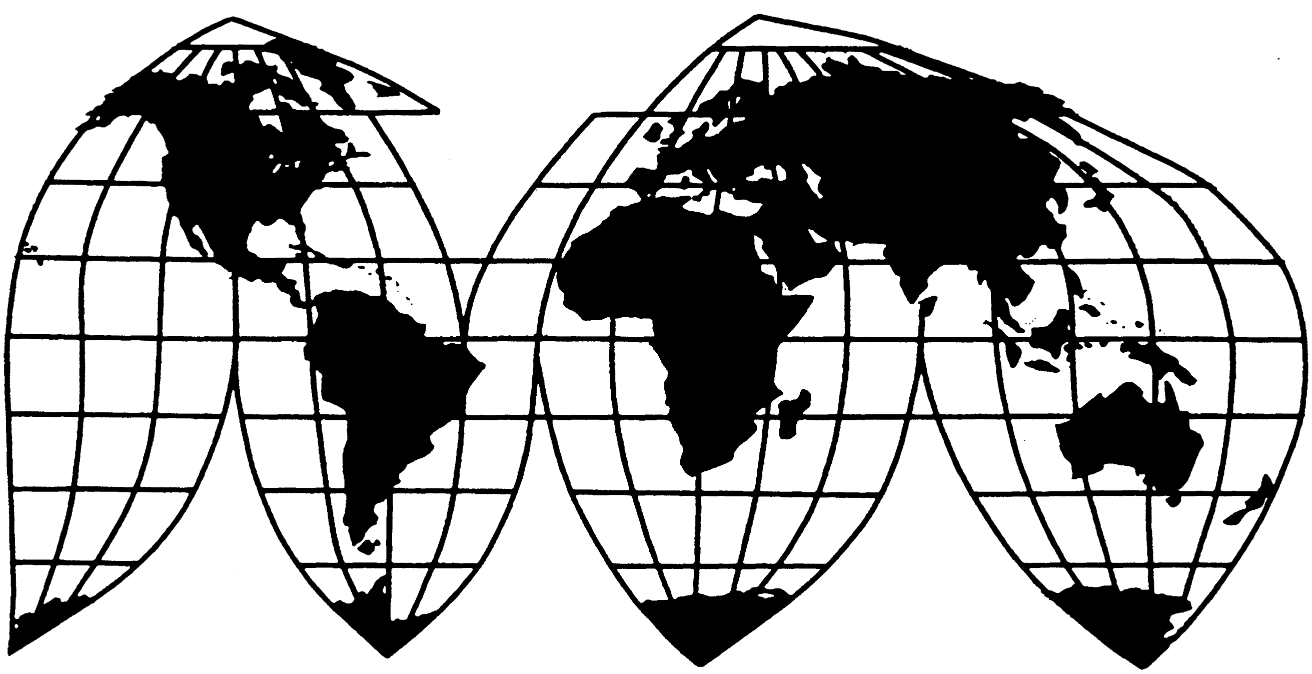
Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine

Investigations Nos. 731-TA-875, 880, and 882 (Final)

Publication 3425 **May 2001**

U.S. International Trade Commission



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U.S. International Trade Commission

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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-875, 880, and 882 (Final)

CERTAIN STEEL CONCRETE REINFORCING BARS FROM INDONESIA, POLAND, AND UKRAINE

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Indonesia, Poland, and Ukraine of certain steel concrete reinforcing bars,[2] provided for in subheading 7214.20.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted these investigations effective June 28, 2000, following receipt of petitions filed with the Commission and Commerce by the Rebar Trade Action Coalition (RTAC) (Washington, D.C.) and its individual members.[3] The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of certain steel concrete reinforcing bars from Indonesia, Poland, and Ukraine were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the Commission's investigations and of a public hearing 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 February 14, 2001 (66 FR 10317). The hearing was held in Washington, DC, on April 5, 2001, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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[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] Chairman Stephen Koplan, Vice Chairman Deanna Tanner Okun, and Commissioner Lynn M. Bragg determine that a regional industry in the United States is materially injured by reason of imports from Indonesia, Poland, and Ukraine of certain steel concrete reinforcing bars. The defined region consists of all the states east of the Mississippi plus Arkansas, Louisiana, Missouri, and Texas, as well as the District of Columbia and Puerto Rico. Commissioner Marcia E. Miller, Commissioner Jennifer A. Hillman, and Commissioner Dennis M. Devaney determine that an industry in the United States is materially injured by reason of imports from Indonesia, Poland, and Ukraine of certain steel concrete reinforcing bars. The Commission also determined that critical circumstances did not exist with respect to subject imports from Poland and Ukraine.

[3] The individual members of RTAC on whose behalf the petitions were filed are as follows: AmeriSteel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); CMC Steel Group (Seguin, TX); Marion Steel Co. (Marion, OH); Nucor Steel (Darlington, SC); and Riverview Steel (Glassport, PA). Auburn was not a petitioner with respect to Indonesia.

VIEWS OF THE COMMISSION

Based on the record in these investigations, Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg determine that a regional industry in the United States is materially injured by reason of subject imports from Indonesia, Poland, and Ukraine of certain concrete steel reinforcing bars ("rebar") that are sold in the United States at less than fair value ("LTFV"). Commissioners Miller, Hillman, and Devaney determine that a domestic industry in the United States is materially injured by reason of subject imports from Indonesia, Poland, and Ukraine of rebar that are sold in the United States at LTFV. The Commission also determines that critical circumstances do not exist with respect to those subject imports from Poland and Ukraine that were subject to affirmative critical circumstances findings by the U.S. Department of Commerce ("Commerce").

On June 30, 2000, petitions were filed regarding subject imports from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela. In the preliminary determinations, the Commission terminated its investigations with respect to Austria, Japan, Russia, and Venezuela.[1] On April 11, 2001, Commerce issued its final determinations with respect to Indonesia, Poland, and Ukraine.[2] Although at this point in the proceedings we only make final material injury determinations with respect to these three countries, we are also resolving certain legal issues relevant to all eight subject countries, such as the definition of the domestic like product and the domestic industry.

These views are organized such that Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg's views on the regional industry are presented first, followed by Commissioners Miller, Hillman, and Devaney's views based on a national industry analysis.

I. DOMESTIC LIKE PRODUCT

A. <u>In General</u>

To determine whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[3] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a [w]hole 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."[4] In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ."[5]

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[1] In its preliminary investigations the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Japan were not sufficiently concentrated in the region and concluded that there was no reasonable indication that a regional industry in the United States was materially injured or threatened with material injury. The Commission also found that the imports of rebar from Austria, Russia, and Venezuela were negligible. Preliminary Determination at 3. Commissioner Bragg dissenting with respect to Austria, Japan, Russia, and Venezuela.

[2] 66 Fed. Reg. 18753 (Apr. 11, 2001).

[3] 19 U.S.C. § 1677(4)(A).

[4] 19 U.S.C. § 1677(4)(A).

[5] 19 U.S.C. § 1677(10).

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 "most similar in characteristics and uses" on a case-by-case basis.[6] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[7] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[8] Although the Commission must accept the determination of Commerce as to the scope of the imported merchandise that has been found to be subsidized or sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[9]

B. Product Description

In its final determinations, Commerce defined the imported merchandise within the scope of these investigations as rebar, encompassing:

> all steel concrete reinforcing bars (rebar) sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 . . . . Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating.[10]

The subject merchandise is hot-rolled deformed rebar, designed specifically to enhance the tensile and shear-stress strength of concrete structures.[11] Rebar is sold to customers in various forms and stages of fabrication, but only stock deformed rebar, which is not further processed, is subject to these investigations.[12]

None of the parties contested the Commission's finding in the preliminary determinations of a single domestic like product, rebar, and no new information has emerged in the final phase of these

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[6] See, e.g., NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (CIT 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749, n.3 (CIT 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: (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 (CIT 1996).

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

[8] Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49. See also S. Rep. No. 96-249, at 90-91 (1979) (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").

[9] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[10] 66 Fed. Reg. 18752, 18753 (Apr. 11, 2001).

[11] Confidential Staff Report ("CR") at I-7-I-10, Public Report ("PR") at I-7.

[12] CR at I-7-I-10, PR at I-7-I-9.

investigations that would call into question the earlier determination. Accordingly, for the reasons stated in the Commission's preliminary determinations, we find that there is one domestic like product consisting of rebar, coextensive with the scope of the subject merchandise.

II. DOMESTIC INDUSTRY

The domestic industry is defined as "the producers as a {w}hole of a domestic like product."[13] In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[14]

There are two domestic industry issues in these final investigations: (1) whether there is a regional industry; and (2) whether any of the producers of the domestic like product should be excluded from the industry as related parties.

Regional Industry Analysis

1. General Considerations

Section 771(4)(C) of the Tariff Act of 1930, as amended by the URAA,[15] provides that:
In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

(i) the producers within such market sell all or almost all of their production of the domestic like product in question in that market, and
(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of dumped imports or imports of merchandise benefitting from a countervailable subsidy into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the dumped imports or imports of merchandise benefitting from a countervailable subsidy. The term "regional industry" means the domestic producers within a region who are treated as a separate industry under this subparagraph.[16]

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[13] 19 U.S.C. § 1677(4)(A).

[14] See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[15] The Uruguay Round Agreements Act ("URAA") amendments to the Tariff Act of 1930 ("the Act"), P.L. 103-465, approved Dec. 8, 1994, 108 Stat. 4809. 19 U.S.C. § 1671 et seq., as amended.

[16] 19 U.S.C. § 1677(4)(C). The URAA changes to the regional industry provisions were not intended to affect
(continued...)

The statute sets three prerequisites that must be satisfied before the Commission can reach an affirmative determination under a regional industry analysis.[17] The Commission must determine that there is: (1) a regional market satisfying the requirements of the statute, (2) a concentration of dumped imports into the regional market, and (3) material injury or threat thereof to producers of all or almost all of the regional production, or material retardation to the establishment of an industry due to the subsidized or dumped imports. The Commission will proceed to the subsequent step only if each preceding step is satisfied.

The Commission has found, in the past, that "appropriate circumstances" exist for the Commission to engage in a regional industry analysis for products with low value-to-weight ratios and where high transportation costs make the areas in which the product is produced necessarily isolated and insular.[18]

2. Background

In the preliminary determinations, the Commission found a regional industry for rebar, which included 30 contiguous states from New England to Texas and from the Gulf of Mexico north on both sides of the Mississippi up to the Canadian border, plus the District of Columbia and Puerto Rico.[19] [20] In defining the boundaries of the region, the Commission also examined whether Oklahoma, Iowa, and Minnesota should be included in the region given their proximity. The Commission determined not to include the latter three states for purposes of the preliminary determinations, but indicated that it would reconsider the issue in any final phase of the investigations. Finally, the Commission determined that subject imports from all countries, except for those from Japan, were sufficiently concentrated in the

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[16] (...continued)
substantive Commission practice. The definition of "regional industry" in the last sentence was added and technical language changes were made by the URAA. The URAA also amended the statute to require that Commerce "to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation." 19 U.S.C. § 1673e(d).

[17] Texas Crushed Stone Co. v. United States, 822 F. Supp. 773, 777, aff'd, 35 F.3rd 1535 (Fed. Cir. 1994)("the ITC's case-by-case approach represents a 'legitimate policy choice' made by the agency in interpreting and applying the statute." Id. at 1542), affirming Crushed Limestone from Mexico, Inv. No. 731-TA-562 (Preliminary), USITC Pub. 2533 (July 1992)("Limestone"). See also Atlantic Sugar, Ltd. v. United States, 519 F. Supp. 916, 920 (Ct. Int'l Trade 1981)(court cautioned against "arbitrary or free handed sculpting of regional markets.")

[18] In a 1997 investigation involving a similar domestic like product, the Commission found that while transportation costs are not a substantial part of any final delivered price to customers, the low value-to-weight ratio for rebar restricted the geographical area in which it could be competitively sold. The Commission found that regional shipments of rebar generally were concentrated within a 250-mile radius of the producing mill. Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 USITC Pub. 3034 (Final) (April 1997) ("Rebar From Turkey") at 4.

[19] CR at I-2, PR at I-2. The thirty states included in the region were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Virginia, Maryland, West Virginia, North Carolina, South Carolina, Georgia, Florida, Mississippi, Alabama, Tennessee, Kentucky, Ohio, Indiana, Illinois, Wisconsin, Michigan, Missouri, Arkansas, Louisiana, and Texas. Id.

[20] Preliminary Determination at 8, n.29 & 30.

region. As the subject imports from Japan were not sufficiently concentrated in the region, the Commission terminated the investigation with respect to those imports.[21]

In the preliminary determinations, the Commission found that domestic producers generally reported that transportation costs accounted for a moderate percentage of the total cost of the product, from 5 to 8 percent of the total delivered cost for U.S. inland transported products, and that transportation charges for imports from the subject countries generally ranged from 8.9 percent to 14.6 percent.[22] While the Commission noted that transportation costs are not a substantial part of any final delivered price to customers, rebar is a low value-to-weight product, which appeared to restrict the geographical area in which rebar can be competitively sold. The Commission found that shipments of rebar are reportedly concentrated within 250 miles of the producing mill.[23] Accordingly, the Commission found that appropriate circumstances existed to conduct a regional industry analysis.

Chairman Koplan and Vice Chairman Okun indicated in the preliminary determinations that they did not intend to revisit the issue of whether a regional analysis was appropriate in the final phase of these investigations. Commissioner Bragg noted that, barring any unforeseeable developments in the record of any final phase investigations, she did not intend to revisit the issue.

Commissioners Miller, Hillman, and Askey indicated that they intended to revisit this issue in the final phase of the investigations, noting that there were similar trends concerning subject import volumes and average unit prices both inside and outside the region.[24] They therefore invited the parties to address what factors the Commission should consider in determining whether a regional analysis is appropriate.

Late in the final phase of these investigations, petitioner proposed that the Commission expand the region found in the preliminary phase of the investigations to now include Oklahoma, Iowa, and Minnesota. According to the petitioner, it had learned that there are shipments of subject imports into two of those states and that three rebar mills in Minnesota, Oklahoma, and Iowa showed financial results that ***.[25] The petitioner also stated that either a regional or national industry analysis would be appropriate.

