spending fluctuated, declining unevenly from January 2010 to January 2011, and then increasing through November 2012. After a sharp decline in January 2013, private nonresidential construction resumed an uneven increase (figure II-2). Construction also was highly seasonal (figure II-3). Construction demand is lowest in the end of each year and the beginning of the following year; this reduces rebar demand in the fall and winter.

Figure II-2
**Seasonally adjusted construction spending: Monthly total non-residential construction, value in
 millions of dollars, January 2010-June 2013**



Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. <http://www.census.gov/econ/currentdata>.

Figure II-3
Actual construction spending: Monthly total non-residential construction, not seasonally adjusted, value in millions of dollars monthly, January 2010-June 2013



Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. <http://www.census.gov/econ/currentdata>.

The American Institute of Architects produces the Architecture Billing Index (ABI), which “serves as a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months.”³ The ABI was positive from May through August (the most recent month available) and in seven of the eight months available for 2013.⁴ This indicates that construction growth is expected to continue for some time. *** forecast real GDP growth at *** percent for 2013 and *** percent for 2014, indicating that economic growth is expected to continue through 2014.⁵

End uses

U.S. demand for rebar depends on the demand for U.S.-produced downstream products. Reported end uses include construction (commercial, non-residential, public, private, residential, roads and bridges) and downstream rebar products (stirrups, mine roof bolts, spirals, and bar supports).

³ <http://www.aia.org/practicing/economics/AIAS076265>, retrieved October 25, 2013.

⁴ <http://www.aia.org/practicing/economics/AIAS076265>, “With August Gains, Nearly A Year Of Steady Non-Residential Billings Growth” “Firm Billings Up Nationwide, but Construction Sector Still Lags” Architectural Firm Billings Increase At Modest Pace In June” “May Registers A Quick Rebound In Design Activity” “Design Activity Hits The Brakes In April” and “Architectural Firms Billings Continue Resurgence Into New Year,” retrieved October 25, 2013.

⁵ ***.

Business cycles

Seven of 9 responding U.S. producers and 7 of 19 responding importers indicated that the market was subject to business cycles, following construction cycles or cycles caused by the weather. Five U.S. producers and one importer reported that there were other conditions of competition that were likely to affect the rebar industry. Of these, the four producers that provided details all reported facing more competition from imports.⁶

Apparent consumption

Apparent U.S. consumption of rebar increased during 2010-12. Overall, the quantity of apparent U.S. consumption was 17.8 percent higher in 2012 than in 2010.

Demand trends

Most firms reported that U.S. and non-U.S. demand for rebar has increased since 2010 (table II-4). Most producers reported that U.S. demand has increased whereas most U.S. producers reported that demand outside the United States has decreased. Almost all importers reported that U.S. demand has either increased (8 of 16) or fluctuated (7 of 16). Similarly, most importers reported that demand outside the United States has either increased (6 of 13) or fluctuated (4 of 13).

Table II-4
Rebar: Firms' responses regarding U.S. demand and demand outside the United States, by number of responding firms

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	6	0	2	2
Importers	8	0	1	7
Demand outside the United States				
U.S. producers	1	1	4	1
Importers	6	2	1	4

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

Substitute products

Most U.S. producers (***)⁷ reported that there were substitutes for rebar while most importers (13 of 17) reported that there were no substitutes for rebar. The substitute reported most frequently was wire mesh; other substitutes included fiber reinforced concrete, structural steel, pre-stressed cable, deformed wire, and pc strand. Wire mesh could be used in concrete reinforcing, paving, residential construction, and noncritical applications. Other substitutes

⁶ Some also reported greater competition from domestic mills.

⁷ ***.

could be used in concrete reinforcing, building frames, residential/non-residential construction, slabs and foundations for nonstructural applications, and bridges. Only one producer and no importers reported that substitutes affected the price of rebar.⁸

Cost share

Rebar accounts for a small share of the cost of the end-use products in which it is used. Questionnaire respondents' estimates of the cost of rebar as a share of construction (the most common end use) varied little, ranging from 2 to 5 percent, with only one exception.⁹ For intermediate applications (forms fabricated from rebar),¹⁰ however, rebar's cost share was estimated to be much higher, 60 to 85 percent. None-the-less, there are reported to be no imports of these fabricated forms because of higher transportation costs and because they are made specifically for each construction project and differ from project to project.¹¹ As a result, the fabricated forms do not face import competition and the cost share of rebar in construction will affect demand for rebar.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestically produced and imported rebar depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.), and legal restrictions on the use of imports. Based on available data, staff believes that there are few differences between domestic and imported rebar in their physical ability to replace each other in end uses, and thus there is physically a high degree of substitution among rebar produced in the United States, the subject countries, and other import sources. Substitution, however, is limited by the "Buy America" and "Buy American" provisions that can restrict the use of imported rebar in federally funded projects and can create the need for separate U.S.-produced and imported inventories if firms servicing federally funded projects are to carry any imported rebar.

Lead times

U.S. and Turkish rebar are primarily produced-to-order while importers sell Mexican product primarily from inventories held in Mexico.¹² U.S. producers reported that 76.8 percent

⁸ This producer reported that the wire rod price was related to rebar prices.

⁹ One producer reported that cost share was 15 percent in "miscellaneous construction", other types of construction it reported were in the 2 to 5 percent range.

¹⁰ These include stirrups, cut and band, bar supports, and spirals.

¹¹ Conference transcript, pp. 143-144 (Melvin and Webb).

¹² Petitioners report that there are large inventories of Turkish product in the United States. Conference transcript, pp. 172-173 (Byer and Kerkvliet). The Turkish respondents and importers

(continued...)

of their commercial shipments were produced-to-order. U.S. producers' lead times ranged from 14 to 60 days for rebar that was produced to order; while lead times for rebar from inventory ranged from 1 to 7 days. Importers of product from Mexico reported *** percent of their product sold from inventories in Mexico (lead time of *** days) with *** percent produced to order (lead times of *** days) and the remaining *** percent in U.S. inventories (lead time of *** days).¹³ Mexican respondent, Deacero, reported that its Mexican rebar was either shipped by rail from its production facilities or by truck from its warehouse facilities in Mexicali, a city at the border with California.¹⁴ Importers of product from Turkey reported 89.9 percent of Turkish rebar was produced to order (lead times of 42 to 75 days), 3.1 percent was from foreign inventories (lead time of 60 days) and 6.9 percent was from U.S. inventories (lead time of 1 to 2 day). Petitioners report that imported rebar from Mexico and Turkey are available nationwide, while the respondents report that Mexican and Turkish rebar are seldom available in many regions of the United States.¹⁵ Turkish respondents also point to the large volume of imported rebar consumed in Puerto Rico (primarily from Turkey and the Dominican Republic), while petitioners report "regularly" supplying U.S.-produced rebar to Puerto Rico.¹⁶

Knowledge of country sources

Importance of purchasing domestic product

U.S. producers were asked if product they sold was covered by "Buy America" provisions or if other restrictions preventing the purchase of imported rebar.¹⁷ Seven of nine¹⁸ responding

(...continued)

reported that most Turkish product (70 percent) is already sold when it reaches the U.S. market, that rebar tends to be shipped to the United States in large specialty ships that carry large quantities in the spring, and that product is taken from these inventories over the year. Conference transcript, pp. 252-253 (Bulbul and Nolan).

¹³ ***.

¹⁴ Conference transcript, pp. 184-185 (Bazan).

¹⁵ Conference transcript, pp. 253-254 (Bazan and Nolan).

¹⁶ Conference transcript, pp. 215, 163-164 (Nolan, Kerkvliet, and Webb).

¹⁷ "Buy America" requirements apply to iron and steel products and their coatings that are purchased for the Federal-aid highway construction program (highways, bridges, transit systems, terminals, and other Title 23 funded projects such as harbor cranes, bicycle racks, railroad stations, trains, motor vehicles, etc.). Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost (2,500 dollars) or its share of the original contract value (less than one tenth of one percent)). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy America" covers the whole project even if Federal Title 23 funds are only used for some parts of the project. "Buy American" is a separate and distinct program from "Buy America," and has completely different rules. Buy America requirements apply to Federal-aid projects, while the Buy American requirements apply to direct Federal procurement contracts. The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and

(continued...)

producers reported that purchasing U.S.-produced product was an important factor some of their sales. These producers reported that domestic product was required by law for 20 to 50 percent of their sales, with five reporting that 20 to 29 percent of their sales were covered by “Buy America”.¹⁹ One U.S. producer (***) reported that, in addition to “Buy America” purchases, U.S. product was required by or preferred by its customers for 5 percent of its sales. No U.S. producer reported any other preference for U.S.-produced product.

Petitioners report that “Buy America” programs are dependent on transportation spending, which has fallen in the last three years so that current “Buy America” purchases are relatively low.²⁰ Spending for recovery from Hurricane Katrina and under the “American Recovery and Reinvestment Act” have both been important sources of “Buy America” and “Buy American” purchases. The projects covered by these initiatives, however, are almost complete. With more public/private partnerships in building infrastructure, the application of “Buy America” is uncertain.²¹ Finally, some U.S. producers report that “Buy America” provisions have relatively little overall impact, as such provisions do not tend to increase prices and rebar producers typically do not know if a project is covered by “Buy America.”²²

Respondents report that “Buy America” has a major impact. It is difficult for importers to sell to fabricators because of the prevalence of public works; and firms do not want to carry dual inventories, so they prefer to carry only U.S.-produced rebar.²³ Under the “American Recovery and Reinvestment Act,” respondents contend, “Buy American” provisions were tighter than the traditional “Buy America” provisions, but even under the traditional “Buy America” exceptions that allow the use of imports are used infrequently.²⁴

(...continued)

services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are “unreasonable” or that their purchase would be “inconsistent with the public interest.” U.S. Department of Transportation, Federal Highway Administration Web site, “Construction Program Guide: Buy America,” <http://www.fhwa.dot.gov/construction/cgit/buyam.cfm>, last modified October 9, 2013; retrieved October 24, 2013 and U.S. Department of Transportation, Federal Highway Administration Memorandum, “Buy America Requirements (HHO-32),” dated, July 6, 1989, last modified April 7, 2011, <http://www.fhwa.dot.gov/programadmin/contracts/070689.cfm>, retrieved October 24, 2013. “FHWA’s Buy America Q and A for Federal-aid Program” http://www.fhwa.dot.gov/construction/contracts/buyam_qa.cfm, updated July 1, 2013, retrieved October 24, 2013.

¹⁸ *** reported that their sales were not covered by “Buy American” provisions.

¹⁹ *** reported that half their sales were covered by “Buy America” provisions.

²⁰ Conference transcript, pp. 108-109 (Crowe and Melvin).

²¹ Conference transcript, pp. 106-107 (Porter and Kerkvliet).

²² Conference transcript, pp. 107-108 (Kerkvliet).

²³ Conference transcript, pp. 231-232 (Bazan and Nolan).

²⁴ The “Buy America” programs allow waivers for short supply and allow purchase of imports if the import’s price is 25 percent lower than the lowest price of U.S.-produced product. “FHWA’s Buy America Q and A for Federal-aid Program” http://www.fhwa.dot.gov/construction/contracts/buyam_qa.cfm, updated July 1, 2013, retrieved October 24, 2013.

Comparisons of domestic products, subject imports, and nonsubject imports

In order to determine whether U.S.-produced rebar can generally be used in the same applications as imports from Mexico and Turkey, U.S. producers and importers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-5, seven out of nine U.S. producers reported that U.S. produced rebar was “always” interchangeable with rebar from other countries. Most importers reported that rebar from all countries was either “always” or “frequently” interchangeable with product from other sources.

Table II-5
Rebar: Perceived interchangeability between rebar produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Mexico	7	1	1	0	5	3	3	1
U.S. vs. Turkey	7	1	1	0	5	3	2	2
Subject countries comparisons:								
Mexico vs. Turkey	6	0	1	0	6	3	1	0
Nonsubject countries comparisons:								
U.S. vs. nonsubject	7	0	1	0	5	3	1	1
Mexico vs. nonsubject	6	0	1	0	5	3	2	0
Turkey vs. nonsubject	6	0	1	0	5	3	2	0

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

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

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of rebar from the United States, subject, or nonsubject countries. As seen in table II-6, most producers reported that there were “never” differences other than price for all country pairs. Most importers reported that there were either “frequently” or “sometimes” differences other than price for U.S. rebar compared to all other countries. For Mexico compared to Turkey and Mexico compared to nonsubject countries, most importers reported that there were either only “sometimes” or “never” significant differences other than price. For Turkey compared to nonsubject countries, half the importers reported here were “sometimes” or “never” significant differences other than price.

Table II-6

Rebar: Significance of differences other than price between rebar produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Mexico	0	0	2	7	3	6	3	1
U.S. vs. Turkey	0	0	2	7	3	5	4	1
Subject countries comparisons:								
Mexico vs. Turkey	0	0	1	6	2	2	4	1
Nonsubject countries comparisons:								
U.S. vs. nonsubject	0	0	1	7	4	2	2	1
Mexico vs. nonsubject	0	0	1	6	2	2	3	2
Turkey vs. nonsubject	0	0	1	6	3	2	3	2

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

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

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged subsidies was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of nine firms that accounted for virtually all of U.S. production of rebar during 2012.

U.S. PRODUCERS

The Commission issued U.S. producer questionnaires to 11 firms identified in the petition. All firms provided responses,^{1 2} including nine which provided usable data on their productive operations. Staff believes that these responses represent virtually all of U.S. production of rebar. Table III-1 lists U.S. producers of rebar, their production locations, positions on the petition, related firms, shares of total production, ownership, and related and/or affiliated firms.

Table III-1

Rebar: U.S. producers of rebar, their positions on the petition, production locations, production, and shares of reported production, 2012

Firm	Position on orders	U.S. production location(s)	Parent company	Share of production (percent)
Alton Steel	***	Alton, IL	None	***
ArcelorMittal ¹	***	Canutillo, TX	ArcelorMittal S.A. (Luxembourg)	***
Byer Steel	Petitioner	Cincinnati, OH	None	***
Cascade	Petitioner	McMinnville, OR	Schnitzer Steel Industries, Inc. (U.S.)	***
CMC ²	Petitioner	Cayce, SC Magnolia, AR Mesa, AZ Seguin, TX	None	***
Evraz	***	Pueblo, CO	Evraz North America (U.S.)	***

Table continued on next page.

¹ ***. E-mail from ***, September 18, 2013. One firm, ***, reported that it does not produce rebar.

² ***. ***. E-mail from ***, October 22, 2013.

Table III-1

Rebar: U.S. producers of rebar, their positions on the petition, production locations, production, and shares of reported production, 2012--Continued

Firm	Position on orders	U.S. production location(s)	Parent company	Share of production (percent)
Gerdau ³	Petitioner	Baldwin, FL Charlotte, NC Jackson, TN Knoxville, TN Midlothian, TX Rancho Cucamonga, CA Sayreville, NJ St. Paul, MN West Vidor, TX Wilton, IA	Gerdau Ameristeel Corp. (Canada)	***
Keystone	***	Peoria, IL	Contran Corp. (U.S.)	***
Nucor	Petitioner	Auburn, NY Birmingham, AL Darlington, SC Jackson, MS Jewett, TX Kankakee, IL Kingman, AZ Marion, OH Plymouth, UT Seattle, WA Wallingford, CT	None	***
SDI ⁴	***	Roanoke, VA Pittsboro, IN	None	***

¹ ArcelorMittal is related to subject producer ArcelorMittal Las Truchas, a subsidiary located in Mexico. ArcelorMittal S.A. has additional subsidiary rebar facilities in Algeria, Argentina, Brazil, Bosnia and Herzegovina, Canada, China, Czech Republic, Germany, Kazakhstan, Morocco, Poland, Spain, South Africa, and Ukraine.

² CMC is related to nonsubject producer CMC Poland Sp z.o.o.

³ Gerdau Ameristeel Corp. (Canada) is 100% owned by Gerdau S.A. (Brazil), and is related to rebar producers in Canada, Brazil, and Mexico (Sidertul S.A. de C.V.).

⁴ ***.

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

Table III-2 summarizes important industry events since 2010.