For the reasons stated in their respective sections, below, Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg base their material injury analysis on a regional industry, and Commissioners Miller, Hillman, and Devaney base their material injury analysis on a national industry.

VIEWS OF CHAIRMAN KOPLAN, VICE CHAIRMAN OKUN, AND COMMISSIONER BRAGG

I. REGIONAL INDUSTRY ANALYSIS

A. Proposed Alternative Regions

We determine that a regional analysis is appropriate and for the reasons set forth below define a 30-state region consistent with our preliminary determinations.

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[21] Commissioner Bragg dissenting.

[22] CR and PR at Table V-1.

[23] Preliminary Determination at 7.

[24] Preliminary Determination at 8, n.28.

[25] Petitioner's Posthearing Br. at 2. Petitioner's assertion that Oklahoma, Iowa, and Minnesota should be included in the region was first raised in its posthearing brief. In its prior submissions, petitioner advocated that these three states should not be included in the region. Petitioner's Prehearing Br. at 26.

In considering alternative regions, the Commission considers whether there is competition among the subject imports and the domestic producers in the region and in the proposed alternatives to the region. The Commission generally does not require actual competition but only that there are "no current or future limitations on sales by the petitioner in these states."[26]

As stated earlier, petitioner now requests that Oklahoma, Iowa, and Minnesota be included in the region. In the preliminary phase of these investigations, the Commission considered whether these three states should be included in the region given their proximity to the region and the presence of three domestic producers. However, the Commission declined to include Oklahoma, Iowa, and Minnesota in the region in light of the fact that only *** percent of regional producers' shipments were shipped to these three states and that *** percent of rebar production from those states was shipped into the 30-state region.[27]

The record continues to indicate that a large percentage of production in these three states is shipped to states outside the original 30-state region, and regional shipments into these states remain relatively modest. Moreover, U.S. shipments of subject imports into these states were *** over the period of investigation, amounting to only about *** in 2000.[28]

For these reasons, we do not include Oklahoma, Iowa, and Minnesota in the region.

B. Market Isolation Criteria

1. Sales of "All or Almost All" Production Within the Region

Producers in the region shipped more than 91.0 percent of their U.S. shipments of rebar within the region throughout the period of investigation.[29] We find that this level satisfies the statutory market isolation criterion of Section 771(4)(C)(i) of the Act that "producers within such market sell all or almost all of their production of the domestic like product in that market."[30]

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[26] Nepheline Syenite from Canada, Inv. No. 731-TA-525 (Preliminary), USITC Pub. 2415 at 20-22 (Aug. 1991)(Commission included states to which petitioner did not ship, noting that there was evidence of actual marketing by petitioner in those states). See, e.g., Certain Fresh Potatoes from Canada ("Round White Potatoes"), Inv. No. 731-TA-124 (Preliminary), USITC Pub. 1364 (March 1983)(marketing of round white potatoes in the states of New Jersey, Delaware, and Maryland, even though there were no producers of the like product in those states, was enough to include those states in the region); Offshore Platform Jackets and Piles from the Republic of Korea and Japan, ("Offshore Platform Jackets") Inv. Nos. 701-TA-248 (Final) and 731-TA-259 and 260 (Final), USITC 1848 at 8-10 (May 1986).

[27] Preliminary Determination at 9, n.38.

[28] Producer's and Purchasers' Questionnaire Responses.

[29] CR and PR at Table 1-1. Regional producers' shipments in the region as a share of their total shipments were 92.4 percent in 1998, 92.1 percent in 1999, 91.7 percent in 2000. Id.

[30] 19 U.S.C. § 1677(4)(C)(i). This is within the range the Commission previously has considered sufficient to satisfy this criterion. See Texas Crushed Stone, 822 F. Supp. 773, aff'd, 35 F.3rd 1535 (Fed. Cir. 1994); Cemex, S.A. v. United States, 790 F. Supp. at 292-294, aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

2. Demand in Region Supplied by U.S. Producers Outside Region

The percentage of consumption in the region that was supplied by U.S. producers outside the region was very low during the period of investigation.[31] The share of regional consumption supplied by U.S. producers outside the region was *** percent in 1998, *** percent in 1999, and *** percent in 2000.[32] We find that these percentages satisfy the second market isolation criterion of Section 771(C)(4)(ii) that "demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States."[33] [34]

Having found that the two market isolation criteria have been satisfied, we therefore determine that a regional industry exists.

C. Concentration of Imports

As indicated earlier, we are making final determinations in these views only with respect to Indonesia, Poland, and Ukraine. However, in order to determine whether cumulation is appropriate in our analysis with respect to these countries, we also address the concentration of imports and issues of negligibility for all subject countries for purposes of these final determinations.

In the second step of the regional industry analysis, the Commission determines whether the statutory requirement of concentration of imports within the pertinent region is satisfied. The statute does not define concentration. The legislative history to the URAA indicates that "no precise mathematical formula is reliable in determining the minimum percentage which constitutes sufficient concentration."[35] The SAA also provides that concentration of imports will be found to exist "if the ratio of the subject imports to consumption is clearly higher in the regional market than in the rest of the U.S. market, and if such imports into the region account for a substantial proportion of total subject imports

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[31] CR and PR at Table I-1.

[32] CR and PR at Table I-1.

[33] 19 U.S.C. § 1677(4)(C)(ii).

[34] The Court of International Trade has suggested that a level of 12 percent of total supply from outside of the region may be too high to be considered insubstantial "in the abstract," but nonetheless affirmed a Commission determination holding that the market isolation criteria were satisfied when 12 percent of regional consumption was supplied by producers outside the region. Atlantic Sugar, Ltd. v. United States, 519 F. Supp. 916, 919-920 (Ct. Int'l Trade 1981). The Commission has found that an average of 10.5 percent was acceptable and on several occasions that percentages of outside supply of less than 10 percent were acceptable. See, e.g., Gray Portland Cement and Cement Clinker from Venezuela ("Venezuela Cement"), Inv. Nos. 303-TA-21 (Preliminary) and 731-TA-519 (Preliminary), USITC Pub. 2400 at 8-10 (July 1991); Mexico Cement, USITC Pub. 2305 at 15 (between 8 and 8.3 percent acceptable); Sugars and Sirups from Canada, Inv. No. 731-TA-3 (Final), USITC Pub. 1047 at 4, 14 (March 1980)(5.5 percent acceptable); Portland Hydraulic Cement from Australia and Japan,("Portland Hydraulic Cement") Inv. Nos. 731-TA-108 and 109, USITC Pub. 1310 at 9 (November 1982)(less than 10 percent acceptable). It determined in one case that 30 percent was too large, and in a second that percentages that ranged between 25 and 50 percent were too large. See Frozen French Fried Potatoes from Canada, Inv. No. 731-TA-93 (Preliminary), USITC Pub. 1259 at 7 (June 1982); 12-Volt Lead-Acid Type Automotive Storage Batteries from the Republic of Korea, Inv. No. 731-TA-261 (Preliminary), USITC Pub. 1710 at 8 (June 1985).

[35] SAA at 190.

entering the United States."[36] [37] The SAA cautions that there is no "benchmark" for determining what constitutes a concentration; rather it should be decided on a case-by-case basis.[38] The courts have affirmed the Commission's case-by-case approach to applying this provision of the statute.[39]

The ratio of imports to consumption in the region for each of the subject countries, with the sole exception of Korea, was consistently higher than the ratio of imports to consumption outside the region for these subject countries throughout the period of investigation.[40] With respect to Korea, the ratio of Korean subject imports to consumption in the region, although lower than the ratio of subject imports to consumption outside the region in 1999, was higher inside the region in 1998 and 2000.[41]

The percentage of total imports from each subject country into the region, with the exception of China, Korea, and Indonesia, was 100.0 percent in 1998, ranged from *** to 100.0 percent in 1999, and was 100.0 percent in 2000.[42]

China's percentage of total imports into the region was 99.3 percent in 1999 and 75.5 percent in 2000.[43] While China's percentage of imports into the region declined from 1999 to 2000, the percentage remained relatively high and the decline was coincident with the filing of the petition. Thus, we find that subject imports from China are sufficiently concentrated within the region.

With respect to Korea, the percentage of total imports from Korea into the region was 76.9 percent in 1998, 68.7 percent in 1999, and 78.1 percent in 2000, indicating an increasing trend of total Korean imports into the region. [44] We therefore find that given that the percentages of total Korean subject imports are relatively high and increasing overall, Korean subject imports are sufficiently concentrated within the region.

Finally, we note that subject imports from Indonesia were not present in the region or the entire U.S. market in 2000. However, when present in the market, the concentration of Indonesian subject

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[36] SAA at 190.

[37] In the past, the Commission only considered the import penetration ratio in particular circumstances where imports outside the region were widely dispersed or the regional industry was a significant portion of the national industry. This Commission practice was affirmed by Texas Crushed Stone, 35 F.3rd 1535 (Fed. Cir. 1994). See also Gray Portland Cement and Cement Clinker from Japan ("Japan Cement"), Inv. 731-TA-461 (Final), USITC Pub. 2376 at 21, n. 47 (April 1991) (the Commission "would not consider it of much weight if Southern California represented but a very small share of overall U.S. consumption").

[38] SAA at 190. See also Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 614-615 (Ct. Int'l Trade 1993).

[39] Texas Crushed Stone, 35 F.3rd 1535 (Fed. Cir. 1994); Cemex, 790 F. Supp. at 292-294 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

[40] CR and PR at Table I-1. Chairman Koplan and Vice Chairman Okun note that with the exclusion of *** short tons of reported Chinese imports from the region which were shipped to ***, discussed in their negligibility analysis below, the ratio of Chinese imports to consumption inside the region remained significantly higher than the ratio of imports to consumption outside the region.

[41] The ratio of imports to consumption inside the region for subject imports from Korea was *** percent in 1998, *** percent in 1999, and *** percent in 2000, compared to *** percent in 1998, *** percent in 1999 and *** percent in 2000 for the ratio of imports to consumption outside the region. CR and PR at Table I-1.

[42] CR and PR at Table I-1.

[43] CR and PR at Table I-1. Chairman Koplan and Vice Chairman Okun note that even with the exclusion of the *** shipment, China's percentage of total imports was relatively high at *** percent in 2000.

[44] CR and PR at Table I-1.

imports in the region was 100.0 percent in 1998 and 92.0 percent in 1999.[45] Accordingly, we find that subject imports from Indonesia are sufficiently concentrated in the region.

Based on a comparison of the market share of subject imports in the region to the market share of subject imports outside of the region, as well as consideration of the proportion of total subject imports that entered the region during the period of investigation, we find that subject imports from Belarus, China, Indonesia, Latvia, Korea, Moldova, Poland, and Ukraine are sufficiently concentrated in the region. Therefore, for purposes of the final determinations on subject imports from Indonesia, Poland, and Ukraine, we consider whether there is material injury or threat thereof by reason of subject imports on a regional industry basis.

II. RELATED PARTIES

Having defined the domestic industry as producers of rebar within the region, we must further determine whether any producer of the domestic like product should be excluded from the domestic industry as a related party pursuant to 19 U.S.C. § 1677(4)(B). Section 1677(4)(B) 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 that are themselves importers.[46] Exclusion of such producers is within the Commission's discretion based upon the facts presented in each case.[47]

There are three companies in the region that may be considered "related parties" under (ii)(II) or (III) of the related parties provision based on ownership interests. ***, which has imported *** from ***. *** which imported subject imports from ***. In addition, *** imported subject rebar from ***.[48] Consequently, it is necessary to consider whether "appropriate circumstances" exist to exclude any of these companies from the regional industry.[49]

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[45] CR and PR at Table I-1.

[46] 19 U.S.C. § 1677(4)(A).

[47] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude related parties include: (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 producers 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. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016, at 14 n.81 (Feb. 1997).

[48] CR at IV-1-2, PR at IV-1-IV-2.

[49] Commissioner Bragg dissenting with respect to ***. The volume of *** subject imports greatly exceeded the volume of *** domestic production. In addition, *** operating performance over the POI remained at very high levels, in contrast to most other domestic producers whose operating performance trended downward. The record therefore indicates that *** has been somewhat insulated from the adverse effects of subject imports. Accordingly, Commissioner Bragg finds that appropriate circumstances exist to exclude *** from the domestic industry as a related party. Commissioner Bragg notes, however, that had she included *** in the domestic industry she would have reached the same conclusion, i.e., affirmative determinations.

None of these regional producers import the subject product, nor did they report purchases of subject merchandise from their related companies or other sources.[50] Of the producers in question, *** had operating margins higher than the other regional producers. In any event, there is no evidence that any of these producers derive any concrete benefits, or operate in a manner that is different from any other regional producer or affiliated importers. All either *** or are petitioners.[51] None of the parties have argued for the exclusion of any of these U.S. producers from the domestic industry or from the regional industry.

Based upon these facts, we do not find that appropriate circumstances exist to exclude any of these producers from the regional industry under the related parties provision of the statute. We thus define the regional industry to consist of all domestic production facilities producing the like product in the region.

III. NEGLIGIBLE IMPORTS

The statute provides that subject imports corresponding to a domestic like product that account for less than three 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.[52] By operation of law, a finding of negligibility terminates the Commission's investigations with respect to such imports.[53] The statute also provides that, even if imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that imports from the country concerned will imminently account for more than 3 percent of all such merchandise imported into the United States, or that there is a potential that the aggregate volumes of imports from the several countries with negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.[54] The Commission is authorized to make "reasonable estimates on the basis of available statistics" of pertinent import levels for purposes of deciding negligibility.[55] In addition, when the Commission makes a regional industry determination, the statute provides that its negligibility analysis "shall be based upon

[50] In 2000, *** was *** regional producer of rebar, accounting for over $*** in total net sales and *** percent of regional producers' 2000 shipments. In contrast to the volume of *** regional shipments, its affiliated company *** reported U.S. imports from subject sources (***) totaling *** short tons and valued at *** in 1998. All such imports entered the 30-state region and were the equivalent of *** percent of *** regional production in 2000. In 2000, *** was the *** largest regional producer of rebar, accounting for over *** in total net sales and *** percent of regional producers' 2000 shipments. Its affiliate, ***, imported rebar from ***, totaling *** short tons valued at *** in 2000. Such imports account for the equivalent of *** percent of *** regional production in 2000. CR at IV-2, n.1, 2, & 3, PR at IV-1, n. 1, 2, & 3.