Table III-2
Rebar: Important industry events since 2010

Year	Company	Event
February 2010	American Micro (AMS) Steel, Inc.	Start-Up: AMS announced that it would build a rebar mill capable of producing 250,000 short tons with melt shop capacity in Guayanilla, PR. The mill has not yet been built.
September 2010	Gerdau	Acquisition: Gerdau acquired rebar producer TAMCO based in Rancho Cucamonga, CA with production capacity of 500,000 tons per year.
November 2010	Cascade	Shutdown: ***.
2011	Nucor	Expansion: Harris Steel, a subsidiary of Nucor and fabricator of rebar, opened new facilities in Birmingham, AL and San Antonio, TX.
March 2011	ArcelorMittal USA	Closure: ArcelorMittal USA closed its Harriman, TN rebar mill, which produced 350,000 tons of rebar and merchant bar products per year.
March 2011	Gerdau	Expansion: Gerdau Ameristeel opened a new rebar fabrication facility in Navasota, Texas, that has a capacity of 40,000 tons. Officially closes Sand Spring, OK mill which has been idled since August 2009.
April 2011	Cascade	Revised labor agreement: ***.
October 2011	CMC	Reduction: CMC reduced its global workforce by 350 workers and closed five rebar fabricating locations (four domestic and one international location).
April 2012	Nucor	Expansion: Nufab LLC, a rebar fabricator owned by Nucor, announced plans to invest \$6.9 million in a facility in Alabama, which will create 80 new jobs within 5 years.
July 2012	Nucor	Expansion: Nucor announced plans to install a new reheat furnace at its rolling mill in Wallingford, CT that will boost annual production capacity to 350,000-350,000 metric tons from 250,000. The mill produces rebar, and wire products.
November 2012	CMC	Expansion: CMC announced plans to increase the melt-shop capacity of its Mesa, AZ rebar mill. ***.
February 2013	Gerdau	***.
July 2013	Alton Steel	Possible Sale: The company announced that it is up for sale in July 2013.

Table continued on next page.

Table III-2--Continued
Rebar: Important industry events since 2010--Continued

May 2013	Gerdau	Expansion: Gerdau Ameristeel announced that it will expand its presence in its Knox, TN location with the addition of 40 new jobs and an additional facility that will apply finishing services to rebar.
June 2013	CMC	Layoffs: A "reduction in force" that will affect one-third of its operations at the Magnolia steel mill, which produces rebar and other long products. As of March 2010, CMC's Magnolia steel plant had a rolling capacity of 150,000 tons.
July 2013	Keystone	Change in ownership: Changed ownership from publicly traded to privately held. ***.
October 2013	Gerdau	Layoffs: Gerdau Long Steel North America laid off 13 workers in its rebar mills in Rancho Cucamonga, CA and Midlothian, TX, citing import pressure and slow economic conditions.

Source: Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review), USITC Publication 4409, July 2013, table III-1; American Metal Market, various issues, company websites; other Internet articles, and responses to Commission questionnaires.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-3 presents U.S. producers' production, capacity, and capacity utilization. Total U.S. capacity fluctuated slightly from 2010 to 2012, increasing overall by 47,114 short tons (less than one-half of one percent). Capacity was approximately 106,000 short tons (2.0 percent) greater in January-June 2013 than in January-June 2012.³

Table III-3
Rebar: U.S. producers' production, capacity, and capacity utilization, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
Capacity	10,866,528	10,687,229	10,913,642	5,331,710	5,437,824
Production	6,137,816	6,323,143	6,854,635	3,292,549	3,244,145
Capacity utilization (<i>percent</i>)	56.5	59.2	62.8	61.8	59.7

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

Total rebar production increased during 2010-12, for an overall increase of 11.7 percent, but was 1.5 percent lower in January-June 2013 than in January-June 2012. The combination of

³ The higher level of capacity in January-June 2013 compared to January-June 2012 appears to be a result of rebar accounting for a relatively larger share of all products produced on the same equipment and machinery used to produce rebar and not as a result of new equipment or machinery adding incremental capacity. Table III-5 provides aggregate data for total U.S. capacity and production of all products made on the same equipment and machinery used to produce rebar and shows no change in capacity in January-June 2013 compared to January-June 2012.

increasing production volume and relatively stable capacity levels resulted in rising capacity utilization rates during 2010-12. Capacity utilization was lower in January-June 2013 than in January-June 2012, reflecting relatively lower rebar production but greater allocated capacity.

Table III-4 presents the information provided by U.S. producers regarding their constraints on capacity.

Table III-4
Rebar: U.S. producers' constraint(s) on capacity

* * * * *

Alternative products

*** reported producing other products using the same manufacturing equipment and/or production employees that were used to produce rebar. U.S. producers generally cited market conditions as a factor determining their product mix. Table III-5 presents the information provided by U.S. producers regarding their constraints on product shifting.

Table III-5
Rebar: U.S. producers' constraints on product shifting

* * * * *

Table III-6 presents aggregate data for total U.S. production of all products made on the same equipment and machinery used to produce rebar. Overall capacity increased by 1 percent from 2010 to 2012, and did not change in January-June 2013 compared to January-June 2012. Nonsubject merchandise production increased from 2010 to 2012, but was lower in January-June 2013 than in January-June 2012.

Table III-6
Rebar: U.S. producers' total capacity, production, and capacity utilization, by product, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
Capacity	18,512,960	18,636,880	18,705,880	9,352,940	9,352,940
Production:					
Straight rebar	5,902,047	6,068,574	6,567,866	3,171,997	3,113,119
Coiled rebar	235,770	254,569	286,769	120,552	131,026
Subtotal (subject merchandise)	6,137,817	6,323,143	6,854,635	3,292,549	3,244,145
Merchant bar	3,024,383	3,482,906	3,565,193	1,909,791	1,830,050
Other (including SBQ bar)	2,108,300	2,485,361	2,357,398	1,299,502	1,080,809
Subtotal (nonsubject merchandise)	5,132,683	5,968,267	5,922,591	3,209,293	2,910,859
Total production	11,270,500	12,291,410	12,777,226	6,501,842	6,155,004
Capacity utilization	60.9	66.0	68.3	69.5	65.8

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

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. producer's U.S. shipments increased by 11.3 percent from 2010 to 2012, and were 1.0 percent higher in January-June 2013 than in January-June 2012. Transfers to related firms accounted for between *** percent to *** percent of total shipments during this period. During 2010-12, exports accounted for *** percent to *** percent of total shipments. Export shipments were *** percent of shipments in January-June 2013, reflecting a *** percent reduction in exports in January-June 2013 compared to January-June 2012. Total shipments increased by *** percent from 2010 to 2012, but were *** percent lower in January-June 2013 than in January-June 2012 ***.

Table III-7

Rebar: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	5,689,268	5,767,229	6,333,954	3,018,752	3,048,435
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	3,087,199	3,775,665	4,103,151	2,002,743	1,938,022
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per short ton)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	542.64	654.68	647.80	663.43	635.74
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity (percent)				
Commercial shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

¹ Not applicable.

² Less than 0.05 percent.

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

Three firms reported transfers to related firms: CMC, Gerdau, and Nucor.⁴ *** accounted for approximately *** of the total transfers. *** reported that its transfers are to its ***. ***. *** also reported that its mills ***. ***. ***. ***.

U.S. producers were asked to report data on their U.S. shipments of rebar, by length and by size, in 2012.⁵ Rebar greater than 60 feet in length accounts for the largest share of U.S. producers' U.S. shipments (41 percent), followed by rebar greater than 20 feet in length but less than 40 feet in length (25 percent), and then by rebar greater than 40 feet in length but less than 60 feet in length (21 percent). The two remaining categories -- rebar less than 20 feet in length and coiled rebar -- accounted for 13 percent of U.S. producers' U.S. shipments. U.S. producers' U.S. shipments by size are concentrated in No. 5 (23.1 percent), No. 4 (22.5 percent), and No. 6 (16.0 percent) – none of the remaining sizes accounted for more than 7.7 percent of U.S. producers' U.S. shipments.

U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments during 2010-12, January-June 2012, and January-June 2013. U.S. producers' inventories increased throughout this period. End-of-period inventory was at its highest level in June 2013.

Table III-8
Rebar: U.S. producers' inventories, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
Inventories (<i>short tons</i>)	365,275	473,147	533,652	510,247	591,010
Ratio to production (<i>percent</i>)	6.0	7.5	7.8	7.7	9.1
Ratio to U.S. shipments (<i>percent</i>)	6.4	8.2	8.4	8.5	9.7
Ratio to total shipments (<i>percent</i>)	***	***	***	***	***

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

***. ***. ***.⁶ The company reported that ***. ***.⁷ ***.

⁴ Colloquially known as "the big three." Conference transcript, p. 188 (Bazan).

⁵ These data appear in Part IV of this report, under Cumulation Considerations.

⁶ ***.

⁷ ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-9 presents U.S. producers' employment-related data during 2010-12, January-June 2012, and January-June 2013. In the aggregate, U.S. producers reported a slight increase in production and related workers from 2010 to 2012. During this period, *** reported a combined increase of *** production and related workers,⁸ more than offsetting the decline of *** production and related workers reported by ***, collectively.⁹ Production and related workers were 157 (4.6 percent) greater in January-June 2013 than in January-June 2012. *** firms accounted for the increase,¹⁰ led by ***, ***, and ***.

Table III-9

Rebar: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
PRWs (<i>number</i>)	4,139	4,060	4,167	4,047	4,204
Total hours worked (<i>1,000 hours</i>)	8,063	8,098	8,417	3,990	4,048
Hours worked per PRW (<i>hours</i>)	1,948	1,995	2,020	986	956
Wages paid (<i>\$1,000</i>)	283,725	290,817	316,974	149,252	155,257
Hourly wages (<i>dollars</i>)	35.19	35.91	37.66	37.41	38.35
Productivity (<i>short tons per 1,000 hours</i>)	761.2	780.8	814.4	825.2	801.4
Unit labor costs (<i>per short ton</i>)	46.23	45.99	46.24	45.33	47.86

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

⁸ ***.

⁹ ***.

¹⁰ ***, experienced a combined decrease of *** production and related workers.

PART IV: U.S. IMPORTS, APPARENT U.S. CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

The Commission issued importer questionnaires to 41 firms believed to be importers of subject rebar, as well as to all U.S. producers of rebar.¹ Usable questionnaire responses were received from 19 companies.² Table IV-1 lists all responding U.S. importers of rebar from Mexico, Turkey, and other sources, their locations, and their shares of U.S. imports, in 2012.

Table IV-1
Rebar: U.S. importers by source, 2012

Firm	Headquarters	Source(s) of imports	Share of imports (percent)
Aceminor	Toms River, NJ	***	***
Aldarra Overseas Group, Inc. ¹	San Juan, PR	***	***
Braeburn Group Inc.	Sudbury, MA	***	***
Concrete Reinforcing Products	Sunrise, FL	***	***
Coutinho & Ferrostaal Inc. ²	Houston, TX	***	***
Deacero USA, Inc. ³	Houston, TX	***	***
Duferco Steel, Inc. ⁴	Matawan, NJ	***	***
Fonderia Steel, LLC. ⁵	San Antonio, TX	***	***
Icdas ⁶	Istanbul, Turkey	***	***
Macor Trading Services, Inc.	Brownsville, TX	***	***
Macsteel International USA Corp. ⁷	White Plains, NY	***	***
Medtrade, Inc. ⁸	Houston, TX	***	***
Noble Americas Corp. ⁹	Stamford, CT	***	***
Pollan Trade, Inc.	New York, NY	***	***

Table continued on next page.

¹ The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection (“Customs”), may have imported merchandise under the HTS statistical reporting numbers by which subject imports primarily enter the United States: 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other statistical reporting numbers, including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000.

² Import data are based on official Commerce statistics. Staff believes official Commerce statistics are more reliable than importers’ questionnaire response data due to export shipping lag times arising from producers/exporters (e.g., ***) acting as their own importer of record. Petitioners and respondents view official Commerce statistics as representative of U.S. imports. Petitioners’ postconference brief, exh. 1, p. 36, and conference transcript, pp. 221-222 (Nolan and Bond).

Table IV-1--Continued
Rebar: U.S. importers by source, 2012

Firm	Headquarters	Source(s) of imports	Share of imports (percent)
Simec USA Corp. ¹⁰	National City, CA	***	***
Steel and Pipes, Inc. ¹¹	Caguas, PR	***	***
Stemcor USA, Inc. ¹²	New York, NY	***	***
Tata Steel International (North America) Ltd. ¹³	Schaumburg, IL	***	***
Ternium International USA Corp. ¹⁴	Houston, TX	***	***
Total			100.0

¹ Aldarra Overseas Group, Inc. is owned by Abilene Corp. (Panama).

² Coutinho & Ferrostaal, Inc. is owned by the Villacero Group (Mexico).

³ Deacero USA, Inc. is owned by Deacero S.A. de D.V. (Mexico), a producer and exporter of rebar.

⁴ Duferco is owned by Duferco International Trading Holding S.A. (Luxembourg) ***.

⁵ Fonderia Steel LLC is owned by Grupo Fonderia S.A. de C.V. (Mexico) and is related to Mexican rebar producer and exporter Grupo Acerero S.A. de C.V.

⁶ Icdas is the Turkish foreign producer of rebar ***.

⁷ Macsteel International USA Corp. is owned by Macsteel International Trading Holdings BV (Netherlands).

⁸ Medtrade is ***.

⁹ ***.

¹⁰ Simec USA Corp. is owned by Grupo Simec, S.A. de C.V. (Mexico) through which it is related to Mexican producer and exporter of rebar Simec International.

¹¹ ***.

¹² Stemcor is wholly-owned by Stemcor Holdings (United Kingdom).

¹³ Tata Steel International (North America) Ltd. is owned by Tata International Singapore, PTE Ltd. (Singapore) and shares the ultimate same parent company with rebar producers in India, Singapore, and Thailand.

¹⁴ Ternium International USA Corp. is owned by Ternium, S.A. (Luxembourg) and is related to Mexican producer and exporter of rebar Ternium MX.

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

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

U.S. IMPORTS

Table IV-2 presents data for U.S. imports of rebar from Mexico, Turkey, and all other sources. In 2010 and 2011, Mexico was the largest supplier of rebar to the United States. In 2012, Turkey became the largest supplier of rebar to the United States, and continued as such in January-June 2013. In 2012, imports of rebar from Mexico and Turkey combined accounted for 94.7 percent of the quantity and 93.8 percent of the value of all U.S. imports of rebar. The largest nonsubject supplier, the Dominican Republic, accounted for 4.0 percent of the quantity of total imports in 2012.

Table IV-2
Rebar: U.S. imports by source, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
Mexico	292,019	283,285	293,749	127,903	149,987
Turkey	177,358	267,381	633,619	461,054	465,012
Subtotal, subject	469,378	550,666	927,367	588,957	614,999
Dominican Republic	32,647	82,359	39,575	25,016	13,118
All others	14,653	22,393	12,490	8,300	22,658
Subtotal, nonsubject	47,300	104,752	52,064	33,316	35,776
Total U.S. imports	516,678	655,418	979,431	622,274	650,775
	Value (1,000 dollars)¹				
Mexico	141,394	174,697	174,015	78,413	88,470
Turkey	90,671	171,132	391,305	289,906	262,668
Subtotal, subject	232,065	345,830	565,321	368,319	351,138
Dominican Republic	18,107	46,778	26,881	17,085	8,478
All others	10,819	17,840	10,749	6,065	15,872
Subtotal, nonsubject	28,926	64,618	37,630	23,151	24,350
Total U.S. imports	260,991	410,448	602,951	391,470	375,488
	Unit value (dollars per short ton)				
Mexico	484	617	592	613	590
Turkey	511	640	618	629	565
Average, subject	494	628	610	625	571
Dominican Republic	555	568	679	683	646
All others	738	797	861	731	700
Average, nonsubject	612	617	723	695	681
Average, total imports	505	626	616	629	577
	Share of quantity (percent)				
Mexico	56.5	43.2	30.0	20.6	23.0
Turkey	34.3	40.8	64.7	74.1	71.5
Subtotal, subject	90.8	84.0	94.7	94.6	94.5
Dominican Republic	6.3	12.6	4.0	4.0	2.0
All others	2.8	3.4	1.3	1.3	3.5
Nonsubject	9.2	16.0	5.3	5.4	5.5
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table IV-2--Continued**Rebar: U.S. imports by source, 2010-12, January-June 2012, and January-June 2013**

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Share of value (percent)				
Mexico	54.2	42.6	28.9	20.0	23.6
Turkey	34.7	41.7	64.9	74.1	70.0
Subtotal, subject	88.9	84.3	93.8	94.1	93.5
Dominican Republic	6.9	11.4	4.5	4.4	2.3
All others	4.1	4.3	1.8	1.5	4.2
Nonsubject	11.1	15.7	6.2	5.9	6.5
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

¹ Landed, duty-paid.

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

Source: Official Commerce statistics.

From 2010 to 2012, the quantity of imports of rebar from Turkey increased by 257.3 percent and the value increased by 331.3 percent. The unit value of imports from Turkey increased by 25.2 percent from 2010 to 2011, but declined by 3.5 percent from 2011 to 2012, resulting in an overall increase in unit value from 2010 to 2012 of 20.8 percent.

The quantity of imports of rebar from Turkey was 0.9 percent higher in January-June 2013 than in January-June 2012, but the value was 9.4 percent lower. Accordingly, the unit value of imports from Turkey was 10.2 percent lower in January-June 2013 than in January-June 2012. The quantity of imports of rebar from Mexico decreased from 2010 to 2011 by 3.0 percent but then increased from 2011 to 2012 by 3.7 percent, yielding an overall increase of 0.6 percent from 2010 to 2012. The value of imports of rebar from Mexico increased from 2010 to 2011 by 23.6 percent, but then decreased from 2011 to 2012 by 0.4 percent, resulting in an overall increase from 2010 to 2012 of 23.1 percent. The unit value of imports of rebar from Mexico increased by 23.3 percent from 2010 to 2012 – reflecting an increase from 2010 to 2011 of 27.4 percent followed by a decrease from 2011 to 2012 of 3.9 percent. The quantity of imports for rebar from Mexico was 17.3 percent higher in January-June 2013 than in January-June 2012. The value of imports for rebar from Mexico was 12.8 percent higher in January-June 2013 than in January-June 2012. The unit value of imports of rebar from Mexico was 3.8 percent lower in January-June 2013 than in January-June 2012.

NEGLIGENCE

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.³ Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.⁴ Imports from Mexico accounted for 30.3 percent of total imports of rebar by quantity during September 2012-August 2013 and imports from Turkey accounted for 64.0 percent of total imports of rebar by quantity during September 2012-August 2013.

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-3 presents U.S. producers' and importers' U.S. shipments of rebar by length. Table IV-4 present U.S. producers' and U.S importers' U.S. shipments by size.

³ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

⁴ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Table IV-3
Rebar: U.S. producers' and importers' U.S. shipments, by length, 2012

Item	United States		Mexico		Turkey	
	Quantity (Short tons)	Share (Percent)	Quantity (Short tons)	Share (Percent)	Quantity (Short tons)	Share (Percent)
<20 feet	539,600	8.5	***	***	***	***
≥ 20 feet but <40 feet	1,584,993	25.0	***	***	***	***
≥ 40 feet but <60 feet	1,341,546	21.2	***	***	***	***
≥ 60 feet	2,601,372	41.1	***	***	***	***
Coiled rebar	266,444	4.2	***	***	***	***
Total U.S. shipments	6,333,954	100.0	***	100.0	***	100.0

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

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

Table IV-4
Rebar: U.S. producers' and importers' U.S. shipments, by size, 2012

Item	United States		Mexico		Turkey	
	Quantity (Short tons)	Share (Percent)	Quantity (Short tons)	Share (Percent)	Quantity (Short tons)	Share (Percent)
No. 3	262,714	4.1	***	***	***	***
No. 4	1,427,515	22.5	***	***	***	***
No. 5	1,460,778	23.1	***	***	***	***
No. 6	1,013,582	16.0	***	***	***	***
No. 7	398,807	6.3	***	***	***	***
No. 8	485,682	7.7	***	***	***	***
No. 9	374,399	5.9	***	***	***	***
No. 10	257,618	4.1	***	***	***	***
No. 11	382,942	6.0	***	***	***	***
No.14/18	109,065	1.7	***	***	***	***
Other	160,853	2.5	***	***	***	***
Total U.S. shipments	6,333,954	100.0	***	100.0	***	100.0

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

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

Presence in the market

Official Commerce statistics for U.S. imports were used to evaluate subject import presence in the market. Table IV-5 summarizes the number of months in which imports were present from each subject source.

Table IV-5**Rebar: Number of months of presence of imports, 2010-12 and January-June 2013**

Source	Calendar year			January-June	Total
	2010	2011	2012	2013	
Number of months of import entries					
Mexico	12	12	12	6	42
Turkey	10	9	12	6	37

Source: Compiled from Official Commerce statistics.

Geographical markets

Official Commerce statistics shows that in 2012, approximately 95 percent of U.S. imports of rebar from Mexico entered the United States through the customs districts of Laredo, Texas (78.2 percent) and El Paso, Texas (17.2 percent). All other U.S. imports of rebar from Mexico entered through the customs districts of San Diego, California, and Nogales, Arizona. Official Commerce statistics shows that in 2012, approximately 92 percent of U.S. imports of rebar from Turkey entered through customs districts of Houston-Galveston, Texas (44.1 percent), New Orleans, Louisiana (16.2 percent), San Juan, Puerto Rico (11.7 percent), Baltimore, Maryland (10.2 percent), and Miami, Florida (9.9 percent). All other U.S. imports of rebar from Turkey entered through the customs districts of Boston, Massachusetts; Buffalo, New York; Philadelphia, Pennsylvania; and Tampa, Florida.

APPARENT U.S. CONSUMPTION

Table IV-6 presents data on apparent U.S. consumption and U.S. market shares for rebar over 2010-12, January-June 2012, and January-June 2013.

Table IV-6**Rebar: U.S. shipments of domestic product, U.S. of imports, and apparent U.S. consumption, 2010-12, January-June 2012, and January-June 2013**

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
Quantity (short tons)					
U.S. producers' shipments	5,689,268	5,767,229	6,333,954	3,018,752	3,048,435
U.S. imports from--					
Mexico	292,019	283,285	293,749	127,903	149,987
Turkey	177,358	267,381	633,619	461,054	465,012
Subtotal, subject	469,378	550,666	927,367	588,957	614,999
Dominican Republic	32,647	82,359	39,575	25,016	13,118
All others	14,653	22,393	12,490	8,300	22,658
Subtotal, nonsubject	47,300	104,752	52,064	33,316	35,776
Total U.S. imports	516,678	655,418	979,431	622,274	650,775
Apparent consumption	6,205,946	6,422,647	7,313,385	3,641,026	3,699,210

Table IV-6--Continued

Rebar: U.S. shipments of domestic product, U.S. of imports, and apparent U.S. consumption, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Value (\$1,000)				
U.S. producers' shipments	3,087,199	3,775,665	4,103,151	2,002,743	1,938,022
U.S. imports from--					
Mexico	141,394	174,697	174,015	78,413	88,470
Turkey	90,671	171,132	391,305	289,906	262,668
Subtotal, subject	232,065	345,830	565,321	368,319	351,138
Dominican Republic	18,107	46,778	26,881	17,085	8,478
All others	10,819	17,840	10,749	6,065	15,872
Subtotal, nonsubject	28,926	64,618	37,630	23,151	24,350
Total U.S. imports	260,991	410,448	602,951	391,470	375,488
Apparent consumption	3,348,190	4,186,113	4,706,102	2,394,213	2,313,510

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

U.S. MARKET SHARES

U.S. market share data are presented in table IV-7. Respondents argued that there is seasonality in the U.S. market, as construction is more prevalent during the spring months but lags during the winter months. Accordingly, purchases for rebar are low in the fourth quarter but are high during the first half the year.⁵ Counsel for respondents argued that because of this seasonality, comparing market shares between an interim period and a full year is not a valid assessment.⁶

⁵ Conference transcript, pp. 256-257 (Nolan, Gutierrez, and Bond).

⁶ Conference transcript, p. 259 (Bond). U.S. imports of rebar during January-June accounted for 61.8 percent of total imports of rebar from Turkey during 2010-12.

Table IV-7
Rebar: U.S. consumption and market shares, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
Apparent U.S. consumption	6,205,946	6,422,647	7,313,385	3,641,026	3,699,210
	Value (\$1,000)				
Apparent U.S. consumption	3,348,190	4,186,113	4,706,102	2,394,213	2,313,510
	Share of quantity (percent)				
U.S. producers' shipments	91.7	89.8	86.6	82.9	82.4
Shipments of imports from--					
Mexico	4.7	4.4	4.0	3.5	4.1
Turkey	2.9	4.2	8.7	12.7	12.6
Subtotal, subject	7.6	8.6	12.7	16.2	16.6
Dominican Republic	0.5	1.3	0.5	0.7	0.4
All other sources	0.2	0.3	0.2	0.2	0.6
Subtotal, nonsubject	0.8	1.6	0.7	0.9	1.0
Total import shipments	8.3	10.2	13.4	17.1	17.6
	Share of value (percent)				
U.S. producers' shipments	92.2	90.2	87.2	83.6	83.8
Shipments of imports from--					
Mexico	4.2	4.2	3.7	3.3	3.8
Turkey	2.7	4.1	8.3	12.1	11.4
Subtotal, subject	6.9	8.3	12.0	15.4	15.2
Dominican Republic	0.5	1.1	0.6	0.7	0.4
All other sources	0.3	0.4	0.2	0.3	0.7
Subtotal, nonsubject	0.9	1.5	0.8	1.0	1.1
Total import shipments	7.8	9.8	12.8	16.4	16.2

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

RATIO OF IMPORTS TO U.S. PRODUCTION

Table IV-8 presents data on the ratio of U.S. imports to U.S. production.

Table IV-8
Rebar: Ratio of U.S. imports to U.S. production, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
U.S. production	6,137,816	6,323,143	6,854,635	3,292,549	3,244,145
U.S. imports from.--					
Mexico	292,019	283,285	293,749	127,903	149,987
Turkey	177,358	267,381	633,619	461,054	465,012
Subtotal, subject	469,378	550,666	927,367	588,957	614,999
Dominican Republic	32,647	82,359	39,575	25,016	13,118
All other sources	14,653	22,393	12,490	8,300	22,658
Subtotal, nonsubject	47,300	104,752	52,064	33,316	35,776
Total	516,678	655,418	979,431	622,274	650,775
	Ratio of imports to production (percent)				
U.S. imports from.--					
Mexico	4.8	4.5	4.3	3.9	4.6
Turkey	2.9	4.2	9.2	14.0	14.3
Subject sources	7.6	8.7	13.5	17.9	19.0
Dominican Republic	0.5	1.3	0.6	0.8	0.4
All other sources	0.2	0.4	0.2	0.3	0.7
Subtotal, nonsubject	0.8	1.7	0.8	1.0	1.1
Total	8.4	10.4	14.3	18.9	20.1

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

PART V: PRICING DATA

FACTORS AFFECTING PRICES

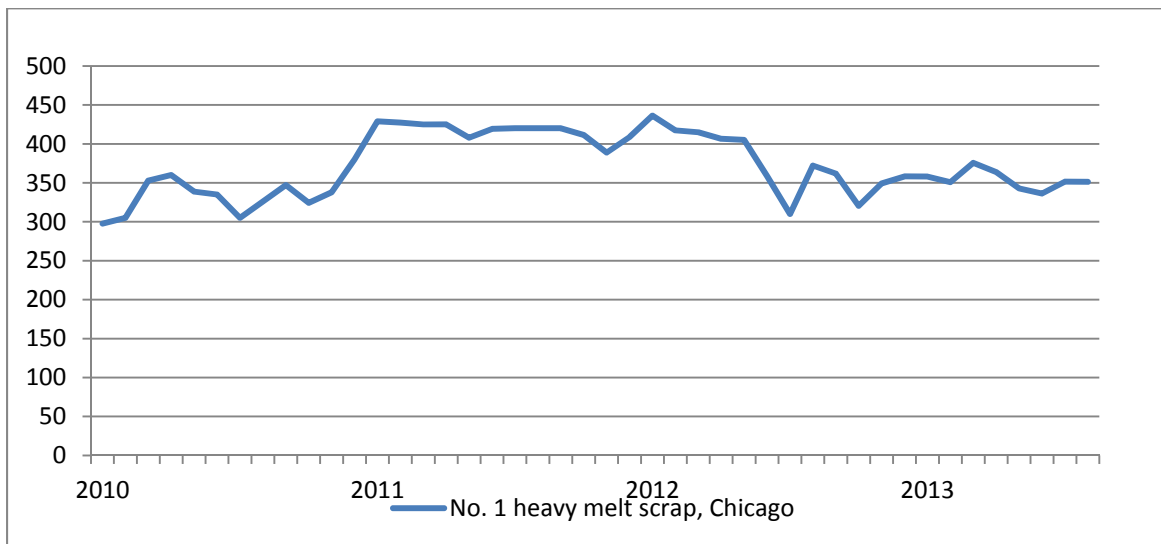
As noted earlier, demand factors such as fluctuations in the non-residential (and to a lesser extent in residential) construction sectors, as well as overall U.S. economic activity, influence rebar prices. On the supply side, rebar prices are affected mainly by scrap prices.

Raw material costs

Raw materials accounted for 65.5 to 70.2 percent of the rebar cost of goods sold between 2010 and 2012; 70.8 percent in interim 2012; and 66.4 percent in interim 2013. The principal raw material used in rebar is scrap metal. As shown in figure V-1, prices for scrap steel in the United States have fluctuated between January 2010 and August 2013 with the lowest price in January 2010 (\$298 per short ton) and highest price in January 2012 (\$436 per short ton). Prices were above \$400 per short ton in all but one month between January 2011 and May 2012 and below \$400 in all other months.

Producers and importers were asked how they accounted for scrap prices when setting the price of rebar. All producers and importers reported that scrap prices were directly included in the cost of rebar rather than included as a surcharge.¹

Figure V-1
Scrap prices: Price of No. 1 heavy melt scrap, Chicago, January 2010 to August 2013



Source: American Metal Markets, September 2013.

¹ One importer reported that it did not include scrap prices as a surcharge or in the base price, but did not explain its answer.

U.S. inland transportation costs

Seven of nine responding producers arranged for transportation of rebar to their customers, but only 4 of 18 responding importers provided such arrangements. U.S. producers reported that their U.S. inland transportation costs ranged from 5 to 7 percent (the majority reported 5 percent) while importers reported costs of 2 to 8 percent (with all but one importer reporting 2 to 5 percent).²

PRICING PRACTICES

Pricing methods

All nine U.S. producers and 20 of 21 responding importers used transaction-by-transaction negotiations to set prices (table V-1). Some producers used other price setting methods (contracts and price lists).³ The one importer (***) not reporting transaction-by-transaction price setting reported using contracts.

Table V-1

Rebar: U.S. producers' and importers' reported price setting methods, by number of responding firms¹

Method	U.S. producers	Importers
Transaction-by-transaction	9	20
Contract	2	1
Set price list	3	0
Other	0	0

¹ The sum of responses down will not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

The vast majority of U.S.-produced and imported rebar is sold on a spot basis (table V-2).⁴ Of the *** U.S. producers that use short-term contracts, *** fixes only quantity, while *** fix both price and quantity, *** noted that prices cannot be renegotiated, and *** indicated that the contracts contain meet-or-release provisions. Of the *** producers that use long-term contracts, *** fixes only price and *** fixes both price and quantity, *** noted that prices cannot be renegotiated, and *** indicated that the contracts contain meet-or-release provisions.

² Since most importers did not arrange transportation, most did not report cost share of inland transportation.

³ Only *** reported using contracts in price setting, however, ***, while they did not report using contracts in price setting, reported contract terms.

⁴ ***.

Table V-2**Rebar: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2012**

Type of sale	U.S. product	Mexican imports	Turkish imports
Long-term contracts	0.8	***	0.0
Short-term contracts	16.0	***	0.0
Spot sales	83.1	***	100.0

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

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

Only one importer (***) reported selling on a contract basis, but three reported terms for their short-term contracts (***). These three firms reported contracts lasted from 30 to 60 days; these contracts do not allow price to be renegotiated, fix both price and quantity, and only one firm reported including a meet or release provision.

Sales terms and discounts

U.S. producers and importers typically quote prices on an f.o.b. basis, although five producers⁵ and one importer reported selling on a delivered basis. *** producers typically quote prices on an f.o.b. basis, *** typically quote prices on a delivered basis, and *** typically use both bases. Among 16 responding importers, 5 quote prices on a delivered basis and the other 11 quote prices on an f.o.b. basis. Producer f.o.b. quotes are commonly based on the location of the mill, and importer f.o.b. quotes are typically based on the port of entry or discharge.⁶

Most producers offered some discounts, typically quantity/total volume discounts,⁷ but no importers reported discounts. All U.S. producers and most importers reported sales terms of net 30 days.⁸

In January 2013, a group of U.S. and Canadian independent rebar fabricators started a purchasing cooperative called the Independent Steel Alliance ("ISA") to increase negotiating leverage when making purchases from steel suppliers and earning rebates based on purchase volumes. Its members account for more than \$500 million in purchases of rebar, wire mesh, and bar supports. It also allows its suppliers an avenue to reach new purchasers and increase sales. Among its steel suppliers are domestic producers Byer and SDI and Mexican producer

⁵ Two of these five producers also sold on a delivered basis.

⁶ Only one importer reported f.o.b. warehouse.

⁷ Two producers reported other discounts, including early payment discounts and discounts determined by the market.

⁸ One importer reported selling net 60 and one producer reported ***.

Deacero.⁹ Members report that the ISA is very new and still being tested.¹⁰ Respondents assert that the creation of the ISA was a response to the growing power of the largest three U.S. rebar producers.¹¹

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following rebar products shipped to unrelated U.S. customers during January 2010 to June 2013.