*** plant reported $*** in total net sales in 2000. At the same time, *** indicated that it imported *** short tons from subject sources into the region valued at ***. CR at IV-2, n. 3, PR at IV-1, n. 3.

[51] CR and PR at Table III-1.

[52] 19 U.S.C. § 1677(24)(A)(i)(I).

[53] 19 U.S.C. § 1671b(a)(1), 19 U.S.C. § 1673b(a)(1).

[54] 19 U.S.C. § 1677(24)(A)(iv).

[55] 19 U.S.C. § 1677(24)(C); see also The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1 at 856 (1994) ("SAA").

the volume of subject merchandise exported for sale in the regional market in lieu of the volume of all subject merchandise imported into the United States."[56]

Negligibility is an issue in these final investigations only with respect to imports from China. As noted earlier, we are making final determinations only with respect to Indonesia, Poland, and Ukraine. Therefore, our consideration of negligibility with respect to China is limited to an assessment of China as a candidate for cumulation in our present material injury analysis in the investigations before us.[57]

According to official import statistics, the percentage of imports into the region from China was 3.2 percent of total imports, which is above the statutory threshold for negligibility. However, the record indicates that *** of rebar that were reported as imports from China into the region entered the Port of New Orleans and were shipped directly to the importer of record located in ***, which is outside of the 30-state region.[58] Consequently, because the first sale of this merchandise occurred outside of the region, we do not consider it to be "exported for sale in the regional market" in our assessment of negligibility.[59] We determine that the volume of subject imports from China exported for sale into the region is less than 3 percent of total exports for sale in the region during the most recent 12-month period preceding the filing of this petition for which data are available. Therefore, we are not cumulating subject imports from China for purposes of our analysis of present material injury involving subject imports from Indonesia, Poland, and Ukraine.

We note, however, that because Commerce has not yet made its final determination with respect to China, we do not reach the issue in these investigations as to whether imports from China will imminently exceed 3 percent of all such merchandise imported into the United States.

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[56] 19 U.S.C. § 1677(24)(D).

[57] Commissioner Bragg does not join the remainder of this section. She finds, as she did in the preliminary determinations, that subject imports from China are not negligible. This determination is based, in part, on Commissioner Bragg's finding that Laiwu's sales of subject imports to *** for delivery to the Port of New Orleans qualify as "subject merchandise exported for sale in the regional market." See 19 U.S.C. § 1677(24)((D). Commissioner Bragg does not agree with the Chinese respondent's contention that in regional industry investigations "the location of the final destination of the sale, and not the location of the port of entry, is critical." Pre-Hearing Brief of Laiwu Steel Group, Ltd. at 10. Commissioner Bragg believes that the application of respondent's interpretation of the statute to assess negligibility with respect to Chinese subject imports would require the same approach with respect to imports from all subject countries, to ensure fair and consistent application of the negligibility provision. Taken to its logical conclusion, such an interpretation of the statute would require the Commission to trace each importation of subject merchandise to the final end user to ensure the final destination was within the region, a requirement not imposed by the statute.

[58] CR and PR at Table IV-9.

[59] We note that an assessment of shipments assigned past the port of entry is consistent with prior Commission analysis in regional industry investigations. See, e.g., Gray Portland Cement and Cement Clinker from Japan, Mexico, and Venezuela, Inv. Nos. 303-TA-21 (Review) and 731-TA-451, 461, and 519 (Review), USITC Pub. 3361 (Oct. 2000) at I-4. ("Based on analysis of importer questionnaires of those importers bringing product through New Orleans, 30 percent of the import tonnage for New Orleans was sold in and was assigned to the Southern-tier, with the balance having been shipped to importers of record outside the region."); Frozen French Fried Potatoes from Canada, Inv. No. 731-TA-93 (Preliminary), USITC Pub. 1259 (June 1982) at 8 (imports "enter the region, but the imports are shipped directly to consignees outside the region and therefore, do not compete for sales within the region").

IV. CUMULATION

A. In General

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, Section 771(7)(G)(i) of the 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 United States market.[60] The Act specifically excepts, however, imports from any country for which the investigation has been terminated.[61] Because the imports from China may be negligible for present material injury purposes, we have determined not to cumulate subject imports from China for our determination as to whether the regional industry is materially injured by subject imports from Indonesia, Poland, and Ukraine.[62]

In assessing whether subject imports compete with each other and with the domestic like product,[63] the Commission has generally considered four factors, including:

(1) the degree of fungibility between the subject imports from different countries and between 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.[64]

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.[65] Only a "reasonable overlap" of competition is required.[66]

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[60] 19 U.S.C. § 1677(7)(G)(i).

[61] 19 U.S. C. § 1677(7)(c)(ii)(II).

[62] Commissioner Bragg dissenting with respect to China.

[63] The SAA at 848 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," citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[64] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 at 8, n.29 (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).

[65] See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[66] See Goss Graphic System, 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"); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

B. Analysis

Chairman Koplan and Vice Chairman Okun have determined to cumulate the subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.[67] The petitions with respect to these subject countries were filed on the same day, and we find that there is a reasonable overlap of competition among imports from each of these countries and between these subject imports and the domestic like product.[68]

1. Fungibility

Rebar is a highly fungible product since virtually all rebar produced, sold, or used in the United States meets certain common standards, such as ASTM, or state and local building codes, which dictate minimum requirements for chemical composition, tensile strength, yield strength (grade), and elongation tolerances.[69] All U.S. producers and a majority of importers consider the domestic product and imported rebar to be interchangeable regardless of country of origin.[70] A majority of purchasers reported that rebar from all sources is generally used in the same applications. [71]

2. Geographic Overlap

Rebar produced in the region is sold throughout the region.[72] Imported rebar from the subject countries is sold or marketed throughout the region.[73]

3. Channels of Distribution

Domestic and imported rebar from the subject countries are sold to both distributors and fabricators. Historically, domestic rebar was sold to fabricators and subject rebar to distributors, but this distinction appears to have moderated. For example, of the 19 purchasers who responded to Commission questionnaires, 6 identified themselves as distributors, 7 identified themselves as fabricators, and 6 identified themselves as both. With the exception of 3 firms, all purchasers reported buying both domestic and imported rebar during the period of investigation.[74]

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[67] Commissioner Bragg cumulates subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

[68] Petitions were also filed with respect to imports from Austria, Japan, Russia, and Venezuela. The Commission, however, terminated its investigations with respect to these countries in its preliminary determinations. Commissioner Bragg dissenting with respect to Austria, Japan, Russia, and Venezuela.

[69] CR at I-9, I-12, I-13, PR at I-8, I-10, I-11.

[70] CR at II-8, n. 8, CR at I-8, n. 21, PR at II-6, n. 8 and I-8, n. 21.

[71] CR at I-9, PR at I-7-8.

[72] CR and PR at Table I-1.

[73] CR and PR at Tables IV-1, IV-2; Petitioner's Posthearing Br. at Exh. F.

[74] CR at II-9, PR at II-6-7.

4. Simultaneous Presence

Domestically produced rebar was present in the region throughout the period for which data were collected.[75]

Based on the entire record, we find a reasonable overlap of competition and cumulate subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine for purposes of our final determinations with respect to LTFV imports from Indonesia, Poland and Ukraine.[76]

V. MATERIAL INJURY BY REASON OF THE SUBJECT IMPORTS

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[77] In making this determination, the Commission must consider the volume of 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.[78] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[79] In assessing whether 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.[80] 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."[81]

A. Regional Industry Injury Analysis

Under a regional industry injury analysis, producers of "all or almost all" of the production in the region must be materially injured.[82] There is no specification in the statute or in prior Commission determinations as to what percentage of domestic production constitutes "all, or almost all" in the context of regional injury analysis. The Court of International Trade ("CIT") has held that, a "numerical analysis would not be appropriate under the regional injury provision . . . [because] numerous factors must be considered and a quantitative analysis is inappropriate."[83] The CIT has held that the "Commission did not

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[75] CR at IV-9, PR at IV-8.

[76] Commissioner Bragg finds that the same factors supporting cumulation with respect to these subject countries apply equally with respect to subject imports from China, which, as discussed above, Commissioner Bragg finds not to be negligible. Commissioner Bragg therefore includes subject imports from China in her cumulative analysis. She further notes that the addition of subject imports from China to the analysis further strengthens a finding of present material injury by reason of the subject imports.

[77] 19 U.S.C. § 1673d(b).

[78] 19 U.S.C. § 1677(7)(B)(i). 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); see also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[79] 19 U.S.C. § 1677(7)(A).

[80] 19 U.S.C. § 1677(7)(C)(iii).

[81] Id.

[82] 19 U.S.C. § 1677(4)(c).

[83] Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 616 and 617 (Ct. Int'l Trade 1993); Cemex, 790 (continued...)

err in failing to apply a fixed percentage test of eighty to eighty-five percent" in determining whether a regional industry was injured. [84]

Generally, after determining whether the aggregate regional data evidences material injury, the Commission next examines individual producer data "as appropriate to determine whether anomalies exist that an aggregate industry analysis would disguise." [85] In examining individual producer data, the Commission is "not required to adopt the pure plant-by-plant inquiry" and "[u]se of either a straight aggregate or pure plant-by-plant method in determining injury in a regional analysis is not mandated by statute or case law . . . ."[86]

For the reasons discussed below, we determine that the regional industry producing rebar is materially injured by reason of subject imports that are sold in the United States at less than fair value.

B. Conditions of Competition

There are several conditions of competition that are relevant to our analysis in these investigations. [87]

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[83] (...continued)
F. Supp. at 294 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

[84] Mitsubishi Materials, 820 F. Supp. at 616 and 617 (Ct. Int'l Trade 1993); Cemex, 790 F. Supp. at 294 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

[85] Rebar From Turkey at 23 and nn.141-142.

[86] Mitsubishi Materials, 820 F. Supp. at 617 and 618; accord, Mitsubishi Materials Corp. v. United States, 918 F. Supp. 422, 427 (Ct. Int'l Trade 1996)(aggregate analysis of regional producers sufficient to satisfy the 'all or almost all' standard where industry conditions were common to each regional producer); Cemex, 790 at 294 and 295 ("to the extent that some safeguard is required to assure that the 'all or almost all' standard [was met].") In Rebar From Turkey, the Commission analyzed both "the statutory factors regarding the aggregate regional industry" and "the performance of individual regional producers to look for anomalies as a safeguard . . . to assure that the 'all or almost all' standard [was] met." Id. at 23 n. 142. The Commission also indicated that while its individual analysis was at the producer level, it further noted that "examination at the individual plant level would not change our findings." Id.

[87] As amended by the URAA, the Act contains a provision on captive production at section 771(7)(C)(iv), which provides:

> (iv) CAPTIVE PRODUCTION -- If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that --
>
> > (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,
> >
> > (II) the domestic like product is the predominant material input in the production of that downstream article, and
> >
> > (III) the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article,
>
> 19 U.S.C. § 1677(7)(C)(iv). The Statement of Administrative Action issued in conjunction with the URAA indicates that where a domestic like product is transferred internally for the production

(continued...)

Rebar is primarily used for the reinforcement of concrete structures, and demand for rebar follows trends in construction.[88] During the last several years, demand for rebar has increased, due to a strong economy and increases in construction.[89] Apparent U.S. consumption of rebar within the region increased from *** million tons in 1998 to *** million tons in 1999, and then decreased slightly to *** million tons in 2000.[90]

There are at best limited substitutes for rebar.[91] A majority of U.S. producers, importers, and purchasers reported that there were no substitutes or no practical substitutes for rebar in most applications.[92]

Rebar is generally regarded as a commodity product and rebar of the same grade and dimensions is generally interchangeable regardless of origin.[93] Rebar is produced to standard specifications. The interchangeability of domestic and imported rebar suggests that price is a significant factor in purchasing decisions. Indeed, purchasers indicated that price was the most important factor in purchasing decisions.[94]

The most common specification of rebar sold in the United States is of nonalloy billet steel (ASTM A615) in grade 60.[95] Rebar is usually sold in lengths of 20, 40, or 60 feet. Differing bar sizes and lengths tend to predominate in different uses as a considerable portion of small rebar is applied to light construction applications (e.g., residences, pools, patios, and walkways) while larger sizes in 60-foot lengths are exclusively used in heavy construction applications (e.g. high-rise construction, bridges, and roads).[96]

Both domestic producers' and importers' sales in the U.S. market primarily take place through distributors, service centers, and fabricators.[97] Domestic producers generally reported that transportation

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[87] (...continued)

of another article coming within the definition of the domestic like product, such transfers do not constitute internal transfers for the production of a "downstream article" for purposes of the captive production provision. H. Doc. No. 103-316 at 853 (1994).

We have considered whether the captive production provision requires us primarily to focus our analysis on the merchant market when assessing market share and the factors affecting the financial performance of the domestic industry. In these investigations, the domestic industry captively consumes a significant portion of its domestic like product in the manufacture of downstream products. CR and PR at Table VI-5. However, as in the preliminary determinations, the record indicates that rebar sold in the merchant market is generally used in the production of the same downstream products for which rebar is internally consumed. Domestic Producers' Questionnaire Responses. Accordingly, we find that the third criterion of the captive production provision is not satisfied and thus the captive production provision does not apply in these investigations.

[88] CR at I-8, II-4, PR at I-7, II-3; Petitioner's Prehearing Br. at 6-7.

[89] CR at II-4, PR at II-3; Domestic Producers' Questionnaire Responses, see e.g., *** QR at 27; *** QR at Attachment A.

[90] CR and PR at Table C-1.

[91] CR at I-11, I-12; PR at I-9, I-10.

[92] Other products which reportedly may be used in limited applications include prestressed wire concrete strand and smooth bars. CR at I-11, I 12, PR at I-9, I-10.

[93] CR at I-12, PR at I-10.

[94] CR at II-5, PR at II-4.

[95] CR at I-9 and n. 21, PR at I-8, n. 21.

[96] CR at I-12, PR at I-10.