Product 1.-- Straight ASTM A615, No. 3, grade 60 rebar

Product 2.-- Straight ASTM A615, No. 4, grade 60 rebar

Product 3.-- Straight ASTM A615, No. 5, grade 60 rebar

Product 4.-- Straight ASTM A615, No. 6, grade 60 rebar

Six U.S. producers provided usable price data for U.S. produced rebar, eight importers provided usable price data for product from Mexico, and seven importers provided usable price data for rebar from Turkey. Not all producers or importers reported data for all products and all quarters during January 2010 to June 2013. Pricing data reported by these firms accounted for approximately 33.7 percent of U.S. producers' shipments of product, *** percent of U.S. shipments of subject imports from Mexico, and 59.1 percent of U.S. shipments of subject imports from Turkey during January 2010 to June 2013.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-2 to V-5.

⁹ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review)*, USITC Publication 4409, July 2013, p. II-21. *Deacero joins ISA rebar buying co-op*, AMM, August 9, 2013. Deacero joined the ISA on July 1, 2013. A company official indicated an interest in becoming more active in the (U.S.) fabrication market as a supplier and noted that Deacero had expanded its rebar fabrication customer base by joining the ISA. The official observed that the ISA allows Deacero to "realize improved margins" by selling directly to fabricators rather than through distributors.

¹⁰ Conference transcript, pp. 164-165 (Melvin and Webb).

¹¹ Respondents assert that in addition to controlling about 70 percent of U.S. rebar production, "the Big Three rebar producers -- Nucor, Gerdau, and CMC -- got into the fabrication business and consolidated it... Combined, the Big Three have over 160 fabrication shops around the United States. About 50 percent of all U.S. fabrication work goes to one of the Big Three's fabricators." Conference transcript, pp. 185-186 (Bazan).

Table V-3

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1¹ and margins of underselling/(overselling), by quarters, January 2010-June 2013

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2010:								
Jan.-Mar.	551.87	25,913	***	***	***	***	***	***
Apr.-June	632.12	24,820	***	***	***	***	***	***
July-Sept.	596.16	34,057	***	***	***	***	***	***
Oct.-Dec.	589.44	36,486	***	***	***	--	0	--
2011:								
Jan.-Mar.	677.33	26,059	***	***	***	***	***	***
Apr.-June	690.62	29,344	***	***	***	***	***	***
July-Sept.	696.39	36,809	***	***	***	***	***	***
Oct.-Dec.	695.08	36,422	***	***	***	***	***	***
2012:								
Jan.-Mar.	661.00	27,079	***	***	***	***	***	***
Apr.-June	688.21	31,277	***	***	***	***	***	***
July-Sept.	656.57	37,498	***	***	***	***	***	***
Oct.-Dec.	647.77	32,889	***	***	***	***	***	***
2013:								
Jan.-Mar.	644.28	19,725	***	***	***	***	***	***
Apr.-June	632.28	19,164	***	***	***	***	***	***

¹ Product 1: Straight ASTM A615, No. 3, grade 60 rebar.

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

Table V-4

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2¹ and margins of underselling/(overselling), by quarters, January 2010-June 2013

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2010:								
Jan.-Mar.	524.59	172,585	***	***	***	***	***	***
Apr.-June	605.28	130,495	***	***	***	***	***	***
July-Sept.	574.98	183,234	***	***	***	***	***	***
Oct.-Dec.	587.42	179,791	***	***	***	--	0	--
2011:								
Jan.-Mar.	666.42	126,153	***	***	***	***	***	***
Apr.-June	682.22	157,765	***	***	***	***	***	***
July-Sept.	687.18	179,574	***	***	***	***	***	***
Oct.-Dec.	689.08	176,182	***	***	***	***	***	***
2012:								
Jan.-Mar.	689.37	150,861	***	***	***	***	***	***
Apr.-June	679.68	161,178	***	***	***	***	***	***
July-Sept.	651.15	199,876	***	***	***	***	***	***
Oct.-Dec.	640.45	181,900	***	***	***	***	***	***
2013:								
Jan.-Mar.	652.25	138,005	***	***	***	***	***	***
Apr.-June	635.01	146,791	***	***	***	***	***	***

¹Product 2: Straight ASTM A615, No. 4, grade 60 rebar.

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

Table V-5

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3¹ and margins of underselling/(overselling), by quarters, January 2010-June 2013

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2010:								
Jan.-Mar.	524.11	183,893	***	***	***	***	***	***
Apr.-June	601.20	147,464	***	***	***	***	***	***
July-Sept.	570.02	202,524	***	***	***	***	***	***
Oct.-Dec.	583.83	178,889	***	***	***	--	0	--
2011:								
Jan.-Mar.	667.16	148,067	***	***	***	***	***	***
Apr.-June	684.71	172,848	***	***	***	***	***	***
July-Sept.	686.63	197,406	***	***	***	***	***	***
Oct.-Dec.	688.71	185,840	***	***	***	***	***	***
2012:								
Jan.-Mar.	692.84	154,693	***	***	***	***	***	***
Apr.-June	678.24	180,126	***	***	***	***	***	***
July-Sept.	647.42	208,677	***	***	***	***	***	***
Oct.-Dec.	641.63	191,838	***	***	***	***	***	***
2013:								
Jan.-Mar.	647.81	175,795	***	***	***	***	***	***
Apr.-June	631.19	180,219	***	***	***	***	***	***

¹ Product 3: Straight ASTM A615, No. 5, grade 60 rebar.

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

Table V-6

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4¹ and margins of underselling/(overselling), by quarters, January 2010-June 2013

Period	United States		Mexico			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2010:								
Jan.-Mar.	519.43	123,564	***	***	***	***	***	***
Apr.-June	598.64	109,019	***	***	***	***	***	***
July-Sept.	573.22	135,997	***	***	***	***	***	***
Oct.-Dec.	588.57	135,556	***	***	***	--	0	--
2011:								
Jan.-Mar.	669.85	145,371	***	***	***	***	***	***
Apr.-June	677.63	120,704	***	***	***	***	***	***
July-Sept.	680.33	149,269	***	***	***	***	***	***
Oct.-Dec.	687.51	130,366	***	***	***	***	***	***
2012:								
Jan.-Mar.	691.49	120,535	***	***	***	***	***	***
Apr.-June	676.45	132,523	***	***	***	***	***	***
July-Sept.	647.35	143,511	***	***	***	***	***	***
Oct.-Dec.	642.75	125,669	***	***	***	***	***	***
2013:								
Jan.-Mar.	644.39	114,990	***	***	***	***	***	***
Apr.-June	629.50	119,259	***	***	***	***	***	***

¹Product 4: Straight ASTM A615, No. 6, grade 60 rebar.

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

Figure V-2

Rebar: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2010-June 2013

* * * * *

Figure V-3

Rebar: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2010-June 2013

* * * * *

Figure V-4

Rebar: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2010-June 2013

* * * * *

Figure V-5

Rebar: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2010-June 2013

* * * * *

Price trends

Prices increased during January 2010 to June 2013. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from 14.6 to 21.2 percent during January 2010 to June 2013. Price increases for rebar from Mexico ranged from *** to *** percent while import price increases for rebar imported from Turkey ranged from 5.8 to 8.6 percent.

Table V-7**Rebar: Summary of weighted-average f.o.b. prices for products 1-4 from the United States, Mexico and Turkey**

Item	Number of quarters	Low price (dollars per short ton)	High price (dollars per short ton)	Change in price ¹ (percent)
Product 1				
United States	14	551.87	696.39	14.6
Mexico	14	***	***	***
Turkey	13	***	***	***
Product 2				
United States	14	524.59	689.37	21.0
Mexico	14	***	***	***
Turkey	13	***	***	***
Product 3				
United States	14	524.11	692.84	20.4
Mexico	14	***	***	***
Turkey	13	***	***	***
Product 4				
United States	14	519.43	691.49	21.2
Mexico	14	***	***	***
Turkey	13	***	***	***

¹ Percentage change from the first quarter in which data were available to the last quarter in which price data were available, based on rounded data.

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

Price comparisons

As shown in table V-8, prices for rebar imported from Mexico were below those for U.S.-produced rebar in all 56 comparisons; margins of underselling ranged from 5.2 to 14.6 percent. Prices of rebar imported from Turkey were below those for U.S.-produced rebar in 49 of 52 comparisons; margins of underselling ranged from 0.4 to 13.1 percent, while in the remaining 3 comparisons, margins of overselling for rebar from Turkey were between 0.5 and 1.9 percent higher than prices for the domestic product.

Table V-8

Rebar: Instances of underselling/overselling and the range and average of margins, by country, January 2010-June 2013

Source	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Mexico	56	(5.2 to 14.6)	10.8	0	--	--
Turkey	49	(0.4 to 13.1)	7.0	3	(0.5 to 1.9)	1.9
Total	105	(0.4 to 14.6)	9.0	3	(0.5 to 1.9)	1.9

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

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of rebar to report any instances of lost sales or revenue they experienced due to competition from imports of rebar from Mexico and Turkey since January 2010. Two U.S. producers (***) alleged that they had to either reduce prices or roll back announced price increases. Two U.S. producers (***) alleged that they had lost sales to imported product from the subject countries. The *** lost sales allegations¹² totaled \$*** and involved more than *** short tons of rebar and the *** lost revenue allegations totaled \$*** and involved *** short tons of rebar. Staff contacted 11 purchasers;¹³ a summary of the information obtained is presented in tables V-9 and V-10 and in the text that follows.

Table V-9

Rebar: U.S. producers' lost sales allegations

* * * * *

Table V-10

Rebar: U.S. producers' lost revenue allegations

* * * * *

¹² Petitioners also reported two lost sales allegations regarding a firm that reportedly is no longer in business. These allegations are not included in the tables or the totals.

¹³ This includes *** purchasers for which *** lost sales were reported and *** purchasers for which *** lost revenues were reported.

Purchasers responding to the lost sales allegations also were asked whether they shifted their purchases of rebar from U.S. producers to suppliers of rebar from Mexico and Turkey since January 2010. In addition, they were asked whether U.S. producers reduced their prices to compete with suppliers of rebar from Mexico and Turkey. Eight of the 10 responding purchasers reported that they had shifted purchases of rebar from U.S. producers to subject imports since 2010; seven of these purchasers reported that price was the reason for the shift.¹⁴ Seven of the nine responding purchasers reported that the U.S. producers had reduced their prices in order to compete with the prices of subject imports since 2009.¹⁵ One purchaser (***) did not respond directly to the questions although it reported that ***.”

Purchasers were also asked to provide details regarding the lost sales or lost revenue allegations.

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¹⁴ ***. ***.

¹⁵ ***.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Part VI presents the rebar financial results of nine U.S. producers. The majority of U.S. producers reported their financial results for calendar-year periods¹ and on the basis of generally accepted accounting principles (GAAP).²

As discussed in Part III, the operations of the U.S. industry are relatively concentrated, with the three largest volume producers (CMC, Gerdau, and Nucor) accounting for *** percent of the period's total net sales volume.³ With respect to the facilities where rebar is manufactured, producers generally reported the production and sale of other products in addition to rebar.⁴ While CMC, Gerdau, and Nucor differed to some extent regarding the importance of rebar and other products, smaller-volume producers, with some exceptions, generally reported that rebar was a minor product with respect to their overall operations.⁵

The relatively large share of transfer sales is also a notable feature of the industry's financial results: ranging from a low of *** percent of total sales volume in 2010 to a high of *** percent in interim 2012. CMC, Gerdau, and Nucor, accounting for *** reported transfers, confirmed that transfers represent rebar sales to related fabricator operations.⁶ As the above-referenced range suggests, the degree of downstream integration has not changed substantially since 2010.^{7 8}

¹ Cascade and CMC reported their annual financial results on the basis of fiscal years ending August 31. ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

² Gerdau, a subsidiary of the Brazilian firm Gerdau S.A., reported its financial results on the basis of International Financial Reporting Standards (IFRS).

³ ***.

⁴ Byer Steel (*** percent of total sales volume) was the only U.S. producer to report that rebar is the only product that it manufactures. Conference transcript, p. 51 (Byer).

⁵ ***.

⁶ Petitioners' postconference brief Exhibit 1 (Attachment A). From the perspective of their overall operations, as described at the staff conference, U.S. producers with rebar production and downstream fabricating operations are in a position to extract profit from both levels of rebar activity. Conference transcript, p. 151 (Porter). While noting that the presence of related fabricating operations does not insulate the rebar manufacturing operations from demand volatility, there would be a financial benefit to rebar manufacturing operations, at least some extent, due to marginally lower selling, general and administration (SG&A) expenses associated with sales to a related company; e.g., the absence of bad debt allowance for transfers and lower sales and marketing resources expended as compared to commercial sales. Conference transcript, p. 152 (Kerkvliet). Petitioners' postconference brief also reiterated that related fabricators are operated as separate business units which purchase rebar from both related and unrelated sources. Petitioners' postconference brief, p. 35. See also footnote 20.

⁷ The relative importance of transfers was not uniform on company-specific basis; i.e., transfers ranged from ***.

Another characteristic of note is that a number of rebar producers are vertically integrated with respect to ferrous scrap, the primary raw material input in rebar production. Cascade purchases scrap from a related company (Schnitzer Steel's Metal Recycling Business);⁹ CMC operates nine scrap metal recycling plants which directly support the company's overall mill operations;¹⁰ Gerdau's parent company operates 23 scrap recycling centers in North America;¹¹ Nucor's David J. Joseph (DJJ) company operated 70 scrap recycling facilities in 2012;¹² and SDI's metal recycling operations supplied somewhat over half of the company's overall ferrous scrap requirements in 2011 and 2012.^{13 14}

OPERATIONS ON REBAR

Income-and-loss data for the U.S. industry's rebar operations are presented in table VI-1. A variance analysis of these financial results is presented in table VI-2.¹⁵ Selected company-specific financial information is presented in table VI-3.

⁸ With regard to the U.S. rebar market in general, combined distributor-fabricator operations also appear to be common. As characterized by an industry witness, related fabrication is essentially an additional route to the end market. Conference transcript, p. 150 (Porter).

⁹ http://www.cascadesteel.com/company_profile.aspx, retrieved October 28, 2013. ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

¹⁰ CMC 2012 10-K, pp. 4-5. ***. Ibid.

¹¹ Gerdau SA (2012 20-5), p 24. ***. Gerdau U.S. producer questionnaire response, III-7.

¹² Nucor 2012 10-K, p. 1 and p. 4. ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

¹³ SDI 2012 10-K, p. 4. ***. September 30, 2013 e-mail with attachment from SDI to USITC auditor.

¹⁴ Petitioners' postconference brief stated that underlying scrap prices are determined by global supply and demand and that related scrap suppliers are operated as separate business units. Accordingly, scrap purchases from related suppliers cannot insulate related producers from price volatility. As described by petitioners, a benefit of vertical integration with respect to scrap would instead be that, at least to some extent, it enhances security of supply. Petitioners' postconference brief, pp. 15-16. ***. Petitioners' postconference brief Exhibit 1 (Attachment A). ***. September 30, 2013 e-mail with attachment from SDI to USITC auditor.

¹⁵ The Commission's variance analysis is calculated in three parts: sales variance, cost of goods sold (COGS) variance, and SG&A expenses variance. Each part consists of a price variance (in the case of the sales variance) or a cost variance (in the case of the COGS and SG&A expenses variances) and a volume (quantity) variance. The sales or cost variance is calculated as the change in unit price/cost times the new volume, while the volume variance is calculated as the change in volume times the old unit price/cost. Summarized at the bottom of table VI-2, the price variance is from sales, the cost/expense variance is the sum of those items from COGS and SG&A, respectively, and the net volume variance is the sum of the price, COGS, and SG&A volume variances. All things being equal, a stable overall product mix, which U.S. producers generally indicated was the case during the period examined, enhances the utility of the Commission's variance analysis.

Table VI-1

Rebar: Results of operations of U.S. firms, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Quantity (short tons)				
Commercial sales	***	***	***	***	***
Internal consumption ¹	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales quantity	6,046,895	6,252,446	6,786,337	3,245,847	3,202,232
	Value (\$1,000)				
Commercial sales	***	***	***	***	***
Internal consumption ¹	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales value	3,252,899	4,082,013	4,411,086	2,158,748	2,036,590
Cost of goods sold:					
Raw materials	2,059,266	2,612,174	2,786,419	1,385,551	1,241,685
Direct labor	264,915	266,512	289,765	137,194	144,670
Other factory costs	818,006	844,159	934,991	435,190	484,876
Total cost of goods sold	3,142,187	3,722,845	4,011,175	1,957,935	1,871,231
Gross profit	110,712	359,168	399,911	200,813	165,359
SG&A expenses	157,330	187,273	187,740	84,456	90,444
Operating income or (loss)	(46,618)	171,895	212,171	116,357	74,915
Interest expense	49,111	42,852	26,258	13,032	17,749
Other expenses	7,847	7,195	2,883	603	944
Other income items ²	1,707	1,117	1,269	(1,403)	25,762
Net income or (loss)	(101,869)	122,965	184,299	101,319	81,984
Depreciation/amortization	137,365	131,263	129,844	66,884	67,420
Estimated cash flow from operations	35,496	254,228	314,143	168,203	149,404

Table continued on next page.

Table VI-1--Continued

Rebar: Results of operations of U.S. firms, 2010-12, January-June 2012, and January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
	Ratio to net sales (percent)				
Raw materials	63.3	64.0	63.2	64.2	61.0
Direct labor	8.1	6.5	6.6	6.4	7.1
Other factory costs	25.1	20.7	21.2	20.2	23.8
Cost of goods sold	96.6	91.2	90.9	90.7	91.9
Gross profit	3.4	8.8	9.1	9.3	8.1
SG&A expenses	4.8	4.6	4.3	3.9	4.4
Operating income or (loss)	(1.4)	4.2	4.8	5.4	3.7
Net income or (loss)	(3.1)	3.0	4.2	4.7	4.0
	Ratio to cost of goods sold (percent)				
Raw materials	65.5	70.2	69.5	70.8	66.4
Direct labor	8.4	7.2	7.2	7.0	7.7
Other factory costs	26.0	22.7	23.3	22.2	25.9
	Unit values (dollars per short ton)				
Commercial sales	***	***	***	***	***
Internal consumption	(³)	(³)	***	***	***
Transfers	***	***	***	***	***
Total net sales	538	653	650	665	636
Cost of goods sold:					
Raw materials	341	418	411	427	388
Direct labor	44	43	43	42	45
Other factory costs	135	135	138	134	151
Total cost of goods sold	520	595	591	603	584
Gross profit	18	57	59	62	52
SG&A expenses	26	30	28	26	28
Operating income or (loss)	(8)	27	31	36	23
	Number of firms reporting				
Operating losses	5	0	2	1	3
Data	9	9	9	9	9

¹ ***. Petitioners' postconference brief, Exhibit 1 (Attachment A).

² ***. Ibid.

³ Not applicable.

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

Table VI-2**Rebar: Variance analysis of U.S. firms' operations, 2010-12, January-June 2012, and January-June 2013**

Item	Calendar year			Jan.-June
	2010-12	2010-11	2011-12	2012-13
	Value (\$1,000)			
Total net sales:				
Price variance	760,408	718,539	(19,487)	(93,151)
Volume variance	397,779	110,575	348,560	(29,007)
Total net sales variance	1,158,187	829,114	329,073	(122,158)
Cost of sales:				
Raw materials:				
Cost variance	(475,337)	(482,908)	48,806	125,248
Volume variance	(251,816)	(70,000)	(223,051)	18,618
Net raw material variance	(727,153)	(552,908)	(174,245)	143,866
Direct labor:				
Cost variance	7,545	7,408	(496)	(9,319)
Volume variance	(32,395)	(9,005)	(22,757)	1,843
Net direct labor variance	(24,850)	(1,597)	(23,253)	(7,476)
Other factory costs:				
Cost variance	(16,955)	1,653	(18,750)	(55,534)
Volume variance	(100,030)	(27,806)	(72,082)	5,848
Net other factory cost variance	(116,985)	(26,153)	(90,832)	(49,686)
Net cost of sales:				
Cost variance	(484,747)	(473,846)	29,561	60,395
Volume variance	(384,241)	(106,812)	(317,891)	26,309
Total net cost of sales variance	(868,988)	(580,658)	(288,330)	86,704
Gross profit variance	289,199	248,456	40,743	(35,454)
SG&A expenses:				
Expense variance	(11,171)	(24,595)	15,524	(7,123)
Volume variance	(19,239)	(5,348)	(15,991)	1,135
Total SG&A variance	(30,410)	(29,943)	(467)	(5,988)
Operating income variance	258,789	218,513	40,276	(41,442)
Summarized as:				
Price variance	760,408	718,539	(19,487)	(93,151)
Net cost/expense variance	(495,918)	(498,441)	45,085	53,272
Net volume variance	(5,701)	(1,585)	14,678	(1,564)

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

Table VI-3

Rebar: Results of operations of U.S. firms, by firm, 2010-12, January-June 2012, and January-June 2013

* * * * *

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

Revenue

The majority of the industry's rebar revenue reflects commercial sales (***) percent of total sales), followed by transfers (***) percent of total sales) with a relatively small amount of activity classified as internal consumption by ***.¹⁶

As shown in the revenue section of the table VI-2 variance analysis, the industry's total revenue increased between 2010 and 2011 primarily as the result of a positive price variance and to a lesser extent a positive volume variance. In contrast, between 2011 and 2012 the increase in overall revenue was due entirely to a positive volume variance which offset a corresponding negative price variance.

Notwithstanding the positive overall trend in full-year sales volume, table VI-3 shows that company-specific directional trends in sales volume and magnitudes of period-to-period change were not uniform. Company-specific differences also appear to be most notable with respect to the smaller-volume producers whose rebar operations are generally a smaller share of their overall operations.¹⁷

During 2010-12, large-volume producers CMC, Gerdau, and Nucor all reported positive directional trends in sales volume of differing percentage magnitudes. Sales volumes diverged somewhat in interim 2013, however, with ***,¹⁸ ***, and ***.¹⁹ As shown in the revenue section of the table VI-2 variance analysis, total revenue in interim 2013 was lower compared to interim 2012 primarily due to a negative price variance and to a lesser extent a negative volume variance.

With some exceptions and in contrast with the company-specific pattern of sales volume, U.S. producers shared the same positive and negative directional trend of average sales value

¹⁶ As indicated previously, the shares of the primary rebar sales categories (commercial sales and transfers) remained relatively stable throughout the period. ***. September 30, 2013 e-mail with attachment from Evraz to USITC auditor.

¹⁷ ***. September 30, 2013 e-mail with attachment (revised table II-7a) from ArcelorMittal to USITC auditor.

***. September 30, 2013 e-mail with attachment from Evraz to USITC auditor.

***. September 30, 2013 e-mail with attachment from SDI to USITC auditor.

¹⁸ ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

¹⁹ ***. Petitioners' postconference brief Exhibit 1 (Attachment A). ***.

which also generally matched the trend of corresponding average raw material costs (see table VI-3).^{20 21}

Cost of goods sold and gross profit

A number of U.S. producers, as discussed above, are vertically integrated to some extent with respect to ferrous scrap, the primary rebar raw material input (see Part I description of rebar manufacturing process).^{22 23} As shown in table VI-1, raw material costs, as a share of total rebar COGS, ranged from a low of 65.5 percent in 2010 to a high of 70.8 percent in interim 2012.²⁴

Other factory costs, the second largest component of total rebar COGS, was at its highest level as a share of total COGS in 2010, at 26.0 percent, and at its lowest level in interim 2012, at 22.2 percent. The share of other factory costs subsequently reached 25.9 percent (its second highest level) in interim 2013. As noted below, this pattern, in general, appears to be consistent with changes in the industry's underlying sales/production volume.²⁵

²⁰ As shown in table VI-1, while both primary categories of revenue followed the same positive and negative directional trend, average transfer values were consistently lower compared to corresponding average commercial sales value. This is also the case when average transfer and commercial sales values are examined on a company-specific basis. Reiterating U.S. producer testimony at the staff conference, Petitioners' postconference brief noted that transfer pricing to related fabricators reflects market pricing and that mills in effect have to compete for related fabricator business. Petitioners' postconference brief, pp. 13-14. As indicated in footnote 15, product mix for overall sales remained relatively stable throughout the period.

²¹ Most U.S. producers indicated that surcharges were not a component of reported sales. While ***. Petitioners' postconference brief Exhibit 1 (Attachment A). ***. September 30, 2013 e-mail with attachment from Evraz to USITC auditor.

²² Byer Steel, a reroller, is unique in terms of its rebar production and raw material input. As explained at the staff conference, Byer Steel purchases railroad axles, described as a low-cost scrap item which can be treated like a billet. This reportedly allows the company to bypass the melt stage and instead charge the primary raw material input directly to a gas-fed reheat furnace. Conference transcript, p. 149 (Byer).

²³ With regard to input purchases from related parties, the Commission's standard practice is to require the elimination of the related company's profit (or loss) from the COGS reported in the financial section of the U.S. producer questionnaire. U.S. producers that are vertically integrated with respect to ferrous scrap reported that, as applicable, the above-referenced adjustment was made to COGS.

²⁴ As shown in table VI-3 and with respect to the large-volume producers, ***.

²⁵ "Other factory costs" represent a combination of fixed, variable, and mixed (semi-fixed/semi-variable) costs which differ by company based on factors such as manufacturing operations, product mix, and company-specific accounting choices regarding cost assignment. All things being equal, the directional trend of other factory costs (on an average basis and as a share of total COGS), due to the presence of fixed manufacturing costs, would tend to be the opposite of the directional trend of corresponding sales/production volume. As indicated by the following general statement made in Nucor's 2012 annual report regarding the company's overall cost structure, the degree to which each company exhibits the above-referenced pattern is different: "{o}ur highly variable cost structure, combined with our financial strength and liquidity, has allowed us to succeed in cyclical severely depressed steel industry market conditions in the past. In such times, our incentive-based pay system

Table VI-1 shows that direct labor, the smallest component of COGS, ranged from a low of 7.0 percent of total COGS in interim 2012 to a high of 8.4 percent in 2010. Notwithstanding the more variable nature of direct labor, the higher share of direct labor at the beginning of the period, like other factory costs, is generally consistent with a lower level of sales/production volume in 2010.

Overall metal margin (the difference between average sales value and average raw material cost) as a share of sales ranged from a low of 35.8 percent in interim 2012 to a high of 39.0 percent in interim 2013 (see table VI-3).²⁶ As such and with some company-specific exceptions, the pattern of the industry's overall gross profit ratio (total gross profit or (loss) divided by total revenue) appears to be more directly related to positive and negative changes in the level of other factory costs as a share of total COGS. As confirmed by a number of U.S. producers, the declining and then increasing pattern of other factory costs, as a share of total COGS, is generally consistent with changes in corresponding sales/production volumes.^{27 28}

***.²⁹ ***.³⁰ As shown in table VI-3, *** in absolute gross profitability between 2011 and 2012.

With respect to the larger-volume producers, *** in interim 2013 compared to interim 2012 by the largest amount and its share of other factory costs to total COGS also increased by the largest amount: from *** percent in interim 2012 to *** percent in interim 2013 (see table VI-3).³¹ *** reported increases in their respective shares of other factory costs to total COGS.

***.³²

reduces our payroll costs, both hourly and salary, which helps to offset lower selling prices. Our pay-for-performance system that is closely tied to our levels of production also allows us to keep our work force intact and to continue operating our facilities when some of our competitors with greater fixed costs are forced to shut down some of their facilities." Nucor 2012 annual report, p. 22.

²⁶ As an industry term, "metal margin" usually refers to the difference between current sales value and the corresponding relevant market price for the primary metal input, in this case ferrous scrap. For purposes of this report, "metal margin" refers to the difference between average sales value and average raw material costs, as recognized for financial reporting purposes.

Table VI-3 shows that the company-specific metal margins actually generated, along with corresponding directional trend, were not uniform. In addition to differences in underlying cost classification, direct comparability of the metal margin is, in all likelihood, also limited by company-specific differences related to items such as the timing of raw material purchases and corresponding inventory turnover (raw material, work in process, and finished goods).

²⁷ ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

***. Ibid.

***. Ibid.

***. Ibid.

²⁸ ***. Ibid. ***. Ibid.

²⁹ ***. September 30, 2013 e-mail with attachment from Evraz to USITC auditor.

³⁰ October 22, 2013 e-mail from Wiley Rein on behalf of Gerdau to USITC auditor.

³¹ ***. Petitioners' postconference brief Exhibit 1 (Attachment A). ***.

³² Ibid.

SG&A expenses and operating income or (loss)

Table VI-3 shows that, while company-specific SG&A expense ratios (SG&A expenses divided by total revenue) were not uniform, large-volume rebar producers reported SG&A ratios which were generally in a similar range.^{33 34} As noted above, these producers in particular have similar sales structures in which rebar is sold to independent rebar fabricators and distributors, as well as to related fabricators.

The industry's overall SG&A expense ratio declined modestly from a high of 4.8 percent in 2010 to a low of 3.9 percent in interim 2012.³⁵ While overall operating profit increased during the full-year period, from the operating loss reported in 2010, it is also notable that the increase in the level of 2012 operating profit ***.

At the end of the period and with respect to the larger-volume producers, *** absolute and relative operating income in interim 2013 compared to interim 2012. In general, this pattern reflects the positive factors at the gross level noted above which *** SG&A expense ratio in interim 2013. In contrast, the operating results *** (on an absolute and relative basis) in interim 2013. As shown in table VI-3 *** reported an operating loss in interim 2013.

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

Table VI-4 presents company-specific capital expenditures and research and development (R&D) expenses related to U.S. rebar operations.^{36 37}

As shown in table VI-4, the absolute level of company-specific capital expenditures varied with the overall decline between 2010-11 largely reflecting the reduction *** reported increases in capital expenditures throughout the full-year period which reached their highest levels in 2012.³⁸

³³ ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

³⁴ ***. Petitioners' postconference brief Exhibit 1 (Attachment A).

³⁵ Like "other factory costs," SG&A expenses reflect a combination of costs that are variable, mixed (elements of fixed and variable costs), and fixed. The relatively narrow range in which average SG&A expenses moved (see table VI-1), suggests, notwithstanding the presence of fixed costs in SG&A expenses, that the directional trend of SG&A expense ratios was principally due to changes in relative sales value.

³⁶ As reported by the U.S. industry, total assets remained relatively stable: \$1.9 billion in 2010, \$1.8 billion in 2011, and \$1.9 billion in 2012. With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line value on the asset side of a company's balance sheet) reflects an aggregation of a number of assets which, for the most part, are not product specific. Accordingly and with respect to most U.S. rebar producers, it can be reasonably assumed that high-level allocation factors were required in order to report a total asset value specific to rebar operations.

³⁷ ***. September 30, 2013 e-mail with attachment (revised table II-7a) from ArcelorMittal to USITC auditor. ***. September 18, 2013 e-mail with attachment to Keystone from USITC auditor. See also footnote 41.

³⁸ ***.

Table VI-4

Rebar: Capital expenditures and research and development expenses, by firm, 2010-12, January-June 2012, January-June 2013

Item	Calendar year			January-June	
	2010	2011	2012	2012	2013
Capital expenditures	Value (\$1,000)				

* * * * *

Total capital expenditures	58,449	54,058	83,337	34,021	39,684
R&D expenses	Value (\$1,000)				

* * * * *

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

Company-specific R&D expenses were limited and mostly intermittent with ***.^{39 40}

CAPITAL AND INVESTMENT

The Commission requested that U.S. producers describe any actual or potential negative effects of imports of rebar from Mexico and Turkey on its growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. The company's responses are presented below.

Actual negative effects

* * * * *⁴¹

Anticipated negative effects

* * * * *

³⁹ Petitioners' postconference brief Exhibit 1 (Attachment A).

⁴⁰ ***. Ibid. ***. September 30, 2013 e-mail with attachment from SDI to USITC auditor.

⁴¹ ***. September 18, 2013 e-mail with attachment to Keystone from USITC auditor.

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) *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,*
- (VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

THE INDUSTRY IN MEXICO

The Commission issued foreign producers' or exporters' questionnaires to ten firms believed to produce and/or export rebar from Mexico.³ Usable responses to the Commission's questionnaire were received from four firms: ArcelorMittal Las Truchas, Deacero, Grupo Simec, and Sidertul S.A. de C.V. ("Sidertul"). These firms' exports to the United States accounted for virtually all of U.S. imports of rebar from Mexico since 2010.⁴ According to estimates requested of the responding Mexican producers, the production of rebar in Mexico reported by these four firms accounts for all production of rebar in Mexico.⁵ Sidertul reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, Deacero reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, Grupo Simec reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, ArcelorMittal Las Truchas reported that *** percent of its total sales in its most recent fiscal year were sales of rebar.

Deacero reported that it began construction of a new plant (Ramos Arizpe Steel Mill ("Ramos mill")) ***.⁶ According to Deacero, the Ramos mill was constructed to produce exclusively merchant bar.⁷ The plant did, however, produce limited quantities of rebar while it was moving up the learning curve for producing merchant bar. Deacero also stated that the Ramos plant did not export any rebar to the United States.⁸ ***.⁹

Operations on rebar

Table VII-1 presents information on the rebar operations of the four responding producers in Mexico. Reported capacity in Mexico increased by *** percent from 2010 to 2012 and was *** percent higher in January-June 2013 than in January-June 2012. Reported capacity is projected to increase by *** percent from 2012 to 2013 and to be *** percent higher in 2014 than in 2012. Reported production in Mexico decreased by *** percent from 2010 to 2011 and then increased by *** percent from 2011 to 2012, resulting in an overall increase of *** percent from 2010 to 2012. Production was *** percent higher in January-June 2013 than in January-June 2012. Production is projected to remain virtually unchanged (decrease of ***) in 2013 compared to 2012 but *** percent higher in 2014 than in 2012. Capacity utilization

³ These firms were identified through a review of information submitted in the petition.