[97] CR and PR at II-1.

costs accounted for 5 to 10 percent of the total cost of rebar. Inland transportation charges for regional imports from the subject countries generally ranged from 1.5 percent to 18.0 percent.[98] Shipments of rebar are concentrated within distances of 250 miles of the producing mill and port of entry.[99]

Both subject and nonsubject imports of rebar are generally excluded from federal and state projects subject to "Buy American" laws. The record also indicates that in some instances purchasers have a policy of favoring domestic rebar over imported merchandise. The parties disagree with regard to how much of the U.S. market is subject to these restrictions and the record does not establish what percentage of rebar is subject to "Buy American" or domestic preference policies. However, the record indicates that domestic suppliers typically charge the same prices for all products, regardless of any "Buy American" or domestic preference policies.[100]

During the period of investigation, nonsubject imports' share of regional apparent consumption by quantity increased from *** percent in 1998 to *** percent in 2000, and decreased to *** percent in 2000.[101]

C. Volume of Subject Imports[102]

Section 771(C)(i) of the 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."[103] The cumulated volume of imports of rebar into the region increased significantly from 1998 to 1999, from *** short tons in 1998 to *** short tons in 1999, an increase of *** percent. While imports declined in 2000 to *** short tons, this was still above the level in 1998.[104] The record reflects the fact that imports declined significantly during the latter half of 2000, coincident with the filing of the petition in June of 2000.[105] The volume of cumulated

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[98] CR and PR at Table V-1.

[99] CR and PR at V-2.

[100] CR at V-8, PR at V-7.

[101] CR and PR at Tables IV-4, C-1.

[102] Commissioner Bragg finds that with the inclusion of subject imports from China, the record indicates that the cumulated volume of subject imports into the region increased from *** short tons in 1998 to *** short tons in 2000. CR and PR at Table IV-1. During this same period, the volume of domestic producers' shipments also increased from *** short tons in 1998 to *** short tons in 2000. CR and PR at Table IV-4. However, cumulated subject imports' share of regional apparent consumption increased from *** percent in 1998 to *** percent in 2000, while domestic producers' share of regional apparent consumption declined from *** percent in 1998 to *** percent in 2000. CR and PR at Table IV-6. Importantly, the growth in subject imports' market share coincided with a *** percent growth in overall regional apparent consumption. CR and PR at Table C-1. Thus, cumulated subject imports gained an increased share of a growing regional market at the expense of domestic producers. Commissioner Bragg therefore finds the volume of subject imports in both absolute terms and relative to regional apparent consumption to be significant.

[103] 19 U.S.C. § 1677(7)(C)(i).

[104] CR and PR at Table C-1.

[105] The quantity of cumulated subject imports, on a national basis, was *** short tons in January-June 2000. The quantity of cumulated subject imports decreased to *** short tons in July-December 2000, a *** percent decrease. INV-Y-097. Although these are based on national data, we note that the only cumulated subject country which imported rebar outside of the region in 2000 was Korea. Hence, although these import quantities do not correspond exactly to the quantity of imports into the region, these data clearly reflect the decline in regional imports during the

(continued...)

subject imports accounted for a significant portion of domestic consumption of rebar in the region. Subject imports' share of apparent consumption in the region increased from *** percent in 1998 to *** percent in 1999. Although subject imports' share of consumption declined to *** percent in 2000, this decline corresponded with the filing of the petition. U.S. producers' share of consumption followed disparate trends, declining from *** percent in 1998 to *** percent in 1999, and then increasing to *** percent in 2000.[106] Thus, U.S. producers' market share improved only after import volume declined in the year in which the petition was filed.

We find the volume of subject imports, both absolutely and relative to domestic regional consumption to be significant.

D. Price Effects of the Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the 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.[107]

The record in these investigations indicates that price is a significant factor in purchasing decisions, as rebar is a commodity product. As discussed above, subject imports and the domestic product of the same size are comparable and generally interchangeable when used in the same applications.

There has been significant underselling by the subject imports throughout the period of investigation. For the four products for which the Commission collected data, the subject imports undersold the domestic like product in the region in 258 out of 265 quarterly pricing comparisons (*i.e.*, over 97 percent of the pricing comparisons). Generally, the margins of underselling ranged from *** to *** percent.[108]

Because rebar is a highly fungible, commodity product average unit value ("AUV") data in these investigations provide a reliable basis for price comparisons. We note that there is no evidence of a shift in product mix over the period of investigation.[109] Throughout the period of investigation, subject imports' AUVs were much lower than AUVs for the domestic product sold in the region. Subject

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[105] (...continued)
second half of 2000. Respondents also acknowledged this decline in subject imports after the filing of the petition. "As demonstrated in the monthly import data chart provided as Exhibit 5, subject imports peaked in March 2000, briefly rebounded, then plummeted in July 2000, right after the petitions were filed." Posthearing brief of the Polish and Latvian Respondents at 8.

[106] CR and PR at Table C-1.

[107] 19 U.S.C. § 1677(7)(C)(ii).

[108] CR and PR at Table V-6 and V-7. Only imports from Belarus had underselling margins lower than *** percent. Specifically, the average margins of underselling for subject imports from Belarus were *** percent for product 1, *** percent for product 2, *** percent for product 3, and *** percent for product 4. CR and PR at Table V-6 and V-7.

[109] CR at I-9, n. 21, PR at I-8, n.21; Producer and Importer Questionnaires.

imports' AUVs equaled $*** in 1998, $*** in 1999, and $*** in 2000, compared to the domestic like products' AUVs which were $*** in 1998, $*** in 1999, and $*** in 2000.[110]

Prices for both the domestic like product and the subject imports generally declined throughout the period of investigation.[111] However, the decline in domestic prices exceeded the decrease in domestic raw material costs during the period of investigation.[112] In 1998, the average reported cost of raw materials per ton of rebar produced in the region was $149.20 and the average value of rebar sold was $309.16 per ton, a spread of $159.96 per ton. In 1999, the average cost of raw materials per ton of rebar produced in the region had fallen to $122.50 while the average value of rebar sold was $274.68 per ton, a spread of $152.18 per ton. In 2000, the average cost of raw materials per ton of rebar produced in the region was $128.73 while the average value of rebar sold was $269.20 per ton, a spread of $140.47 per ton.[113]

During these investigations, the Commission inquired into 76 lost sales allegations, which totaled $*** million, and 25 lost revenues allegations in the region. Commission staff was able to confirm lost regional sales of $*** million and 4 of the 25 lost sales allegations due to lower prices of the subject imports.[114]

Accordingly, we find that subject imports have depressed or suppressed prices for the domestic like product in the regional market to a significant degree during the period of investigation.[115]

E. Impact

In examining the impact of the subject imports on the regional industry, we consider all relevant economic factors that bear on the state of the regional industry.[116] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. 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."[117] [118] [119]

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[110] CR and PR at Tables IV-1 and C-1. We also note that subject AUVs were below nonsubject AUVs in 1999 and 2000. CR and PR at Table C-1.

[111] CR and PR at Table C-1, C-3.

[112] Compare CR and PR at Tables VI-2 and VI-3.

[113] Compare CR and PR Tables VI-2, VI-3 and Table C-1.

[114] CR at V-22, Appendix J. PR at V-9, Appendix J (includes at least one lost sale to the subject product from China).

[115] Commissioner Bragg notes that the addition of subject imports from China to the injury analysis strengthens the conclusion that subject imports have depressed or suppressed prices for the domestic like product to a significant degree.

[116] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." Id. at 885).

[117] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 and Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25, n.148 (Feb. 1999).

[118] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V).
(continued...)

We find that the subject imports had a significant adverse impact on the regional industry. While the volume of subject imports within the region generally increased during the period of investigation, the regional industry experienced declines in several key indicators. Despite increasing apparent U.S. consumption within the region, generally increasing domestic sales quantities, and aggregate and per unit declines in cost of goods sold, the domestic producers were unable to gain overall market share and lost revenues in the face of the substantial price declines caused in significant part by subject imports.[120]

As noted earlier, from 1998 to 2000, regional apparent consumption of rebar increased from *** million short tons to *** million short tons, while regional producers' share of the regional market declined.[121] In addition, regional producers' capacity utilization remained low throughout the period of investigation.[122]

Total sales of regional producers' rebar increased during 1998-2000, from 3.8 million short tons in 1998 to 4.3 million short tons in 2000.[123] Although regional producers' sales increased, average unit values dropped over the same period, from $309.16 per ton in 1998 to $274.68 per ton in 1999 and $269.20 per ton in 2000, far outpacing the decline in raw material costs.[124] As net sales values per pound declined, operating income also fell for almost all regional producers. Overall, operating income declined from $75.8 million in 1998 to $55.6 million in 1999 and to $11.6 million in 2000.

While we analyzed the statutory factors regarding the aggregate regional industry, we also examined the performance of individual regional producers to look for anomalies as a safeguard "to assure that the 'all or almost all' standard [was] met."[125] The record indicates that in 1998, seven of the 21 regional producers reported operating losses for 1998. By 2000, the number of regional producers reporting operating losses had doubled.[126] Moreover, for the remaining regional producers, operating income declined during the same period.[127]

In sum, we find that the significant volume of subject imports has caused the domestic industry to lose market share and has depressed prices to a significant degree, resulting in a significant decline in the

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[118] (...continued)
Commerce's final antidumping duty margins are as follows: *Poland,* Stalexport S.A., 52.07 percent and 47.13 percent for all others; *Indonesia,* 71.01 percent for Sakti, Bhirma, Kratatau, Perdana, Hanil, Pulogadung, Tunggal, and Master Steel, and 60.46 percent for all others; and *Ukraine,* a "Ukraine-wide" rate of 41.69 percent. 66 Fed. Reg. at 18753 (Apr. 11, 2001). In its notice of preliminary determinations, Commerce identified the following dumping margins: Belarus: 73.98 percent; Latvia: 17.37 percent; and Moldova: 277.62 percent. See Federal Register Notices contained in Appendix A of the Staff Report.

[119] Commissioner Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. See, e.g., Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996).

[120] CR and PR at Table C-1.

[121] CR and PR at Table C-1.

[122] Specifically, capacity utilization was 75.2 percent in 1998, 74.5 percent in 1999, and 75.5 percent in 2000. CR and PR at Table C-1.

[123] CR and PR at Table C-1.

[124] CR and PR at Tables C-1, VI-2, and VI-3.

[125] Cemex , 790 F. Supp. at 296.

[126] CR and PR at Table VI-1.

[127] CR and PR at Table VI-4.

domestic industry's profitability and deteriorating financial condition. We therefore find that subject imports are having a significant adverse impact on the regional rebar industry.[128]

VIEWS OF COMMISSIONERS MILLER, HILLMAN AND DEVANEY

I. DOMESTIC INDUSTRY ANALYSIS

A. National Industry

We base our material injury analysis in the final phase of these investigations on a national domestic industry. We find that the market isolation criteria for a regional industry analysis -- i.e. that "producers within such market sell all or almost all of their production of the domestic like product in that market" and that "demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States," appear to be met.[129] However, we do not find that the rebar market, as described by the petitioner, is otherwise an isolated market that warrants treatment as a regional industry.[130] Indeed, we note that not only does the proposed region encompass over one-half of the United States, but that it accounts for nearly 70 percent of U.S. apparent consumption.[131] [132] We also emphasize that the assertion that the rebar market is an "isolated" market is undermined by the remarkably similar trends in prices for domestic rebar inside and outside the region, as reflected in U.S. producers AUVs.[133] Finally, we acknowledge that while rebar is a low value to weight product, this characteristic does not appear to restrict the geographical area to which rebar can be transported. This is illustrated by the low transportation costs associated with rebar and the fact that 13.0 percent of U.S. shipments are transported over 500 miles.[134] We therefore find that a regional industry analysis is not appropriate in these investigations and base our material injury analysis on a national domestic industry.

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[128] Commissioner Bragg notes that the addition of subject imports from China to the injury analysis strengthens the conclusion that subject imports are having a significant adverse impact on the regional domestic rebar industry.

[129] 19 U.S.C. § 1677(4)(C)(ii).

[130] See, e.g., Rock Salt From Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 at 4-10 (Jan. 1986) (Commission found a regional industry analysis inappropriate, despite the fact that market isolation criteria were met, and conducted a national industry analysis, noting that "[t]he overriding concern of regional industry analysis is to determine whether a market is isolated and insular" (citation omitted)).

[131] Compare CR and PR Tables C-1 and C-4.

[132] We note that, in contrast, in cases where the Commission has applied a regional industry analysis, the proposed region generally accounted for a substantially lower percentage of U.S. apparent consumption. See, e.g., Gray Portland Cement and Cement Clinker From Japan, Mexico, and Venezuela, Inv. Nos. 303-TA-21 (Review) and 731-TA-451, 461, and 519 (Review), USITC Pub. 3361 at Tables C-1, C-4 (Oct. 2000) (Southern Tier region accounted for approximately 37 percent of total U.S. apparent consumption); Gray Portland Cement and Cement Clinker From Japan, Inv. No. 731-TA-461 (Final), USITC Pub. 2376 at 21, n. 47 (April 1991) (Southern California region accounted for between 8 and 9.8 percent of total U.S. consumption); Certain Steel Wire Nails From the Republic of Korea, Inv. No. 731-TA-26 (Final), USITC Pub. 1088 at 10 (Aug. 1980) (10-state region accounted for approximately 20 percent of total domestic consumption).

[133] Compare CR and PR at Table C-1 (U.S. Shipments Within the Region) and Table C-2 (U.S. Shipments Into and Outside the Region).

[134] CR at V-2-3, PR at V-2.

B. Related Parties

Having defined the domestic industry as all producers of rebar, we must further determine whether any producer of the domestic like product should be excluded from the domestic industry as a related party pursuant to 19 U.S.C. § 1677(4)(B). Section 1677(4)(B) 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 that are themselves importers.[135] Exclusion of such producers is within the Commission's discretion based upon the facts presented in each case.[136]

Three companies are "related parties" under (ii)(II) or (III) of the related parties provision based on ownership interests. ***, which has imported subject imports from ***. *** which imported subject imports from ***. *** imported subject rebar from ***.[137]

Consequently, it is necessary to consider whether "appropriate circumstances" exist to exclude any of these companies from the domestic industry. None of these domestic producers import the subject product, nor did they report purchases of subject merchandise from their related companies or other sources. [138] There is no evidence that any of these producers' derive any concrete benefits, or operate in a manner that is different from any other regional producer or affiliated importers. None of these producers' production facilities show greater operating margins than any of the other domestic producers' facilities, and indeed ***.[139] All either *** or are petitioners.[140] None of the parties have argued for the exclusion of any of these U.S. producers from the domestic industry or from the regional industry.

Based upon these facts, we do not find that appropriate circumstances exist to exclude any of these producers under the related parties provision of the statute. We therefore define the domestic industry to consist of all producers of rebar.

II. NEGLIGIBLE IMPORTS

As previously stated, in these views we are making final determinations only with respect to Indonesia, Poland, and Ukraine. However, in order to determine whether cumulation is appropriate with

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[135] 19 U.S.C. § 1677(4)(B).

[136] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude related parties include: (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 producers 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. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016, at 14 n.81 (Feb. 1997).

[137] CR at IV-2 , PR at IV-1-2.

[138] Producers' and Importers' Questionnaire Responses.

[139] CR and PR at Table VI-17.

[140] CR and PR at Table III-1.

respect to these countries, we assess the issue of negligibility for all subject countries for purposes of these final determinations.

The statute provides that imports from a subject country 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.[141] By operation of law, a finding of negligibility terminates the Commission's investigations with respect to such imports.[142] The Commission is authorized to make "reasonable estimates on the basis of available statistics" of pertinent import levels for purposes of deciding negligibility.[143]

The statute also provides that, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that imports from the country concerned will imminently account for more than 3 percent of all such merchandise imported into the United States, or that there is a potential that the aggregate volumes of imports from the several countries with negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.[144]

Negligibility is an issue in these investigations with respect to subject imports from China. Official import statistics indicate that subject imports from China into the U.S. market were 2.9 percent of the volume of total merchandise into the United States during the requisite period.[145] While subject imports from China appear to be negligible for purposes of determining present material injury, we do not reach the question of whether subject imports from China would imminently exceed the 3 percent threshold. This is based on the fact that the Commission's instant determinations concern only LTFV imports from Indonesia, Poland, and Ukraine, and that Commerce has not yet made a final determination with respect to its investigation of subject imports from China.

III. <u>CUMULATION</u>

We concur with the summary of the legal standards for determining cumulation noted above by Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg.

Because the subject imports from China may appear to be negligible, however, we have not cumulated them for purposes of our analysis of whether the domestic industry is materially injured by subject imports from Indonesia, Poland, and Ukraine. We note that our affirmative determination of material injury with respect to Indonesia, Poland, and Ukraine would not change should subject imports from China be cumulated.

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[141] 19 U.S.C. § 1677(24)(A)(i)(I).

[142] 19 U.S.C. § 1671b(a)(1), 19 U.S.C. § 1673b(a)(1).

[143] 19 U.S.C. § 1677(24)(C); <u>see also</u> The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1 at 856 (1994) ("SAA").

[144] 19 U.S.C. § 1677(24)(A)(iv).

[145] CR and PR at Table IV-9.

A. Analysis

We have determined to cumulate the subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine. The petitions with respect to these subject countries were filed on the same day, and we find that there is a reasonable overlap of competition among imports from each of these seven countries and between these subject imports and the domestic like product.[146]

1. Fungibility

Rebar is a highly fungible product since virtually all rebar produced, sold, or used in the United States meets certain common standards, such as ASTM, or state and local building codes, which dictate minimum requirements for chemical composition, tensile strength, yield strength (grade), and elongation tolerances.[147] All U.S. producers and a majority of importers consider the domestic product and imported rebar to be interchangeable regardless of country of origin.[148] A majority of purchasers reported that rebar from all sources is generally used in the same applications.[149]

2. Geographic Overlap

The record demonstrates that there exists sufficient geographic overlap between domestically produced rebar and subject imports on a nationwide basis. Competition for sales of the domestic like product and the subject imports exists in a majority of the states.[150] Petitioners contend it is appropriate to evaluate the industry on a national basis, and given the evidence that domestically produced rebar and subject import rebar are sold throughout the United States, we find this criterion satisfied.

3. Channels of Distribution

Domestic and imported rebar from the subject countries are sold to both distributors and fabricators. Historically, domestic rebar was sold to fabricators and subject rebar to distributors, but this division appears to have eroded. For example, of the 19 purchasers who responded to Commission questionnaires, 6 identified themselves as distributors, 7 identified themselves as fabricators and 6 identified themselves as both. With the exception of 4 firms, all purchasers reported buying both domestic and imported rebar during the period of investigation.[151]

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[146] Petitions were also filed with respect to imports from Austria, Japan, Russia, and Venezuela. The Commission however, terminated its investigations with respect to these countries in the preliminary determination.

[147] CR at I-12, PR at I-10.

[148] CR at II-8, n. 9, PR at II-6, n. 9.

[149] CR at II-8, PR at II-6.

[150] CR and PR at Table I-1.

[151] CR and PR at II-1.

4. Simultaneous Presence

Domestically produced rebar was present in the U.S. market throughout the period for which data were collected.[152] Based on official Commerce statistics, in the twelve-month period from June 1999 through May 2000, imports of subject rebar from Korea, Latvia, and Moldova entered the United States in all 12 months; those from Ukraine entered the United States in 8 of the 12 months; those from Belarus entered in 7 of the 12; and those from Indonesia and Poland entered in 4 of the 12 months.[153]

Based on the entire record, we find a reasonable overlap of competition and cumulate subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland and Ukraine for purposes of our final determinations with respect to LTFV imports from Indonesia, Poland and Ukraine.

IV. MATERIAL INJURY BY REASON OF THE SUBJECT IMPORTS

The legal standards for determining material injury are contained in the Views of Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg.

A. Conditions of Competition

We join the discussion of conditions of competition contained in Section V. B. of the above views. We also note that apparent U.S. consumption of rebar for the total U.S. market increased from *** million tons in 1998 to *** million tons in 1999, and then decreased slightly to *** million tons in 2000. [154] Over the period of investigation, this represents a net increase of 13.6 percent in apparent consumption.[155]

B. Volume of Subject Imports

Section 771(C)(i) of the 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."[156]

The cumulated volume of subject imports into the U.S. market increased significantly from 1998 to 1999, from *** short tons in 1998 to *** million short tons in 1999, an increase of 25 percent.[157] While imports declined in 2000 to *** short tons, this was still above the level in 1998. The record reflects the fact that imports declined significantly during the latter half of 2000, coincident with the filing of the petitions in June of 2000.[158] [159] The volume of cumulated subject imports accounted for a

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[152] CR at IV-9, PR at IV-8.

[153] CR at IV-9, PR at IV-8.

[154] CR and PR at Table C-4.

[155] CR and PR at Table C-4.

[156] 19 U.S.C. § 1677(7)(C)(i).

[157] CR and PR at Table C-4. Table C-4 is based on import shipments into the United States. Although total figures vary slightly from import volumes, the general trends of both import shipments and import volume are the same.

[158] See INV-Y-097.

[159] See 19 § 1677 (7)(I). The Commission shall consider whether any change in the volume, price effects or (continued...)

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significant portion of domestic consumption of rebar in the United States. Subject imports' share of apparent consumption in the United States increased from *** percent in 1998 to *** percent in 1999.[160] Although subject imports' share of consumption declined to *** percent in 2000, this decline corresponded with the filing of the petitions.[161] U.S. producers' share of consumption followed disparate trends, declining from *** percent in 1998 to *** percent in 1999, and then increasing to *** percent in 2000.[162] Thus, U.S. producers' market share improved only after import volume declined in the year in which the petitions were filed.

We find the volume of subject imports and the increase of subject imports prior to the filing of the petitions to be significant.

C. Price Effects of the Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the 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.[163]

The record in these investigations demonstrates that price is a significant factor in purchasing decisions, as rebar is essentially a commodity product. As discussed above, subject imports and the domestic product of the same size are comparable and generally interchangeable .

The record indicates that there has been pervasive and significant underselling by the subject imports throughout the period of investigation. Of the four products for which the Commission collected data, the subject imports undersold the domestic like product in 260 out of 266 quarterly pricing comparisons or 98 percent of the time.[164] Generally, the margins of underselling ranged from *** to *** percent.[165] Given that rebar is a commodity product and that the record shows the importance of price in purchasing decisions, we find the frequency and magnitude of underselling to be significant.

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159 (...continued)
impact of imports of the subject merchandise since the filing of the petition in an investigation is related to the pendency of the investigation, and if so, the Commission may reduce the weight accorded the data for the period after the filing of the petition in making its determination of material injury of an industry in the United States.

160 CR and PR at Table C-4.

161 INV-Y-097.

162 CR and PR at Table C-4.

163 19 U.S.C. § 1677(7)(C)(ii).

164 CR and PR at G-5, G-6.

165 CR and PR at Table G-5. With the exception of subject imports from Belarus, the margins of underselling exceeded *** percent. Only imports from Belarus had underselling margins lower than *** percent. Specifically, the average margins of underselling for subject imports from Belarus were *** percent for product 1, *** percent for product 2, *** percent for product 3, and *** percent for product 4. CR and PR at Table G-5.

While prices for both the domestic like product and the subject imports generally declined throughout the period of investigation, prices for the subject imports declined more precipitously.[166] Subject imports' AUVs declined from $*** in 1998 to $*** in 2000, compared to the domestic products' AUVs which declined from $306.07 in 1998 to $270.42 in 2000.[167] Respondents argued that the decline in domestic prices reflected a decline in costs.[168] However, the decline in domestic AUVs exceeded declining costs during the period of investigation. Domestic AUVs fell 11.6 percent, from $306.07 in 1998 to $270.42 in 2000.[169] At the same time, the cost of goods sold per ton fell 9.5 percent, from $273.95 in 1998 to $247.98 in 2000,[170] in line with the domestic industry's metal spread, which also declined 9.5 percent, from $157 per ton in 1998 to $142 per ton in 2000.[171]

During these investigations, the Commission inquired into 76 lost sales allegations, which totaled $*** million. Commission staff was able to confirm lost sales of $*** million or approximately 40 percent of the value of lost sale allegations due to lower prices of the subject imports.[172]

Given the importance of price and the substitutability of domestic and subject rebar, we find that the pervasive underselling, lost sales, and price declines attributable to subject imports were significant, and that subject imports depressed or suppressed prices for the domestic like product to a significant degree.

D. Impact

Consistent with our finding of significant volume and significant adverse price effects, we find that the subject imports had a significant adverse impact on the domestic industry. While the volume of subject imports increased during the period of investigation, the domestic industry experienced declines in several key indicators. Despite a healthy increase in apparent U.S. consumption, generally increasing sales quantities, and aggregate and per unit declines in cost of goods sold, the domestic producers experienced significant price declines caused by subject imports leading to a deterioration in their financial performance.[173]

As noted earlier, from 1998 to 2000, U.S. apparent consumption of rebar increased from *** million short tons to *** million short tons in 2000.[174] Domestic producers' U.S. shipments of rebar increased during the same period from 5.8 million short tons in 1998 to 6.4 million short tons in 2000, an increase of 9.7 percent.[175] Although the volume of domestic producers' U.S. shipments increased, the value declined due to a drop in average unit values.[176]

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[166] CR and PR at Tables G-1, G-2, G-3, G-4 and C-4. Because rebar is a highly fungible, commodity product, average unit value ("AUV") data in these investigations provide a reasonable basis for price comparisons.

[167] CR and PR at Table C-4.

[168] Moldova Steel Works Posthearing Brief at 1. See also, Moldova Steel Works Pre-Hearing Brief at 12-16; TR at 161-62.

[169] CR and PR at Table C-4.

[170] CR and PR at Table C-4.

[171] Compare CR and PR at Tables VI-2, VI-3 and VI-10, VI-11.

[172] CR at V-22, PR at V-9.

[173] CR and PR at Table C-4.

[174] CR and PR at Table C-4.

[175] CR and PR at Table C-1.

[176] CR and PR at Table C-1, Table VI-2, and Table VI-3.

Thus, operating income declined from $103.9 million in 1998 to $44.6 million in 2000.[177] At the same time, the domestic industry's operating margin declined, dropping from 5.8 percent in 1998 to 2.5 percent in 2000. In addition, as operating profits dwindled, capital expenditures were severely curtailed, falling from $156.5 million in 1998 to $65.6 million in 2000.[178]

In sum, we find that the significant volume of low-priced subject imports has depressed prices to a significant degree resulting in a significant decline in the domestic industry's profitability and financial condition. Accordingly, we find that the cumulated subject imports have had a significant adverse impact on the domestic rebar industry.

VIEWS OF THE COMMISSION

CRITICAL CIRCUMSTANCES

Because Commerce made affirmative critical circumstances determinations with respect to certain imports from Poland and Ukraine, and given our respective determinations that a domestic industry or regional industry is materially injured by reason of the volume of subject imports, we must further determine "whether the imports subject to the affirmative [Commerce critical circumstances] determination . . . are likely to undermine seriously the remedial effect of the antidumping order to be issued."[179] The URAA SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of the relief, the importers have seriously undermined the remedial effect of the order."[180]

In its final determinations, Commerce made affirmative findings of critical circumstances with respect to all the specified producers and all other producers and exporters of rebar in Poland and Ukraine.[181]

Consistent with Commission practice, in considering the timing and volume of imports, we have compared import quantities prior to filing of the petition with those subsequent to the filing of the petition.[182] The record contains monthly export data for the firms subject to the affirmative Commerce

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[177] CR and PR at Table C-4.

[178] CR and PR at Table C-4.

[179] 19 U.S.C. § 1673d(b)(4)(A)(i)(emphasis added). The statute further provides that in making this determination:

the Commission shall consider, among other factors it considers relevant--

> (I) the timing and volume of the imports,
>
> (II) a rapid increase in inventories of the imports, and
>
> (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.

19 U.S.C. § 1673d(b)(4)(A)(ii).

[180] SAA at 877.

[181] 66 Fed. Reg. 10317 (Feb. 14, 2001).