⁴ Deacero estimated that its rebar exports to the United States accounted for approximately *** percent of all such exports of rebar from Mexico reported in 2012, while *** estimated that its exports to the United States accounted for approximately *** percent of all such exports. ***.

⁵ Two firms (Tallares y Aceros and Ternium MX) which combined had the reported capacity of *** short tons, did not, however, provide questionnaire responses. ***.

⁶ Questionnaire response of Deacero, II-2.

⁷ Conference transcript, pp. 180-181 (Noriega).

⁸ Conference transcript, p. 270 (Gutierrez).

⁹ Questionnaire response of ***, II-2.

mirrored production, decreasing from *** in 2010 to *** in 2011 then increasing to *** percent in 2012. Capacity utilization rates were similar in January-June 2012 and January-June 2013, *** percent and *** percent, respectively. Capacity utilization rates are projected to be *** percent in 2013 and *** percent in 2014.¹⁰

Table VII-1
Rebar: Data for producers in Mexico, 2010-12, January-June 2012, January-June 2013, and projected 2013-14

* * * * *

Exports of rebar from Mexico to the United States as a share of total Mexican shipments ranged from *** percent to *** percent during 2010-January-June 2013.¹¹ Exports of rebar from Mexico to the United States declined by *** percent from 2010 to 2012 and were *** percent lower in January-June 2013 than in January-June 2012. Exports to all other markets as a share of total shipments increased from *** percent in 2010 to *** percent in 2012, reflecting the *** percent increase in exports to all other markets during this period.

Alternative products

Table VII-2 presents information on the total capacity and production of products made on the same equipment and machinery used to produce rebar of the four responding producers in Mexico. ***.

Table VII-2
Rebar: Mexican producers' total capacity, production, and capacity utilization, by product, 2010-2012, January-June 2012, and January-June 2013

* * * * *

Table VII-3 presents the information provided by Mexican producers regarding their constraints on product shifting.

Table VII-3
Rebar: Mexican producers' constraints on product shifting

* * * * *

¹⁰ With respect to production constraints, ArcelorMittal Las Truchas reported ***, Deacero reported ***, Grupo Simec reported ***, and Sidertul reported ***

¹¹ ***, ***, ***, ***, Staff telephone interview with ***, October 25, 2013.

THE INDUSTRY IN TURKEY

The Commission issued foreign producers' or exporters' questionnaires to 41 firms believed to produce and/or export rebar from Turkey.¹² Usable responses to the Commission's questionnaire were received from four firms: Colakoglu, Habas Sinai, Icdas, and Izmir Demir Celik Sanaysi A.S. ("Izmir Demir"). These firms' exports to the United States accounted for approximately *** percent of U.S. imports of rebar from Turkey in 2012. According to estimates requested of the responding Turkish producers, the production of rebar in Turkey by the responding firms accounts for approximately *** percent of overall production of rebar in Turkey in 2012.¹³ Colakoglu reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, Habas Sinai reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, Icdas reported that *** percent of its total sales in its most recent fiscal year were sales of rebar, and Izmir Demir reported that *** percent of its total sales in its most recent fiscal year were sales of rebar.

***. ***. ***. ***. In recent years, several Turkish steel manufacturers have entered the U.S. market by forming U.S.-based subsidiaries. Özkan Demir Çelik, a Turkish-based producer of rebar, plans to build a rolling mill in Louisiana capable of producing rolled products by 2015 through its U.S.-based subsidiary, Ozkan Steel LLC.¹⁴ Çolakoğlu Metalurji formed a wholly-owned U.S. subsidiary named Medtrade LLC in Texas in late 2012 to source U.S. scrap to Turkey, and to market and sell finished rebar products to U.S. consumers.¹⁵

Operations on rebar

Table VII-4 present information on the rebar operations of the four responding producers in Turkey. Reported capacity in Turkey increased by *** percent from 2010 to 2012 and was *** in January-June 2013 relative to January-June 2012. Reported capacity is projected to increase by *** percent from 2012 to 2013 and to *** from 2013 to 2014. Reported production in Turkey increased steadily during 2010-12, showing an overall increase of *** percent. Production was *** percent higher in January-June 2013 than in January-June 2012. Production is projected to be *** percent higher in 2013 than in 2012 and *** from 2013 to 2014. The capacity utilization rates mirrored the increases in production, increasing from *** percent in 2010 to *** percent in 2012. Capacity utilization was higher in January-June 2013

¹² These firms were identified through a review of information submitted in the petition.

¹³ These estimates are generally consistent with capacity reported by ***.

¹⁴ "Ozkan Steel USA to build steel plant in Louisiana," *Steel Orbis*, January 25, 2013, found at <http://www.steelorbis.com/steel-news/latest-news/ozkan-steel-usa-to-build-steel-plant-in-louisiana-737450.htm>, retrieved on October 21, 2013.

¹⁵ "In depth: Çolakoğlu Metalurji sets up trading company in US," *Steel Orbis*, November 26, 2012, found at <http://www.steelorbis.com/steel-news/interviews/in-depth-colakoglu-metalurji-sets-up-trading-company-in-us-725582.htm>, retrieved on October 21, 2013.

(*** percent) compared to January-June 2012 (*** percent). Capacity utilization rates are projected to be *** percent in 2013 and *** percent in 2014.

Table VII-4
Rebar: Data for producers in Turkey, 2010-12, January-June 2012, January-June 2013, and projected 2013-14

* * * * *

Exports of rebar from Turkey to the United States as a share of total Turkish shipments increased from *** percent in 2010 to *** percent in 2012. Exports of rebar from Turkey to the United States increased by *** percent from 2010 to 2011 and by *** percent from 2011 to 2012, resulting in an overall increase of *** percent from 2010 to 2012. Exports to the United States were *** percent lower in January-June 2013 than in January-June 2012, and their share of total shipments was *** percent in January-June 2013 compared to *** percent in January-June 2012. Exports to all other markets increased by *** percent from 2010 to 2012 and their share of total shipments ranged from *** percent to *** percent.

Alternative products

Table VII-5 presents information on the total capacity and production of products made on the same equipment and machinery used to produce rebar of the four responding producers in Turkey. ¹⁶ *** reported producing other products on the same equipment and machinery used to produce rebar.

Table VII-5
Rebar: Turkish producers' total capacity, production, and capacity utilization, by product, 2010-2012, January-June 2012, and January-June 2013

* * * * *

Table VII-6 presents the information provided by Turkish producers regarding their constraints on product shifting.

Table VII-6
Rebar: Turkish producers' constraints on product shifting

* * * * *

¹⁶ With respect to production constraints, Colakoglu reported ***, Habsa Sinai ***, Icdas reported ***, and Izmir Demir reported ***.

SUBJECT COUNTRIES COMBINED

Table VII-7 present information on rebar operations of the reporting producer in the subject countries.

Table VII-7
Rebar: Data for subject producers combined, 2010-12, January-June 2012, January-June 2013, and projected 2013-14

Items	Actual experience					Projections	
	Calendar year			January-June		Calendar year	
	2010	2011	2012	2012	2013	2013	2014
	Quantity (short tons)						
Capacity	10,897,834	11,461,659	11,613,524	5,858,167	5,990,379	11,804,223	11,846,741
Production	7,901,155	8,914,630	10,277,891	5,116,278	5,342,456	10,524,525	10,658,792
End-of-period inventories	311,390	369,174	349,969	392,976	369,433	337,921	317,037
Shipments:							
Internal consumption/transfers	4,367	4,184	16,170	10,496	9,131	16,661	13,227
Home market	4,370,617	4,827,150	4,911,857	2,413,158	2,680,801	5,219,705	5,234,948
Exports to:							
United States	453,267	615,381	885,893	436,894	364,450	669,855	712,842
All other markets	3,045,752	3,346,099	4,380,075	2,203,608	2,200,223	4,530,346	4,583,325
Total exports	3,499,019	3,961,480	5,265,968	2,640,502	2,564,673	5,200,201	5,296,167
Total shipments	7,874,003	8,792,814	10,193,995	5,064,156	5,254,605	10,436,567	10,544,342
	Ratios and shares (percent)						
Capacity utilization	72.5	77.8	88.5	87.3	89.2	89.2	90.0
Inventories/production	3.9	4.1	3.4	3.8	3.5	3.2	3.0
Inventories/shipments	4.0	4.2	3.4	3.9	3.5	3.2	3.0
Share of total shipments:							
Internal consumption/transfers	0.1	0.0	0.2	0.2	0.2	0.2	0.1
Home market	55.5	54.9	48.2	47.7	51.0	50.0	49.6
Exports to:							
United States	5.8	7.0	8.7	8.6	6.9	6.4	6.8
All other markets	38.7	38.1	43.0	43.5	41.9	43.4	43.5
Total exports	44.4	45.1	51.7	52.1	48.8	49.8	50.2

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

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-8 presents data on U.S. importers' reported inventories of rebar.

Table VII-8
Rebar: U.S. importers' inventories, 2010-12, January-June 2012, and January-June 2013

* * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of rebar from subject sources and all other sources after June 30, 2013. Table VII-9 presents U.S. import shipments of rebar arranged for importation after June 30, 2013.

Table VII-9
Rebar: U.S. importers' arranged imports, July 2013-June 2014

* * * * *

TRADE REMEDY MEASURES IN THIRD-COUNTRY MARKETS

Rebar from subject countries has been subject to several trade remedy investigations. In 2011, the Dominican Republic imposed antidumping duties on imports of rebar from Turkey.¹⁷ In November 2012, Egypt imposed safeguard measures on imports of all rebar.¹⁸ According to the notification, the provisional measure for 200 days was applied beginning December 2, 2012. However, there is no indication that Egypt has imposed a further safeguard measure or has terminated the investigation.¹⁹ Jordan has imposed a definitive safeguard measure, scheduled to have begun June 16, 2013.²⁰ Turkey was identified as a leading exporting country affected by the measures, but Mexico was listed as an excluded country due to being a developing country with import share below 3 percent.²¹ In August 2013, Colombia initiated a safeguard investigation into imports of rebar from WTO member countries, which includes both Mexico

¹⁷ Dominican Republic *Semi-Annual Report Under Article 16.4 of the Agreement*, WTO, Committee on Anti-Dumping Practices, October 14, 2013.

¹⁸ Petitioners' postconference brief, p. 44, exh. 2S.

¹⁹ Petitioners note that published reports indicate that Egypt is considering renewing the safeguard measure or imposing an antidumping duty measure on imports of Turkish rebar. Petitioners' postconference brief, p. 45, exh. 2T and exh 2U.

²⁰ *Bars and Rods of Iron and Steel*, Notification Under Article 12.1(B) of the Agreement on Safeguards on Finding a Serious Injury or Threat Thereof Caused by Increased Imports, Notification of a Proposal to Impose a Measure, Jordan, WTO, Committee on Safeguards, July 1, 2013.

²¹ *Id.*

and Turkey, and in September 2013 notified that it would be imposing a 200-day provisional measure to begin “in the coming days.”²²

INFORMATION ON NONSUBJECT COUNTRIES

Rebar is produced in substantial quantities throughout the world. Global Trade Atlas (GTA) publishes data on the global exports of steel concrete reinforcing bars for HS subheadings 7213.10 and 7214.20, sold in both straight lengths and coils. As shown in Table VII-10, global exports of rebar declined from 2009 to 2010 as a result of the global economic downturn, which in turn affected the global construction industry. Global exports of rebar rebounded in 2011 to 2009 levels. Turkey, Ukraine, Spain, Germany, Italy and Poland accounted for the majority of the global exports of rebar in 2012. According to GTA, the following European countries’ rebar exports under HS subheadings 7213.10 and 7214.20 to other EU-27 countries comprised a substantial amount of their total rebar exports from 2010 to 2012: Poland (94 percent), Italy (91 percent), and Germany (67 percent).

Leading exporters of rebar are discussed following table VII-10. Staff profiled the top ten exporting countries, other than Turkey and countries with substantial intra-EU trade, plus the leading nonsubject source of U.S. imports of rebar, the Dominican Republic.

Table VII-10

Rebar: Global exports of steel concrete reinforcing bars by HTS subheadings 7213.10 and 7214.20

	2009	2010	2011	2012	Total by country
Reporting Country	Quantity in short tons				
Turkey	9,595,653	6,716,495	7,743,826	9,375,842	33,431,815
Ukraine	2,295,660	2,605,661	2,390,110	2,688,092	9,979,524
Spain	2,473,617	1,753,195	1,528,699	1,739,312	7,494,824
Germany	1,345,594	1,317,344	1,233,115	1,243,012	5,139,064
Italy	1,042,379	799,192	1,182,906	1,770,790	4,795,267
Poland	875,007	903,137	929,518	1,159,703	3,867,365
Belarus	986,063	789,634	848,375	921,008	3,545,080
Portugal	722,056	673,434	981,694	1,125,518	3,502,702
Latvia	765,585	698,427	626,572	879,197	2,969,781
South Korea	777,683	797,511	738,409	370,074	2,683,677
France	495,296	512,542	694,420	692,678	2,394,935
Greece	397,269	461,577	895,987	590,191	2,345,024
USA	434,251	577,390	578,162	666,767	2,256,571
Russia	840,204	522,668	281,878	372,285	2,017,036

Table continued on next page.

²² *Bars and Rods of Iron or Non-Alloy Steel (Corrugated Bars and Rods) and Bars and Rods, Hot Rolled, of Iron or Non-Alloy Steel (Corrugated Bars and Rods, Hot Rolled)*, Notification Under Article 12.1(a) of the Agreement on Safeguards on Initiation of and Investigation and the Reason for it, Columbia, WTO, Committee on Safeguards, September 4, 2013.

Table VII-10--Continued**Rebar: Global exports of steel concrete reinforcing bars by HTS subheadings 7213.10 and 7214.20**

	2009	2010	2011	2012	Total by country
Reporting Country	Quantity in short tons				
Mexico	353,779	511,095	495,350	656,759	2,016,982
Brazil	515,506	381,873	472,662	304,250	1,674,292
Czech Republic	328,011	201,830	389,299	587,620	1,506,760
Japan	432,686	409,761	288,072	298,826	1,429,345
Egypt	71,684	337,772	446,433	338,471	1,194,361
Norway	313,644	253,364	280,051	309,863	1,156,921
China ²	336,309	247,760	246,860	289,180	1,120,109
All Others	2,108,184	3,397,106	3,794,210	2,793,218	12,092,718
Total by Year	27,506,119	24,868,768	27,066,609	29,172,654	108,614,150

Note 1. -- Original data were published in both kilograms and metric tons, and converted to short tons. Original data in kilograms were converted by multiplying by 0.00110231, and in metric tons by multiplying by 1.10231. Because of rounding, totals may not add to the figures shown.

Note 2.-- According to *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880 and 882, (Second Review)*, USITC Publication 4409, July 2013, p. IV-15, the vast majority of rebar from China may be classified under HS subheading 7228.30 for hot-rolled alloyed bar, rather than HS subheading 7214.20 for concrete reinforcing bars. HTS 7228.30 is a basket category that contains bars and rods made of tool steel, high-nickel alloy steel, alloy concrete reinforcing bars and other alloy steel bars. According to *Global Trade Atlas*, Chinese exports of hot-rolled alloy bar under HS subheading 7228.30 more than doubled in 2012 from 2010 levels (rising from 2,532,628 short tons to 5,958,689 short tons). During the same period, Chinese exports of concrete reinforcing bars for HS subheadings 7214.20 and 7213.10 remained relatively steady.

Note 2.-- Original data were published in both kilograms and metric tons, and converted to short tons. Original data in kilograms were converted by multiplying by 0.00110231, and in metric tons by multiplying by 1.10231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

Ukraine

Ukraine has been slow to recover from the global recession, which has contributed to significantly contracted residential and non-residential construction sectors since 2009.²³ Ukraine rebar producers include ArcelorMittal Kryviy Rih ("AMK"), Dneprovsky Iron and Steel Works, Kramatorsk Iron Works and Yenakiero Iron and Steel. AMK, Ukraine's largest integrated steel company, was previously a state-owned company named Krivoi Rog Mining & Metallurgical Integrated Works before being acquired by ArcelorMittal in 2005.²⁴ In January

²³ "Ukrainian construction market to decrease again in 2012," PMR: Construction sector in Russia, November 26, 2012, found at <http://www.constructionrussia.com/177138/Ukrainian-construction-market-to-decrease-again-in-2012.shtml>, retrieved on September 27, 2013.

²⁴ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review)*, USITC Publication 4409, July 2013.