[182] See Certain Preserved Mushrooms from China, India, and Indonesia, Inv. Nos. 731-TA-777-779 (Final), USITC Pub. 3159 (Feb. 1999) at 24 (Views of Vice Chairman Miller and Commissioners Hillman and Koplan), 28 (Views of Chairman Bragg and Commissioners Crawford and Askey); Certain Brake Drums and Rotors from China, Inv. No. 731-TA-744 (Final), USITC Pub. 3035 at 19 (April 1997).

critical circumstances determinations.[183] We have examined the data included in the six-month periods before and after the filing of the petitions.

Exports from Poland and Ukraine subject to Commerce's affirmative critical circumstances determinations were lower in the period following the filing of the petition than in the period preceding it.[184] Although the record does not contain information specifically concerning U.S. importers' inventories of those firms subject to Commerce's affirmative critical circumstances findings,[185] end-of-period inventories of all subject imports from Poland were *** short tons at the end 1999 and *** short tons at the end of 2000. End-of-period inventories of all subject imports from Ukraine decreased from *** short tons at the end of 1999 to *** short tons at the end of 2000.[186]

We determine that imports of rebar subject to affirmative critical circumstances findings by Commerce will not seriously undermine the remedial effect of the antidumping orders as both the level of subject imports and importers' inventory levels were lower in the months after the filing of the petition,[187] and in the case of Poland, inventory levels were ***.

Accordingly, we make negative critical circumstances determinations concerning those imports of rebar from Poland and Ukraine that are subject to final affirmative critical circumstances findings by Commerce.

CONCLUSION

For the reasons stated above, Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg determine that a regional industry in the United States is materially injured by reason of subject imports from Indonesia, Poland, and Ukraine of rebar that are sold in the United States at LTFV.

Commissioners Miller, Hillman, and Devaney determine that a domestic industry in the United States is materially injured by reason of subject imports from Indonesia, Poland, and Ukraine of rebar that are sold in the United States at LTFV.

The Commission also determines that critical circumstances do not exist with respect to those subject imports from Poland and Ukraine that were subject to affirmative critical circumstances findings by Commerce.

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[183] We note that the volume of imports from Poland and Ukraine are the same on a national and regional basis as 100 percent of subject imports from these countries are shipped into the 30 states which comprise the region as found by Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg. Consequently, for both an analysis of critical circumstances on a regional and national basis, volume and inventory figures are identical.

[184] CR and PR at Table IV-1; Official Imports Statistics.

[185] The record, however, suggests that the firms subject to Commerce's final affirmative critical circumstances were the only source of subject imports from Poland and Ukraine.

[186] CR and PR at Table VII-9.

[187] We acknowledge petitioner's argument that increased inventories should be apparent at the distributor level. Petitioner's Posthearing Brief at 10-12.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed by the Rebar Trade Action Coalition (RTAC) (Washington, DC) and its individual members[1] on June 28, 2000, alleging that a regional industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of certain steel concrete reinforcing bars ("rebar")[2] from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela. The petitions also alleged critical circumstances regarding imports from China, Korea, Latvia, and Poland.[3] Petitioners also alleged critical circumstances regarding imports from Belarus, Moldova, and Ukraine in an August 22, 2000 letter filed with the U.S. Department of Commerce (Commerce). Information relating to the background of the investigations is provided below.[4]

Date	*Action*
June 28, 2000	Petitions filed with Commerce and the Commission; institution of Commission investigations
July 25, 2000	Commerce's notice of initiations
August 14, 2000	Commission's preliminary determinations
September 7, 2000 ..	Commerce's affirmative preliminary critical circumstances determinations on China and Poland (65 FR 54228, September 7, 2000)
November 27, 2000 .	Commerce's affirmative preliminary critical circumstances determinations on Moldova and Ukraine (65 FR 70696, November 27, 2000)
January 30, 2001 ...	Commerce's preliminary determinations (66 FR 8324 through 8356); scheduling of final phase of Commission investigations (66 FR 10317, February 14, 2001)
April 5, 2001	Commission's hearing[5]

[1] The individual members of RTAC on whose behalf the petitions were filed are as follows: AmeriSteel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); CMC Steel Group (Seguin, TX); Marion Steel Co. (Marion, OH); Nucor Steel (Darlington, SC); and Riverview Steel (Glassport, PA). Auburn was not a petitioner with respect to Indonesia and Japan.

[2] For purposes of these investigations, certain steel concrete reinforcing bars are defined by Commerce as "all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. The HTS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive." Subheading 7214.20.00 of the HTS has a normal trade relations tariff rate of 1.5 percent *ad valorem*, applicable to imports from all the countries named in the petitions.

[3] "Critical circumstances" means that (1) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

[4] *Federal Register* notices cited in the tabulation are presented in app. A.

[5] A list of witnesses appearing at the hearing appears in app. B.

April 11, 2001	Commerce's final determinations concerning Indonesia, Poland, and Ukraine,[6] including affirmative final critical circumstances determinations on Poland and Ukraine
May 15, 2001	Date of the Commission's votes concerning Indonesia, Poland, and Ukraine
May 25, 2001	Commission's final determinations on Indonesia, Poland, and Ukraine sent to Commerce
June 14, 2001	Scheduled date for Commerce's final determinations concerning Belarus, China, Korea, Latvia, and Moldova[7]
July 11, 2001	Proposed date for the Commission's votes concerning Belarus, China, Korea, Latvia, and Moldova
July 23, 2001	Commission's final determinations on Belarus, China, Korea, Latvia, and Moldova due to Commerce

In its preliminary determinations transmitted to Commerce on August 14, 2000, the Commission determined that there was a reasonable indication that a regional industry in the United States is materially injured or threatened with material injury by reason of the alleged LTFV imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine. The Commission further determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of such imports from Japan, thereby terminating the investigation regarding Japan. Finally, the Commission determined that subject imports from Austria, Russia, and Venezuela were negligible and thereby terminated the investigations with respect to these countries.

SUMMARY DATA

The petitions in these investigations were filed on behalf of a regional U.S. industry that produces rebar. The petitioning industry is in a region defined in the petition as comprising 30 states (all states east of the Mississippi River plus Arkansas, Louisiana, Missouri, and Texas) as well as the District of Columbia and Puerto Rico (the "30-state region") (see figure I-1).[8] [9] In the final phase of the

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[6] Final dumping margins as determined by Commerce for Poland are as follows: Stalexport S.A., 52.07 percent, and for all other Polish manufacturers/exporters the rate is 47.13 percent. The following manufacturers/exporters in Indonesia received the company-specific rate of 71.01 percent: Sakti, Bhirma, Kratatau, Perdana, Hanil, Pulogadung, Tunggal, and Master Steel. All other manufacturers/exporters in Indonesia received the "all others" rate of 60.46 percent. Manufacturers and exporters in Ukraine received a "Ukraine-wide" rate of 41.69 percent.

[7] On November 15, 2000; December 28, 2000; January 5, 2001; and February 26, 2001, respondents Byelorussian Steel Works (Belarus); Laiwu Steel Group (China), Dongkuk Steel Mill Co., Ltd. (Korea), and Korean Iron & Steel Co., Ltd. (Korea); Liepajas Metalurgs (Latvia); and Moldova Steel Works, respectively, requested that, in the event of an affirmative preliminary determination, Commerce postpone its final determination until 135 days after the publication of the preliminary determination. Because its preliminary determinations were affirmative with respect to these countries, Commerce postponed the date of its final determinations until not later than 135 days after the date of the publication of its preliminary determinations for Belarus, China, Korea, Latvia, and Moldova.

[8] The specified region is composed of Alabama, Arkansas, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin.

[9] For purposes of the preliminary phase of the investigations, the Commission determined to accept petitioners'
(continued...)

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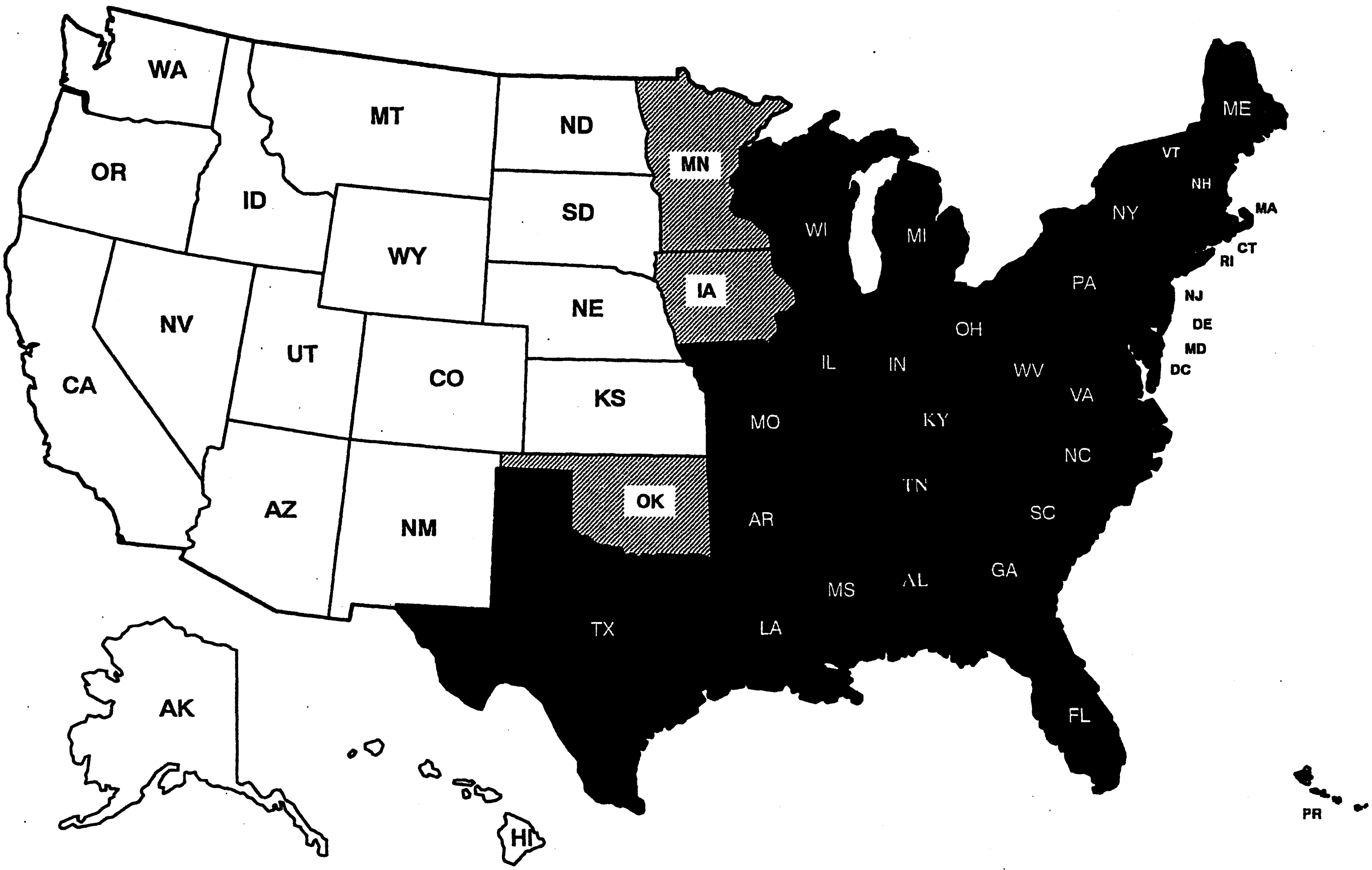
Figure I-1
U.S. map of states comprising the regional industry



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[9] (...continued)
definition of the region. The Commission also determined that Oklahoma, Iowa, and Minnesota should not be included in the region, although the proximity of these states and the presence of two domestic producers of rebar in these states raises the issue of whether they should be included in the region. The Commission indicated its intent to revisit this issue in any final phase investigations. *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, USITC Pub. 3343, August 2000, pp. 8-9. 3

investigations, petitioners stated that new facts available suggest that the applicable region in these investigations should consist of the 30-state region plus the states of Iowa, Minnesota, and Oklahoma (hereinafter referred to as the "33-state region").[10] Where available, selected data are presented in this report for the 33-state region. However, the preponderance of the regional data presented in this report are for the region as defined in the petition (the 30-state region) because the Commission's questionnaires were structured with principally that region in mind. Table I-1 presents data relating to the statutory criteria for regional analysis for the 30-state region.

A summary of data collected in the investigations is presented in appendix C, tables C-1-C-4. Except as noted, U.S. industry data are based on questionnaire responses of 29 individual mills of 14 firms that account for virtually all U.S. production of rebar. U.S. imports are based on official Commerce statistics except for U.S. imports from Belarus, as explained in Part IV of this report.

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted four previous antidumping investigations concerning steel concrete reinforcing bars. In March 1964, the U.S. Tariff Commission made an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation AA1921-33).[11] In February 1970, the Commission made an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation AA1921-62).[12] In August 1973, the Commission made a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation AA1921-122).[13] Finally, in April 1997, the Commission made an affirmative determination concerning LTFV imports of rebar from Turkey (investigation No. 731-TA-745).[14] The only outstanding antidumping duty order resulting from these investigations is on rebar from Turkey.

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[10] Petitioners' posthearing brief, pp. 2-3.

[11] *Steel Reinforcing Bars from Canada*, TC Pub. 122, March 1964. In this investigation, the Commission focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

[12] *Steel Bars, Reinforcing Bars, and Shapes from Australia*, TC Pub. 314, February 1970.

[13] *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico*, TC Pub. 605, August 1973.

[14] *Concrete Reinforcing Bars from Turkey (Rebar from Turkey)*, USITC Pub. 3034, April 1997. In this investigation, the Commission considered rebar in coils and in straight lengths for an industry in 22 eastern states plus Puerto Rico and the District of Columbia.