2013, AMK announced that its finished rolling capacity increased 11 percent from the previous year to a total of 1.419 million metric tons, which also includes rebar.²⁵ Dneprovsky Iron and Steel Works has an annual capacity to produce 3.55 million metric tons of rolled steel in 2011.²⁶ Yenakieve Iron and Steel, a subsidiary of Ukraine-based holding company named Metinvest Group, has an annual capacity to produce 720,000 metric tons of finished rolled products, including rebar.²⁷ As shown in Table VII-11, Ukraine's largest export markets for rebar are Iraq and Russia.

Table VII-11
Rebar: Ukraine's reported exports, 2010-12

Country	Calendar year		
	2010	2011	2012
	Quantity (<i>short tons</i>)		
Iraq	633,978	760,944	978,767
Russia	380,034	481,074	716,516
Azerbaijan	174,617	179,158	233,778
Lebanon	209,042	176,808	161,552
India	199,436	163,385	44,938
Egypt	134,970	34,150	72,572
Georgia	99,553	70,619	63,596
Iran	125,288	57,111	0
Belarus	56,975	23,302	76,201
Turkmenistan	61,365	15,673	77,378
Romania	70,939	58,039	23,325
Armenia	63,187	40,894	36,010
Cyprus	38,364	57,558	8,525
Moldova	34,206	39,585	25,956
Italy	52,242	19,289	8,400
Unidentified Country	0	26,243	52,245
Ghana	21,479	25,884	20,066
Nigeria	9,335	30,215	16,805

Table continued on next page.

²⁵ "ArcelorMittal Kryvyi Rih's crude steel output up 1.5 percent in January-May," *Steel Orbis*, June 12, 2013, found at http://www.steelorbis.com/steel-news/latest-news/arcelormittal-kryvyi-rihs-crude-steel-output-up-15-percent-in-jan_may-764265.htm, retrieved on September 27, 2013.

²⁶ "PJSC Dneprovsky Integrated Iron & Steel Works named after Dzershinsky" Company Profile (Ukraine)," *Infomine Market Research Group*, found at http://eng.infomine.ru/files/catalog/355/file_355_eng.pdf, retrieved on September 27, 2013.

²⁷ Metinvest Company website, "Our Facilities", found at <http://emz.metinvestholding.com/en/about/structure>, retrieved on September 27, 2013.

Table VII-11--Continued**Rebar: Ukraine's reported exports, 2010-12**

	Calendar year		
	2010	2011	2012
Country	Quantity (<i>short tons</i>)		
United Arab Emirates	15,297	20,774	10,978
Jordan	36,940	3,585	4,602
Syria	15,850	27,176	0
All Others	172,566	78,644	55,882

Note.-- Original data were published in kilograms, which was converted by multiplying by 0.00110231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

Spain

Spain's domestic rebar market has been experiencing sluggish demand since 2008, and Spanish rebar producers reportedly are selling rebar at deep discount to North African markets, specifically Algeria.²⁸ Grupo Alfonso Gallardo is the largest steel producer in Spain for rebar and other long steel products. In May 2011, Brazilian flat-rolled steelmaker, Companhia Siderurgica Nacional ("CSN") announced that it will acquire five companies from Grupo Alfonso Gallardo for \$772 million, including two rebar plants Corrugados Azpeitia SL and Corrugados Lasao SLU.²⁹ In April 2013, Grupo Alfonso Gallardo said that it will cut 38 jobs at Corrugados Lasao SLU and shut down Corrugados Azpeitia SL entirely due to lackluster demand for long steel products.³⁰ Moreover, Grupo Alfonso stated that it will revise its job cuts production plan at its Siderurgica Balboa plant in October 2013.³¹ Megasa, a Spanish-based long steel producer, planned to lay off 87 percent of its workforce for a year in January 2010 due to poor demand of its products.³² Megasa's annual capacity of its long steel products is 800,000 tons per year, although in 2009 it was closer to 500,000 tons. Celsa Group, a rebar manufacturer based in Barcelona, Spain, cut

²⁸ "Spanish rebar exporters stir buyers with discounts," *Metal News*, October 16, 2013, found at <http://europesteeltrade.com/market-news>, retrieved on October 24, 2013.

²⁹ "CSN to purchase four Spanish steel companies," *Steel Orbis*, May 23, 2011, found at <http://www.steelorbis.com/steel-news/latest-news/csn-to-purchase-four-spanish-steel-companies-601605.htm>, retrieved on October 24, 2013.

³⁰ Spain's Grupo Alfonso Gallardo to cut jobs due to lackluster demand," *Steel Orbis*, April 22, 2013, found at <http://www.steelorbis.com/steel-news/latest-news/spains-grupo-alfonso-gallardo-to-cut-jobs-due-to-lackluster-demand-754345.htm>, retrieved on October 24, 2013.

³¹ "Grupo Alfonso revises job cuts plan for Siderurgica Balboa in Spain," *Steel First*, October 4, 2013, found at <http://www.grupoag.es/en/portada/portada.php>, retrieved on October 24, 2013.

³² "Megasa seeks to lay off workers for a year," *Platts McGraw Hill Financial*, January 28, 2010, found at https://www.steelbb.com/?PageID=157&article_id=71602, retrieved on October 24, 2013.

rebar production in April 2012.³³ Table VII-12 shows that Algeria and Portugal are Spain's largest export markets.

Table VII-12
Spain's reported exports 2010-2012

Country	Calendar year		
	2010	2011	2012
	Quantity (short tons)		
Algeria	726,157	823,009	978,581
Portugal	348,101	242,517	126,436
France	88,659	108,930	105,190
United Kingdom	79,509	65,805	50,249
Israel	55,495	32,663	68,638
Australia	47,298	16,540	79,789
Singapore	21,195	11,891	98,495
Angola	92,705	23,322	6,628
Germany	28,963	31,706	20,411
Chile	32,294	44,644	0
Ireland	30,343	33,019	13,410
Morocco	10,306	14,571	47,969
Equatorial Guinea	19,735	7,736	8,540
Kuwait	32,796	0	0
Italy	13,393	14,879	2,472
All Others	126,252	57,470	132,503

Note.-- Original data were published in metric tons, which was converted by multiplying by 1.10231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

Belarus

Belarus has recently been investing in residential housing construction projects. The construction market is further expected to grow because the Belarusian central government plans to pass legislation to boost government spending for housing construction.³⁴ Byelorussian Steel Works ("BSW") is the only known producer of rebar in Belarus. In July 2013, BSW

³³ Inside Metals Newsletter, April 4, 2012, found at https://customers.reuters.com/community/newsletters/metals/IM_Apr_4_2012.pdf, retrieved on October 24, 2013.

³⁴ "Recession registered in Belarus," *Belarus in Focus*, May 21, 2013, found at <http://belarusinfocus.info/p/5895>, retrieved on September 27, 2013; and "International Monetary Fund: Republic of Belarus: Selected Issues," *International Monetary Fund*, April 19, 2012, found at <http://www.imf.org/external/pubs/ft/scr/2012/cr12114.pdf>, retrieved on September 27, 2013.

announced plans to open a new rolling mill that will eventually produce 1 million tons of rolled-steel products per year.³⁵ BSW claimed that up to 13 percent of its production from the new mill will be exported to former Soviet Union countries, and two-thirds to other global markets. BSW plans to produce a total of 3 million metric tons per year of rolled products by 2015, as a result of the modernization of its existing steel plants. As shown in Table VII-13, Russia was Belarus' largest rebar export market, accounting for 44 percent of total exports from 2010 to 2012.

Table VII-13
Rebar: Belarus' reported exports, 2010-12

Country	Calendar year		
	2010	2011	2012
	Quantity (<i>short tons</i>)		
Russia	282,403	443,345	600,004
Lithuania	284,413	445,356	602,016
Finland	162,032	58,003	21,821
Sweden	49,604	66,430	90,480
United Kingdom	20,310	44,922	21,486
Lebanon	15,699	22,308	32,820
Latvia	15,737	37,168	14,641
Ghana	29,371	20,180	10,579
Iraq	11,717	15,146	24,284
Norway	33,974	9,039	5,653
Jordan	14,182	11,068	23,377
Iran	7,408	15,450	21,636
Germany	17,113	10,753	12,982
Senegal	16,695	14,989	1,846
All Others	113,387	79,574	39,401

Note.-- Original data were published in kilograms, which were converted by multiplying by 0.00110231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

³⁵ Byelorussian Steel Works website, "Eurasian Bank of Development and Belarusbank SB jointly finance the erection of a new rolling mill" July 19, 2013, found at <http://belsteel.com/eng/press/news.php?id=549>, retrieved on September 27, 2013.

Portugal

Portugal's rebar industry has been hit hard by the country's depressed construction industry, which is the country's largest employer.³⁶ As a result, Portugal rebar producers have sought increasingly to export to other foreign markets, specifically Algeria, in order to prop their sales. In June 2013, the Portuguese government signed four agreements with its Algerian counterparts worth in excess of 4 billion euros, in which Portuguese companies agreed to build 75,000 social housing units and middle class homes, as well as supply building materials, to Algeria.³⁷ According to Table VII-14, Portugal rebar exports to Algeria made up 26 percent of the country's total rebar exports in 2012. There are two major rebar producers in Portugal, which are both foreign-owned. Bollinghaus Steel is a German-based steel company that has since moved its manufacturing operations exclusively to Portugal. According to Bollinghaus Steel's website, the company is investing over \$3 million over the next three years to increase production capacity at its rolling mill in Vieira de Leiria, Portugal.³⁸ Siderurgica Nacional Longos Sexial ("SN Longos) is majority owned by Megasa, a Spanish steel producer. SN Longos is capable of producing 900,000 metric tons of rebar and wire rod annually.³⁹ Table VII-14 indicates that Spain, Algeria and Angola are Portugal's largest export markets from 2010 to 2012.

Table VII-14
Portugal's reported exports 2010-2012

Country	Calendar year		
	2010	2011	2012
	Quantity (short tons)		
Spain	449,106	427,043	295,968
Algeria	113,072	234,066	295,759
Angola	18,156	83,928	154,919
Canada	35,306	67,801	39,142
United Kingdom	14,580	43,959	69,680
Ireland	6,629	37,829	61,220
Brazil	0	0	71,358

Table continued on next page.

³⁶ "Portugal construction bleeds job, threatens banks," *Reuters*, June 28, 2012, found at <http://www.reuters.com/article/2012/06/28/us-portugal-construction-debt-idUSBRE85R18T20120628>, retrieved on October 24, 2013.

³⁷ "Algeria lifeline for Portuguese construction industry," *The Portugal News Online*, February 20, 2013, found at <http://theportugalnews.com/news/algeria-throws-portuguese-construction-industry-a-four-billion-euro-lifeline/27806>, retrieved on October 24, 2013.

³⁸ Bollinghaus Steel's website, found at <http://www.boellinghaus.de/57.html>, retrieved on October 24, 2013.

³⁹ Megasa Company Profile, Steel Orbis, found at <http://www.steelorbis.com/steel-companies/megasa/>, retrieved on October 24, 2013.

Table VII-14--Continued
Portugal's reported exports 2010-2012

Country	Calendar year		
	2010	2011	2012
	Quantity (short tons)		
Morocco	1,969	20,309	42,336
Israel	0	0	33,624
Senegal	6,942	10,423	11,886
Cape Verde	3,763	10,698	10,299
Equatorial Guinea	0	5,818	14,748
Germany	5,579	11,536	2,665
All Others	16,633	25,661	27,955

Note.-- Original data were published in metric tons, which was converted by multiplying by 1.10231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

Latvia

Latvia is one of the fastest growing European economies, and the construction industry accounted for 6.1 percent of its GDP in 2012.⁴⁰ Liepajas Metalurgs ("Liepajas") is the only known Latvian producer of rebar and one of the largest companies in Latvia. Liepajas states on its website that it exports 98 percent of its rebar to global markets.⁴¹ Table VII-15 indicates that Latvia's largest export markets for rebar are Algeria and Poland. However, since April 2013, Liepajas has reportedly halted production of its rebar due to falling steel prices, solvency issues and its inability to pay back a state-guaranteed loan that was used to upgrade its production.⁴² A Russian metallurgical company, Dalpolimetall, expressed interest in acquiring Liepajas.⁴³ However, a formal acquisition has not yet been announced.⁴⁴ In August 2013, Liepajas was in

⁴⁰ "Economy of Latvia," *Baltic Export*, found at <http://balticexport.com/?article=latvijas-ekonomika>, retrieved on September 27, 2013.

⁴¹ "Polish journalists uncover possible fraud at Latvian steel plant," *News Wave*, April 8, 2013, found at <http://newswave.eu/polish-journalists-uncover-possible-fraud-at-latvian-steel-plant/>, retrieved on September 27, 2013.

⁴² "Latvian steel mill seeks investors to avoid bankruptcy," *Baltic Business News*, May 10, 2013, found at <http://www.balticbusinessnews.com/?PublicationId=73b599c4-3a82-4335-b41f-b7adc8a7b4be>, retrieved on September 27, 2013.

⁴³ "Russia's "Dalpolimetall" willing to invest in "Liepajas metalurgs" after all," *Latvia News*, August 28, 2013, found at <http://www.latviannews.lv/business/2198/>, retrieved on September 27, 2013.

⁴⁴ "Russian investors eye Liepajas Metalurgs," *Baltic Business News*, June 19, 2013, found at <http://www.balticbusinessnews.com/article/2013/6/19/russian-investors-eye-liepajas-metalurgs>, retrieved on September 27, 2013.

the process of drafting a legal protection plan before it could resume operations.⁴⁵ In September 2013, Liepajas announced that it will lay off 500 workers and increase prices for its steel products pursuant to its legal protection plan.⁴⁶

Table VII-15

Rebar: Latvia's reported exports 2010-12

	Calendar year		
	2010	2011	2012
Country	Quantity (short tons)		
Poland	165,554	330,292	267,191
Algeria	339,289	104,815	282,150
Lithuania	57,361	41,517	44,283
Estonia	36,358	53,018	48,195
Finland	17,092	31,779	31,870
United Kingdom	5,941	9,029	52,153
Germany	24,029	15,923	10,233
Sweden	5,192	17,303	23,314
Russia	5,416	6,011	23,302
Peru	0	0	29,780
Denmark	8,365	6,843	10,880
Lebanon	0	0	19,523
Belarus	0	374	14,988
Belgium	11,024	0	0
All Others	22,804	9,669	21,341

Note.-- Original data were published in metric tons, which was converted by multiplying by 1.102311. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

⁴⁵ "Russian investor Dalpolimetall withdraws from talks on rescuing Liepajas metalurgs," *Baltic Export*, August 1, 2013, found at <http://balticexport.com/?lang=en&article=portals-krievijas-investors-dalpolimetall-izstajas-no-sarunam-par-lm-glabsanu>, retrieved on September 27, 2013.

⁴⁶ "Liepajas Metalurgs begins selling off property, laying off 500 workers," *The Baltic Course*, September 16, 2013, found at http://www.baltic-course.com/eng/markets_and_companies/?doc=80627, retrieved on September 27, 2013.

Korea

The Korean residential housing construction market has remained sluggish since the 2008 global recession.⁴⁷ However, it reportedly is set to expand in the near future, driven mostly by infrastructure construction projects in preparation for the 2018 Winter Olympics.⁴⁸ The Korean rebar industry focuses on manufacturing high-strength rebar that is earthquake resistant and can be used in nuclear power plant construction.⁴⁹ Korea mostly produces coiled rebar.⁵⁰ The average capacity utilization for Korean rebar producers was above 70 percent in 2012.⁵¹ Hyundai Steel, a Korean producer of rebar, developed a niche to produce ultra-high strength rebars and earthquake resistant rebars in 2011. Dongkuk Steel planned to open a new rolling mill in 2012 to increase its rebar production from 1.4 million tons to 2.2 million tons.⁵² Daehan Steel started a new rolling mill for coiled rebar production in 2011, and plans to increase its rebar processing facilities throughout South Korea.⁵³ Korean steel producer, YK Steel, reduced its rebar production in June 2012 because of facility repairs at its steelmaking mills.⁵⁴ YK Steel claimed that its monthly output was 75,000 metric tons in 2012.⁵⁵ As shown in Table VII-16, Korea's largest export markets for rebar are concentrated in Asia, and include Singapore, Kong Kong and Myanmar.

⁴⁷ "Stagnant South Korea Property Drags on Growth Rebound: Economy," *Bloomberg*, August 4, 2013, found at <http://www.bloomberg.com/news/2013-08-05/stagnant-south-korea-property-drags-on-growth-rebound-economy.html>, retrieved on September 27, 2013.

⁴⁸ "South Korea's construction industry prepares for the 2018 Winter Olympics," *Building*, August 6, 2013, found at <http://www.building.ca/news/south-koreas-construction-industry-prepares-for-the-2018-winter-olympics/1002521299/>, retrieved on September 27, 2013.

⁴⁹ "South Korean rebar producers to target niche market," *Steel Orbis*, February 3, 2012, found at <http://www.steelorbis.com/steel-news/latest-news/south-korean-rebar-producers-to-target-niche-markets-660104.htm>, retrieved on September 27, 2013.

⁵⁰ *Id.*

⁵¹ "South Korea rebar mills' capacity usage to exceed 70% in July," *Steel Orbis*, July 20, 2012, found at <http://www.steelorbis.com/steel-news/latest-news/south-korean-rebar-mills-capacity-usage-to-exceed-70-in-july-700943.htm>, retrieved on September 27, 2013.

⁵² "South Korean rebar producers to target niche market," *Steel Orbis*, February 3, 2012, found at <http://www.steelorbis.com/steel-news/latest-news/south-korean-rebar-producers-to-target-niche-markets-660104.htm>, retrieved on September 27, 2013.

⁵³ *Id.*

⁵⁴ "South Korea rebar mills' capacity usage to exceed 70% in July," *Steel Orbis*, July 20, 2012, found at <http://www.steelorbis.com/steel-news/latest-news/south-korean-rebar-mills-capacity-usage-to-exceed-70-in-july-700943.htm>, retrieved on September 27, 2013.

⁵⁵ *Id.*

Table VII-16
Rebar: Korea's reported exports, 2010-12

	Calendar year		
	2010	2011	2012
Country	Quantity (short tons)		
Singapore	247,141	262,356	165,738
Hong Kong	258,728	240,055	27,129
Myanmar	112,326	85,739	45,174
Canada	25,485	28,367	45,432
Brunei Darussalam	45,595	31,935	5,676
Vietnam	34,402	21,639	10,170
Iran	27,296	23,965	1,465
United Arab Emirates	71	9,140	27,131
Taiwan	10,395	6,731	6,542
Guam	9,280	7,088	4,611
Malaysia	50	51	13,928
Kuwait	9,381	0	5
Nigeria	9,141	0	0
Panama	2,414	5,843	0
All Others	8,219	21,343	17,073

Note.-- Original data were published in kilograms, which was converted by multiplying by 0.00110231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10.

Dominican Republic

The Dominican Republic experienced a notable increase in residential and non-residential construction over the last decade and therefore a demand for rebar, propelled by an increase in tourism and hotel-related projects.⁵⁶ There are two known producers of rebar in the Dominican Republic: Industrias Nacionales CxA (INCA), and Metaldom. INCA merged with Brazilian-based company, Gerdau, resulting in Gerdau owning a 49-percent share and INCA owning a 51-percent share in the company. In 2007, INCA invested \$125 million to build a rolling mill to increase annual installed capacity from 300,000 metric tons to 720,000 metric

⁵⁶ Senior, Bolivar A., and Rodriguez, Tulio A., "Analyzing Barriers to Construction Productivity Improvement in the Dominican Republic," *20th Conference of the International Group for Lean Construction*, 2012, found at <http://www.iglc20.sdsu.edu/papers/wpcontent/uploads/2012/07/71%20P%20140.pdf>, retrieved on September 27, 2013.

tons of rolled products.⁵⁷ Metaldom is one of the largest steelmakers in the Caribbean region, and is owned by VICINI Group, a private asset management firm. Metaldom has a capacity to make 400,000 tons of rolled steel products at its Santo Domingo plant.⁵⁸ Reportedly, Metaldom primarily exports its products to the Caribbean and South American markets.⁵⁹ Table VII-17 shows that Dominican Republic's largest export markets for rebar were Haiti, the United States and Jamaica from 2010 to 2011.

Table VII-17
Rebar: Dominican Republic's reported exports 2010-11

	2010	2011
Country	Quantity (<i>short tons</i>)	
Haiti	48,887	87,162
United States	29,248	77,008
Jamaica	25,313	23,142
Suriname	7,207	11,048
Venezuela	0	9,052
Panama	10,232	7,822
Costa Rica	10,565	7,627
Dominica	2,433	3,394
St. Lucia	2,487	3,082
Antigua & Barbuda	2,569	2,525
Guyana	2,116	2,235
St. Kitts & Nevis	2,357	1,572
All Others	11,827	7,752

Note.-- Original data were published in kilograms, which was converted by multiplying by 0.00110231. Because of rounding, totals may not add to the figures shown.

Source: Global Trade Atlas (accessed September 26, 2013), HS subheadings 7214.20 and 7213.10. There are no export data for the 2012 calendar year for Belarus.

⁵⁷ Gerdau website, "Inca invests \$125 million in the Dominican Republic," November 29, 2007, found at <http://www.gerdau.com/media-center/noticias-detahes.aspx?cd=36aa0bb3-4e8f-4713-b811-efa424407670>, retrieved on September 27, 2013.

⁵⁸ "Developments in Steelmaking Capacity of Non-OECD Economies 2010," Organization for Economic Co-operation and Development, 2010, found at http://www.oecd-ilibrary.org/industry-and-services/developments-in-steelmaking-capacity-of-non-oecd-countries_19991606, retrieved on September 27, 2013.

⁵⁹ "Metaldom to fuel rolling mill furnace with natural gas," *BNAmericas*, December 7, 2010, found at http://www.bnamericas.com/news/metals/Metaldom_to_fuel_rolling_mill*s_furnace_with_natural_gas, retrieved on September 27, 2013.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
78 FR 55755 September 11, 2013	<i>Steel Concrete Reinforcing Bar From Mexico and Turkey; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-09-11/pdf/2013-22020.pdf
78 FR 60831 October 2, 2013	<i>Steel Concrete Reinforcing Bar From Turkey: Initiation of Countervailing Duty Investigation</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-10-02/pdf/2013-23987.pdf
78 FR 60827 October 2, 2013	<i>Steel Concrete Reinforcing Bar From Mexico and Turkey: Initiation of Antidumping Duty Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2013-10-02/pdf/2013-23983.pdf
Source: https://www.federalregister.gov/		

APPENDIX B
CALENDAR OF THE PUBLIC STAFF CONFERENCE

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

Subject: Steel Concrete Reinforcing Bar from Mexico and Turkey
Inv. Nos.: 701-TA-502 and 731-TA-1227-1228 (Preliminary)
Date and Time: September 25, 2013 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

EMBASSY WITNESSES:

Embassy of Mexico
Washington, D.C.

Salvador Behar, Legal Counsel for International Trade

Embassy of Turkey
Washington, D.C.

Savas Malkoc, Head of Department for Market Access, General Directorate of Exports

In Support of the Imposition of
Antidumping and Countervailing Duty Orders:

Wiley Rein LLP
Washington, DC
on behalf of

The Rebar Trade Action Coalition

Burke Byer, President and CEO, Byer Steel

Jim Darsey, Executive Vice President of Bar Products,
Nucor Corporation

Robert J. Stone, Commercial Director of Sales & Marketing - Long
Products, Nucor Corporation

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders--Continued**

Wiley Rein LLP
Washington, DC
on behalf of

The Rebar Trade Action Coalition

Jim Kerkvliet, Vice President of Sales and Marketing, Gerdau Long Steel
North America

Tracy Porter, Senior Vice President, Commercial Metals Company and
President, Commercial Metals Company Americas Division

Chris Crowe, President, Magnolia Steel Company

Robert Webb, President, Southwestern Suppliers

James R. Melvin, President, Re-Steel Supply Company, Inc.

Holly Hart, Legislative Director and Assistant to the President,
United Steelworkers of America

Dr. Seth Kaplan, Senior Economic Advisor, Capital Trade Inc.

Alan H. Price)
) – OF COUNSEL
John R. Shane)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

White & Case
Washington, D.C.
on behalf of

Deacero S.A. de C.V. and Deacero USA, Inc.

Mauricio Gutierrez Noriega, Vice President of Sales, Deacero
S.A. de C.V.

Miguel Angel Bazan, U.S. Sales Manager, Deacero S.A. de C.V.

Jay C. Campbell)
) – OF COUNSEL
David E. Bond)

Arent Fox
Washington, D.C.
on behalf of

Turkish Steel Exporters Association;
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.;
Colakoglu Metalurji A.S. (“Turkish Exporters and Producers”)

Namik Ekinci, President, Turkish Steel Exporter’s Association

Ebru Dursun, International Relations Advisor, Turkish Steel
Exporter’s Association

Onur Bülbül, Interpreter, Commerical Counsler, Turkish Embassy

Matthew M. Nolan)
) – OF COUNSEL
Diana Dimitriuc Quaia)

APPENDIX C
SUMMARY DATA

Table C-1

Rebar: Summary data concerning the U.S. market, 2010-12, January to June 2012, and January to June 2013

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year		January to June			Calendar year		Jan-Jun	
	2010	2011	2012	2012	2013	2010-12	2010-11	2011-12	2012-13
U.S. consumption quantity:									
Amount.....	6,205,946	6,422,647	7,313,385	3,641,026	3,699,210	17.8	3.5	13.9	1.6
Producers' share (fn1).....	91.7	89.8	86.6	82.9	82.4	(5.1)	(1.9)	(3.2)	(0.5)
Importers' share (fn1):									
Mexico.....	4.7	4.4	4.0	3.5	4.1	(0.7)	(0.3)	(0.4)	0.5
Turkey.....	2.9	4.2	8.7	12.7	12.6	5.8	1.3	4.5	(0.1)
Subtotal, subject.....	7.6	8.6	12.7	16.2	16.6	5.1	1.0	4.1	0.4
Dominican Republic.....	0.5	1.3	0.5	0.7	0.4	0.0	0.8	(0.7)	(0.3)
All others sources.....	0.2	0.3	0.2	0.2	0.6	(0.1)	0.1	(0.2)	0.4
Subtotal, nonsubject.....	0.8	1.6	0.7	0.9	1.0	(0.1)	0.9	(0.9)	0.1
Total imports.....	8.3	10.2	13.4	17.1	17.6	5.1	1.9	3.2	0.5
U.S. consumption value:									
Amount.....	3,348,190	4,186,113	4,706,102	2,394,213	2,313,510	40.6	25.0	12.4	(3.4)
Producers' share (fn1).....	92.2	90.2	87.2	83.6	83.8	(5.0)	(2.0)	(3.0)	0.1
Importers' share (fn1):									
Mexico.....	4.2	4.2	3.7	3.3	3.8	(0.5)	(0.0)	(0.5)	0.5
Turkey.....	2.7	4.1	8.3	12.1	11.4	5.6	1.4	4.2	(0.8)
Subtotal, subject.....	6.9	8.3	12.0	15.4	15.2	5.1	1.3	3.8	(0.2)
Dominican Republic.....	0.5	1.1	0.6	0.7	0.4	0.0	0.6	(0.5)	(0.3)
All others sources.....	0.3	0.4	0.2	0.3	0.7	(0.1)	0.1	(0.2)	0.4
Subtotal, nonsubject.....	0.9	1.5	0.8	1.0	1.1	(0.1)	0.7	(0.7)	0.1
Total imports.....	7.8	9.8	12.8	16.4	16.2	5.0	2.0	3.0	(0.1)
U.S. importers' U.S. imports from:									
Mexico									
Quantity.....	292,019	283,285	293,749	127,903	149,987	0.6	(3.0)	3.7	17.3
Value.....	141,394	174,697	174,015	78,413	88,470	23.1	23.6	(0.4)	12.8
Unit value.....	\$484.19	\$616.68	\$592.40	\$613.06	\$589.85	22.3	27.4	(3.9)	(3.8)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Turkey									
Quantity.....	177,358	267,381	633,619	461,054	465,012	257.3	50.8	137.0	0.9
Value.....	90,671	171,132	391,305	289,906	262,668	331.6	88.7	128.7	(9.4)
Unit value.....	\$511.23	\$640.03	\$617.57	\$628.79	\$564.86	20.8	25.2	(3.5)	(10.2)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Subtotal, subject sources:									
Quantity.....	469,378	550,666	927,367	588,957	614,999	97.6	17.3	68.4	4.4
Value.....	232,065	345,830	565,321	368,319	351,138	143.6	49.0	63.5	(4.7)
Unit value.....	\$494.41	\$628.02	\$609.60	\$625.38	\$570.96	23.3	27.0	(2.9)	(8.7)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Dominican Republic									
Quantity.....	32,647	82,359	39,575	25,016	13,118	21.2	152.3	(51.9)	(47.6)
Value.....	18,107	46,778	26,881	17,085	8,478	48.5	158.3	(42.5)	(50.4)
Unit value.....	\$554.64	\$567.97	\$679.25	\$682.96	\$646.27	22.5	2.4	19.6	(5.4)
Ending inventory quantity.....	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)
All other sources:									
Quantity.....	14,653	22,393	12,490	8,300	22,658	(14.8)	52.8	(44.2)	173.0
Value.....	10,819	17,840	10,749	6,065	15,872	(0.6)	64.9	(39.7)	161.7
Unit value.....	\$738.33	\$796.69	\$860.65	\$730.76	\$700.49	16.6	7.9	8.0	(4.1)
Ending inventory quantity.....	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)	(fn 2)
Subtotal, nonsubject sources:									
Quantity.....	47,300	104,752	52,064	33,316	35,776	10.1	121.5	(50.3)	7.4
Value.....	28,926	64,618	37,630	23,151	24,350	30.1	123.4	(41.8)	5.2
Unit value.....	\$611.54	\$616.87	\$722.76	\$694.87	\$680.61	18.2	0.9	17.2	(2.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity.....	516,678	655,418	979,431	622,274	650,775	89.6	26.9	49.4	4.6
Value.....	260,991	410,448	602,951	391,470	375,488	131.0	57.3	46.9	(4.1)
Unit value.....	\$505.13	\$626.24	\$615.61	\$629.10	\$576.99	21.9	24.0	(1.7)	(8.3)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity.....	10,866,528	10,687,229	10,913,642	5,331,710	5,437,824	0.4	(1.7)	2.1	2.0
Production quantity.....	6,137,816	6,323,143	6,854,635	3,292,549	3,244,145	11.7	3.0	8.4	(1.5)
Capacity utilization (fn1).....	56.5	59.2	62.8	61.8	59.7	6.3	2.7	3.6	(2.1)
U.S. shipments:									
Quantity.....	5,689,268	5,767,229	6,333,954	3,018,752	3,048,435	11.3	1.4	9.8	1.0
Value.....	3,087,199	3,775,665	4,103,151	2,002,743	1,938,022	32.9	22.3	8.7	(3.2)
Unit value.....	\$542.64	\$654.68	\$647.80	\$663.43	\$635.74	19.4	20.6	(1.0)	(4.2)
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	365,275	473,147	533,652	510,247	591,010	46.1	29.5	12.8	15.8
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	4,139	4,060	4,167	4,047	4,204	0.7	(1.9)	2.6	3.9
Hours worked (1,000s).....	8,063	8,098	8,417	3,990	4,048	4.4	0.4	3.9	1.5
Wages paid (\$1,000).....	283,725	290,817	316,974	149,252	155,257	11.7	2.5	9.0	4.0
Productivity (short tons per 1,000 hours).....	761.2	780.8	814.4	825.2	801.4	7.0	2.6	4.3	(2.9)
Unit labor costs.....	\$46.23	\$45.99	\$46.24	\$45.33	\$47.86	0.0	(0.5)	0.5	5.6
Net Sales:									
Quantity.....	6,046,895	6,252,446	6,786,337	3,245,847	3,202,232	12.2	3.4	8.5	(1.3)
Value.....	3,252,899	4,082,013	4,411,086	2,158,748	2,036,590	35.6	25.5	8.1	(5.7)
Unit value.....	\$537.95	\$652.87	\$650.00	\$665.08	\$635.99	20.8	21.4	(0.4)	(4.4)
Cost of goods sold (COGS).....	3,142,187	3,722,845	4,011,175	1,957,935	1,871,231	27.7	18.5	7.7	(4.4)
Gross profit of (loss).....	110,712	359,168	399,911	200,813	165,359	261.2	224.4	11.3	(17.7)
SG&A expenses.....	157,330	187,273	187,740	84,456	90,444	19.3	19.0	0.2	7.1
Operating income or (loss).....	(46,618)	171,895	212,171	116,357	74,915	(fn 3)	(fn 3)	23.4	(35.6)
Capital expenditures.....	58,449	54,058	83,337	34,021	39,684	42.6	(7.5)	54.2	16.6
Unit COGS.....	\$519.64	\$595.42	\$591.07	\$603.21	\$584.35	13.7	14.6	(0.7)	(3.1)
Unit SG&A expenses.....	\$26.02	\$29.95	\$27.66	\$26.02	\$28.24	6.3	15.1	(7.6)	8.5
Unit operating income or (loss).....	(\$7.71)	\$27.49	\$31.26	\$35.85	\$23.39	(fn 3)	(fn 3)	13.7	(34.7)
COGS/sales (fn1).....	96.6	91.2	90.9	90.7	91.9	(5.7)	(5.4)	(0.3)	1.2
Operating income or (loss)/sales (fn1).....	(1.4)	4.2	4.8	5.4	3.7	6.2	5.6	0.6	(1.7)

fn1.--Report data are in percent and period changes are in percentage points.

fn2.--Not available.

fn3.--Undefined.

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