Table I-1
Rebar: Summary data concerning statutory criteria for the 30-state regional analysis on Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, 1998-2000

Item	1998	1999	2000
	(In *percent*, based on quantity)		
Share of--			
Regional producers' total U.S. shipments made within region[1]	92.4	92.1	91.7
Regional consumption supplied by U.S. producers outside the region	***	***	***
Region's share of U.S. imports from--			
Belarus	100.0	***	100.0
China	([2])	99.3	75.5
Indonesia	100.0	92.0	([2])
Korea	76.9	68.7	78.1
Latvia	100.0	100.0	100.0
Moldova	100.0	100.0	100.0
Poland	100.0	100.0	100.0
Ukraine	100.0	100.0	100.0
Total subject imports	***	***	***
Ratio of imports from Belarus to consumption--			
Within region	***	***	***
Outside region	0.0	***	0.0
Ratio of imports from China to consumption--			
Within region	0.0	***	***
Outside region	0.0	***	1.6
Ratio of imports from Indonesia to consumption--			
Within region	***	***	0.0
Outside region	0.0	***	0.0
Ratio of imports from Korea to consumption--			
Within region	***	***	***
Outside region	5.5	***	2.3

Continued on next page.

Table I-1--Continued
Rebar: Summary data concerning statutory criteria for the 30-state regional analysis on Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, 1998-2000

Item	1998	1999	2000
Ratio of imports from Latvia to consumption--			
Within region	***	***	***
Outside region	0.0	0.0	0.0
Ratio of imports from Moldova to consumption--			
Within region	***	***	***
Outside region	0.0	0.0	0.0
Ratio of imports from Poland to consumption--			
Within region	***	***	***
Outside region	0.0	0.0	0.0
Ratio of imports from Ukraine to consumption--			
Within region	***	***	***
Outside region	0.0	0.0	0.0
Ratio of imports from the 8 subject countries to consumption--			
Within region	***	***	***
Outside region	5.5	***	3.9

[1] Based on total U.S. shipments (commercial shipments, internal consumption, and intercompany transfers).
[2] Not applicable.

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

THE PRODUCT

The imported product subject to these investigations consists of certain steel concrete reinforcing bars as defined by Commerce, namely all deformed rebars[15] in straight lengths,[16] currently classifiable under subheading 7214.20.00[17] or any other subheading[18] of the HTS. Specifically excluded are (1) plain round (non-deformed or smooth) rebar and (2) rebar that has been further processed through bending (i.e., fabricated rebar) or coating (i.e., coated rebar). **Unless specified otherwise, in the remainder of this report the subject imported product as defined by Commerce and its domestically-produced counterpart normally will be referred to simply as "rebar."** This section of the report presents information related to the Commission's "domestic like product" determination.[19]

In its preliminary determinations, the Commission found that there is one domestic like product, rebar, coextensive with the scope of the investigations as defined by Commerce.[20] Petitioners and respondents agreed that there should be one domestic like product as defined.

Physical Characteristics and Uses

Rebar is used almost exclusively in the construction industry to provide structural reinforcement to concrete structures. Rebar is designed specifically to resist tension, compression, temperature variation, and shear stresses in reinforced concrete, as the surface protrusions on a deformed bar inhibit longitudinal movement relative to the surrounding concrete. Rebar is embedded in concrete for structural reinforcement to enhance its compressional and tensional strength and also for crack control as the concrete shrinks during curing or due to temperature fluctuations.

During construction, 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 steel reinforcement by friction and adhesion along the surface of the steel.

Rebar is available in diameters from 3/8 inch up to and including 2-1/4 inch. Bar size is indicated by a number that is about eight times the nominal diameter in inches (*e.g.*, 3/8-inch rebar is designated as size 3 and 1-inch rebar is designated as size 8); this relationship diverges somewhat for the

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[15] "Deformed" refers to the pattern of uniformly shaped surface protrusions or ribs running across and evenly spaced along the length of a rebar.

[16] Straight-length rebar is commonly cut to lengths of 20 feet, 40 feet, and 60 feet. Although not mentioned specifically in Commerce's exclusion, coiled rebar would be excluded by the specification of "straight lengths."

[17] HTS subheading 7214.20.00 covers concrete reinforcing bars and rods, of iron or nonalloy steel, not in irregularly wound coils, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling.

[18] There are several subheadings delineated by steel compositions under HTS headings 7222 (products of stainless steel) and 7228 (of alloy steel) for bars and rods, not in irregularly wound coils, and not further worked than hot-rolled, hot-drawn, or extruded. However, concrete reinforcing bars are not specifically mentioned under any of these subheadings, and any such imports under those subheadings are believed to be minimal.

[19] The Commission's decision regarding the appropriate domestic products that are "like" or "most similar in characteristics and uses" to the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price.

[20] *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, USITC Pub. 3343, August 2000, p. 5.

larger sizes 9 through 18. Grade is indicated by a number that is one-thousandth of the yield strength in pounds per square inch (*e.g.*, grade 60 indicates a yield strength of 60,000 psi).[21]

Rebar is generally manufactured to conform with standards of the American Society for Testing and Materials (ASTM)[22] 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. There are several ASTM specifications for rebar, based on steel composition.[23] Generally, deformed rebars of these various ASTM specifications are interchangeable except for use in seismic areas.[24]

Deformed rebars are identified by distinguishing sets of raised marks legibly rolled onto the surface of one side of the bar to denote, in order, the producer's hallmark, mill designation, size designation, specification of the type of steel, and minimum-yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code and in highway and bridge construction by the American Association of State Highway and Transportation Officials (AASHTO) Standard Specifications. Contents of the two specifications are similar and the ACI 318 Code is applicable throughout the Continental United States and in Puerto Rico.[25]

Manufacturing Facilities and Production Employees

Rebar mills typically specialize in producing their 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 for deformed rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar from scrapped rail or axle steel, or from purchased billets, requires only the rolling stage.

In the United States, rebar is produced by non-integrated "mini-mills" that melt steel scrap in electric arc furnaces. Once molten steel is produced, it can be poured from the furnace into a refractory-lined ladle, where any necessary alloys are added to effect the required chemical and physical properties.

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[21] The vast majority of rebar sold in the United States is of nonalloy billet steel in grade 60. Sizes 3, 4, 5, and 6 predominate. See petitioners' postconference brief at exhibits 3 and 4 and at note 24, p. 10; see also petitioners' prehearing brief at pp. 9 and 10.

[22] The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled.

[23] Rebar is most commonly rolled from billet steel to the requirements of ASTM A615/A615M, which is a nonalloy steel. Rebar can also be re-rolled from the head (top) portion of scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M). For special applications (*e.g.*, in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M is specified, which is a high-strength low-alloy (HSLA) steel. Certain forged rebars of nonalloy or HSLA steel are covered under ASTM A970/A970M.

There is also a standard for stainless steel rebar (ASTM 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). Domestic consumption of stainless steel rebar is estimated by industry sources as totaling about 1,000 tons for calendar-year 2000. Empire Specialty Steel Inc., of Dunkirk, NY, and Slater Steels, Inc., of Fort Wayne, IN, are cited as among the few North American mills that produce and actively market this product. Michael C. Gabriele, "Builders Taking Shine to Stainless Rebar," *American Metal Market*, August 3, 2000, p. 3.

[24] *Rebar from Turkey*, p. I-4.

[25] *Rebar from Turkey*, p. I-5.

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 molds, 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 strands are completely solidified when extruded at the bottom of the caster. Lengths of continually extruded billets are flame cut at intervals, and then may either be sent directly for further processing or be cooled on a cooling bed and subsequently stored for later use.

Prior to rolling, newly cast billets, scrap rails, or scrap railroad axles are channeled through a reheat furnace. This step increases the malleability of the steel and reduces wear on the rolling mill. The semi-finished 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. 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.[26] After the rolling process, rebars are cut to length before being sent to the cooling bed.

Most U.S. producers of rebar produce products other than rebar using the same equipment, machinery, and production workers that are used to produce rebar. Some of the products other than rebar are rebar in coils, wire rod, plain rounds, and assorted steel shapes (e.g., flats, squares, hexagons, and angles).

Interchangeability

Due to building code requirements and rebar's relatively low cost, there are essentially no direct substitutes for deformed rebar in the structural reinforcement of concrete. Plain rebars are used as dowels to prevent lateral movement of concrete slabs, as spirals and structural ties for binding deformed rebar, and as supports for mats or mesh, but building and construction codes do not allow plain rebar to be substituted for deformed rebar in the latter's principal application of reinforcing concrete.[27] Coiled rebar (produced primarily as plain rounds, but also available with deformed surfaces) facilitates the forming of small items that would be highly labor intensive if bent manually from straight-length rebar; hence its end uses are limited to stirrups, hoops, and other small items to bind rebar columns or fixtures. Also, straightening and cutting coiled rebar would not be very effective for producing straight lengths.[28] Welded wire mat or reinforcing mesh is substitutable for deformed rebar in certain limited applications, such as structural reinforcement of thin concrete slabs and wall panels, especially in tilt-up and pre-cast concrete work. Mat or mesh is also used as a complementary material to deformed rebar in structural columns. Other materials cast into concrete such as steel pipe, structural shapes, wire, and steel fibers are used mainly for cracking control rather than reinforcement. Pre-tensioned cables or rods and high-

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

[27] See, AASHTO section 9.2, entitled "Material," and ACI Code 3.5.1 and Commentary R3.5.1, entitled "Steel Reinforcement." *Rebar from Turkey*, p. I-6.

[28] It is uncommon for rebar with nominal diameters above 5/8 inch to be available in coiled form, due to the strain on the strength and durability of the rebar caused by the uncoiling and cutting equipment in working larger-diameter rebar. Coiled rebar is available primarily with smooth rather than deformed surfaces. Phil Casey, Chief Executive Officer, AmeriSteel, transcript of the Commission's July 19, 2000 conference (conference transcript), pp. 55-56. According to petitioners, coiled rebar is produced by steel mills with coiling stands (*e.g.*, mills that also produce nonalloy steel rod), which most mills producing straight-length rebar lack. Petition, p. 10.

strength deformed steel bars are prepared specifically for pre-stressing concrete rather than structural reinforcement.

Rebar is a highly fungible commodity product because virtually all rebar produced, sold, or consumed in the United States meets common ASTM product-quality standards; domestic and foreign producers rely on similar or identical production equipment, processes, and inputs; and rebar is sold in common sizes and lengths.[29] From a technical standpoint, there is a certain degree of flexibility possible between sizes and lengths to reach the loading strength specified in engineering and construction applications, depending on the type of construction, design preferences, and cost constraints, among other factors.[30]

Differing bar sizes and lengths tend to predominate in different uses; a considerable portion of small bar is applied to light construction applications (*e.g.*, residences, pools, patios, and walkways), whereas the larger sizes in 60-foot lengths are exclusively used in heavy construction applications (*e.g.*, high-rise construction, bridges, roads, etc.).

Channels of Distribution

Domestic mills sell rebar to both their own fabricators and to independent fabricators and distributors, with lesser amounts sold directly to steel service centers. Smaller amounts are sold to building material dealers, and some sales have been made to the mining industry.[31]

Customer and Producer Perceptions

Rebar is highly fungible because it virtually always meets common ASTM product-quality standards and specifications. However, "Buy American"-type provisions have some impact on consumption preferences for domestic versus imported rebar. In the preliminary investigations, counsel for certain respondents noted that fabricators who purchase rebar for projects subject to such provisions often refuse to even stock foreign rebar because of the strict penalties for violations of the regulations.[32] Counsel for petitioners contended that "Buy American" requirements do not provide significant benefits to domestic producers.[33]

Price

Rebar is traditionally priced in dollars per hundredweight (dollars per 100 pounds) or dollars per net (short) ton. Domestic rebar producers traditionally set selling prices for their products in the United States according to grade and size,[34] but importers of rebar generally sell different sizes and grades to

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[29] See *e.g.*, petition, p. 14.

[30] Daryle L. Doden, President, Ambassador Steel Corp., conference transcript, pp. 60-61.

[31] *Rebar from Turkey*, p. I-5.

[32] Many fabricators reportedly refuse to assume the added expense of maintaining entirely separate physical inventories and tracking records, and hence only purchase domestic products. William Silverman, counsel for respondents Huta Ostrowiec, S.A.; Huta Zawiercie; Stalexport S.A.; and JS Liepajas Metalurgs, conference transcript, p. 74.

[33] Daryle L. Doden, President, Ambassador Steel Corp., conference transcript, pp. 29-30, and Charles Owen Verrill, Jr., counsel for petitioners, conference transcript, pp. 126-127.

[34] Due to the greater costs of producing higher grades, a premium was charged for grade 60 rebar. Likewise, due (continued...)

U.S. customers at a single price.[35] Prices received for four specific rebar products in response to Commission questionnaires are presented in Part V of this report.

[34] (...continued)
to the greater costs of producing smaller sizes, premiums (inversely proportional to size) were charged for sizes 3 through 5, and sometimes for size 6, while the same price was charged for sizes 7 and above. However, petitioners noted that premiums for smaller sizes and higher grades have eroded over time. (See petitioners' prehearing brief at pp. 9 and 10 and at exhibits 11 and 13.)

[35] According to the testimony presented at the Commission's conference by Mr. Daryle L. Doden, president, Ambassador Steel Corp., despite the cost difference between producing a grade 40 and a grade 60 rebar, there is no price difference among such imported products. (*See* conference transcript, p. 52.)

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

CHANNELS OF DISTRIBUTION AND MARKET SEGMENTATION

In the U.S. market, available information indicates that both U.S.-produced and imported rebar are sold to both distributors and fabricators. While domestic and imported rebar were historically sold primarily to fabricators and distributors, respectively, this distinct division appears to have moderated. For example, of the 19 purchasers who provided questionnaire responses to the Commission, 6 identified themselves as distributors, 7 identified themselves as fabricators, and 6 identified themselves as both distributors and fabricators. With the exception of 4 firms, all purchasers reported buying both domestic and imported rebar during the period of investigation.[1]

Respondents argue that "Buy American" requirements, the existence of fabricators affiliated with domestic producers, and the unavailability of imported 60-foot rebar create an insulated market for the U.S. rebar industry.[2] In contrast, U.S. producers state that none of the aforementioned factors provide a meaningful barrier to competition from imports because "Buy American" requirements only affect approximately 20 percent of sales, affiliated fabricators function as independent profit centers, and rebar less than 60 feet in length can easily be substituted for longer rebar via relatively inexpensive splicing techniques.[3]

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. rebar producers have the ability to respond to changes in prices with large changes in the quantity of shipments of U.S.-produced rebar. The main factors contributing to this degree of responsiveness are excess capacity and the existence of ample inventories. The degree of supply responsiveness may be somewhat moderated by the lack of alternate markets. These factors are detailed below.

Industry capacity

Data reported by U.S. producers indicate that there is unused capacity with which to expand production in the event of price changes. U.S. regional producers' capacity utilization remained fairly constant throughout the period of investigation, increasing slightly from 75.2 percent in 1998 to 75.5 percent in 2000. Combined information on all U.S. producers' capacity reveals that capacity utilization remained essentially unchanged at just under 77.0 percent during this time frame.

Inventory levels

U.S. regional producers' inventories of rebar, as a ratio to total shipments, declined yet remained moderately high throughout the period of investigation. Inventories represented 10.7 percent of total

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[1] ***, ***, and *** identified themselves as fabricators that buy only U.S.-produced rebar, and *** identified itself as a distributor that buys only U.S.-produced rebar.

[2] Latvian and Polish producers' prehearing brief, March 30, 2001, pp. 6-13.

[3] Clyde Selig, President, CMC Steel Group, hearing transcript, pp. 23-26.

shipments in 1998 and 10.0 percent in 2000. Combined data for all U.S. producers reveal similar trends, with inventories representing 11.9 and 9.8 percent during this time frame.[4]

Alternate markets

Shipments of rebar by U.S. regional producers to states outside the 30-state region increased between 1998 and 2000, but remained a relatively small share of total shipments. Similarly, exports to markets outside the United States accounted for a small share of all shipments by regional producers, increasing slightly from 0.6 percent in 1998 to 0.8 percent in 2000. Exports by all U.S. producers accounted for 2.2 percent of total shipments in 1998 and 2.0 percent in 2000.

Subject Imports

Available information indicates that producers in all subject countries have the ability to respond to changes in prices with moderate to large changes in the quantity of shipments of rebar to the U.S. market. The main factors contributing to these degrees of responsiveness are the existence of production alternatives and export sales to markets outside the specified region. These factors are detailed below.

Industry capacity

Reported capacity utilization in 2000 was *** percent for Belarus, *** percent for China, *** percent for Korea, and over *** percent for Latvia, Moldova, and Poland. There were insufficient data to determine capacity utilization for Indonesia and Ukraine.

Inventory levels

Available information indicates that inventories in 2000 (as a ratio to total shipments) were low to moderate for most importers of subject rebar. Data obtained from importers of rebar from Belarus, China, Korea, Latvia, Moldova, and Poland indicate that end-of-period inventories represented *** to *** percent of reporting importers' U.S. shipments in 2000. There were insufficient data on inventory levels for importers of rebar from Indonesia and Ukraine.

Alternate markets

Available data for 2000 indicate that subject producers' exports of rebar represented ***, ***, and *** percent of total annual shipments for China, Korea, and Poland, respectively, while data for Belarus, Latvia and Moldova were much higher, at ***, ***, and *** percent, respectively.

Subject producers' exports sold to markets other than the United States represented *** and *** percent of total shipments in 2000 for China and Korea, respectively, while data for Belarus, Latvia, Moldova, and Poland ranged from *** to *** percent. The existence of another alternate market, the U.S. market outside the specified region, further enhances the ability of producers in the subject countries to respond to price changes in the specified region. There were insufficient data regarding alternate markets for subject imports from Indonesia and Ukraine.

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[4] According to Phil Casey of AmeriSteel, U.S. rebar producers typically carry 3 to 4 weeks of inventory, as well as sufficient excess capacity, to compensate for any unforseen production outages (hearing transcript, p. 30).

Production alternatives

Available information indicates that most domestic and foreign producers of the subject product have the ability to use the same equipment, machinery, and production workers to produce products other than rebar. According to respondents, there is no incentive for producers of the subject product to shift production away from higher value-added products in order to produce more rebar, which is considered to be among the lowest value-added of finished steel products. Despite the alleged low probability of product shifting away from other steel products in favor of rebar production, the *ability* to produce other products appears undisputed. It is the ability to shift production that factors into an analysis of the supply responsiveness of subject countries to changes in the price of rebar in the U.S. market.

U.S. Demand

Based on available information, the overall demand for rebar is unlikely to change significantly in response to changes in price. The main factor contributing to the low degree of price sensitivity is the lack of practical substitute products.

Demand Characteristics

The primary end use of rebar is concrete reinforcement for numerous types of commercial and residential construction projects. Rebar demand is derived from the demand for such construction projects, and tends to track the general strength of the U.S. economy.[5]

Available information indicates that strong economic growth and a resulting increase in construction spending increased U.S. demand for rebar during the past several years. Currently, U.S. demand for rebar is considered good by historical standards, but is below its peak level.[6]

Substitute Products

Questionnaire responses from U.S. producers, importers, and purchasers reveal that the majority of responding firms believe there are no practical substitutes for rebar. Many firms cited wire mesh as a possible substitute in situations involving very small diameter rebar; however, wire mesh is considered to be an imperfect substitute due to its limited applications. According to ***, in at least 95 percent of applications, engineering considerations preclude substitution away from rebar.

Cost Share

According to the majority of responding U.S. producers and importers, the rebar that they sell in the U.S. market accounts for a very small percentage of total end-use cost. The majority of responding firms estimated the percentage of total end-use cost accounted for by rebar to be in the range 1.0 to 5.0 percent.

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[5] Changes in rebar demand generally lag changes in the overall strength of the economy by 6 to 9 months. In addition, rebar experiences seasonal variations in demand, with spring typically the beginning of the rebar "season" (Phil Casey, CEO, AmeriSteel, hearing transcript, pp. 108-109).

[6] Ibid.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported rebar depends upon such factors as relative prices, quality, and conditions of sale. Based on available data, staff believes that there is a high degree of substitution between domestic rebar and subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

Factors Affecting Sales

While price appears to be the most important factor in the sale of rebar, other factors such as quality and product availability may also be key considerations in purchase decisions. Table II-1 summarizes purchasers' responses concerning their rankings of "availability," "price," and "quality" as factors in purchasing decisions. As indicated in the table, price was cited most frequently as purchasers' primary factor in buying decisions.

Table II-1
Rebar: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

	Number of firms reporting		
Factor	Number one factor	Number two factor	Number three factor
Availability	1	11	7
Price	17	1	1
Quality	1	7	11

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

Another question asked of purchasers further establishes price as an important factor. When asked how often their firm purchases rebar that is offered at the lowest price, 2 out of 19 indicated "always," 12 indicated "usually," and 5 indicated "sometimes."

Questions concerning purchasers' awareness of the country of origin (whether U.S.-produced or imported) and the supplier of rebar suggest that both of these factors are also important in purchase decisions, as all 19 purchasers answered both questions with responses of "always" or "usually." Purchasers' customers also appear to be interested, though somewhat less interested than the purchasers themselves, in the country of origin of rebar, with 10 of 19 purchasers reporting that customers "always" or "usually" know the country of origin, while the remaining 9 purchasers reported that customers "sometimes" know the country of origin.

Questionnaire responses reveal that, in general, U.S. producers believe that differences in price between rebar products from various supplying countries are a more important factor in sales of rebar in the U.S. market as compared with differences in other factors. Importers' responses reveal a similar, albeit less pronounced, view (tables II-2 and II-3).[7]

[7] Table II-2 and table II-3 only reveal information on comparisons between U.S.-produced rebar and imported rebar. Available information indicates that, similar to the data in table II-2, all responding U.S. producers and the majority of responding importers believe that price differences are "always" or "frequently" important in sales of rebar in the U.S. market among rebar from different subject countries, as well as between subject rebar and nonsubject rebar. Similar to table II-3, all responding U.S. producers and the majority of responding importers believe that factors other than price are "sometimes" or "never" important in sales of rebar in the U.S. market among rebar from different subject countries, as well as between subject rebar and nonsubject rebar.

Table II-2

Rebar: Perceived importance of price differences between rebar produced in the United States and in other countries in sales of rebar in the U.S. market

Country pair	Number of U.S. producers reporting[1]					Number of U.S. importers reporting				
	A	F	S	N	O	A	F	S	N	O
U.S. vs. Belarus	28	---	---	---	---	9	2	2	---	7
U.S. vs. China	28	---	---	---	---	9	2	1	---	8
U.S. vs. Indonesia	25	---	---	---	3	8	2	1	---	9
U.S. vs. Korea	28	---	---	---	---	11	2	2	---	6
U.S. vs. Latvia	28	---	---	---	---	11	2	1	---	6
U.S. vs. Moldova	28	---	---	---	---	10	2	1	---	7
U.S. vs. Poland	28	---	---	---	---	8	2	2	---	8
U.S. vs. Ukraine	28	---	---	---	---	10	2	1	---	7
U.S. vs. Nonsubject	21	---	---	---	6	7	2	---	---	7

[1] Data reflect responses from all reporting divisions of responding U.S. producers.

Note – A = Always, F = Frequently, S = Sometimes, N = Never, O = No familiarity

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

Table II-3

Rebar: Perceived importance of differences in factors other than price between rebar produced in the United States and in other countries in sales of rebar in the U.S. market

Country pair	Number of U.S. producers reporting[1]					Number of U.S. importers reporting				
	A	F	S	N	O	A	F	S	N	O
U.S. vs. Belarus	---	1	1	26	---	---	5	2	6	7
U.S. vs. China	---	1	1	26	---	---	4	3	6	8
U.S. vs. Indonesia	---	1	1	23	3	---	4	2	6	9
U.S. vs. Korea	---	1	1	26	---	---	4	4	8	6
U.S. vs. Latvia	---	1	1	26	---	---	5	3	7	6
U.S. vs. Moldova	---	1	1	26	---	---	4	4	6	7
U.S. vs. Poland	---	1	1	26	---	---	5	2	6	8
U.S. vs. Ukraine	---	1	1	26	---	---	6	3	6	7
U.S. vs. Nonsubject	---	---	1	21	5	---	3	3	3	9

[1] Data reflect responses from all reporting divisions of responding U.S. producers.

Note – A = Always, F = Frequently, S = Sometimes, N = Never, O = No familiarity

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

Comparison of Domestic Product, Subject Imports, and Nonsubject Imports

U.S. producers and importers have fairly similar views regarding the issue of interchangeability between U.S.-produced and subject rebar. In general, U.S. producers were more unified in their responses, answering in virtually all cases that rebar from different countries is "always" interchangeable with the U.S. product. Importers' responses were more diverse, but reveal that for almost all country combinations the majority of importers believe that rebar is either "always" or "frequently" interchangeable with the U.S. product (table II-4).[8] [9] Further, data submitted by purchasers reveal that rebar from all sources is generally used in the same applications.

Table II-4
Rebar: Perceived degree of interchangeability of rebar produced in the United States and in other countries

Country pair	Number of U.S. producers reporting[1]					Number of U.S. importers reporting				
	A	F	S	N	O	A	F	S	N	O
U.S. vs. Belarus	28	---	---	---	---	8	3	3	---	7
U.S. vs. China	28	---	---	---	---	8	2	3	---	8
U.S. vs. Indonesia	25	---	---	---	3	8	2	3	---	8
U.S. vs. Korea	28	---	---	---	---	10	4	2	---	6
U.S. vs. Latvia	28	---	---	---	---	9	3	3	---	6
U.S. vs. Moldova	28	---	---	---	---	8	3	3	---	7
U.S. vs. Poland	28	---	---	---	---	8	2	3	---	8
U.S. vs. Ukraine	28	---	---	---	---	8	3	3	---	7
U.S. vs. Nonsubject	23	---	---	---	4	5	1	2	---	8

[1] Data reflect responses from all reporting divisions of responding U.S. producers.

Note – A = Always, F = Frequently, S = Sometimes, N = Never, O = No familiarity

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

Purchasers were also asked to rate domestically-produced rebar against rebar imported from the subject countries using a number of factors, such as availability, delivery time, discounts, price, product quality, product range, and reliability of supply. Compiled responses reveal that the U.S.-produced product is comparable or superior to subject imports in all of the aforementioned categories with the

[8] Several importers cited domestic content requirements as a factor behind the lack of full interchangeability between U.S.-produced rebar and subject imports. As noted in Part I of this report, "Buy American"-type provisions have some impact on consumption preferences for domestic versus imported rebar.

[9] Table II-4 only reveals information on comparisons between U.S.-produced rebar and imported rebar. Available information indicates that, similar to the data in table II-4, all responding U.S. producers and the majority of responding importers believe that rebar among different subject countries, as well as subject rebar and nonsubject rebar, is "always" or "frequently" interchangeable.

exception of lowest price; all responding purchasers rated subject imports as superior with respect to lowest price.[10] [11]

MODELING ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for rebar measures the sensitivity of the quantity supplied by U.S. producers within the 30-state region to changes in the U.S. market price for rebar. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced rebar. Previous analysis of these factors indicates that the U.S. industry within the 30-state region is likely to be able to increase or decrease shipments to the U.S. market. An estimate in the range of 5.0 to 7.0 is suggested. While the respondents did not comment directly on this estimate, petitioners stated in their prehearing brief that, in the absence of unfairly traded imports, the U.S. supply elasticity would have been less than the lower bound of staff's estimate due to increased capacity utilization.[12]

U.S. Demand Elasticity

The U.S. demand elasticity for rebar measures the sensitivity of the overall quantity demanded to a change in the U.S. market price for rebar within the 30-state region. This estimate depends on the factors discussed earlier, such as the existence, availability, and commercial viability of substitute products. As noted earlier, wire mesh is considered a potential substitute for rebar; however, there appear to be limitations associated with the use of this alternative product. Based on available information, the aggregate demand for rebar is likely to be inelastic. An estimate in the range of -0.25 to -0.75 is suggested. While the respondents did not comment directly on this estimate, petitioners appeared to agree with this estimate in their prehearing brief.[13]

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products. Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information, the elasticity of substitution between U.S.-produced rebar and rebar from all subject countries within the 30-state region is likely to be very high, in the range of 5.0 to 8.0. While the respondents did not comment on this estimate, petitioners appeared to agree with this estimate in their prehearing brief.[14]

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[10] Most purchasers (14 of 15) rated the U.S. product against subject imports as a whole.

[11] One purchaser utilized a scale of 1 to 10 to explain the relative quality of domestically-produced rebar and subject imports. According to this purchaser, the Korean product rates a 10 due to superior packaging and deformation. The U.S. product is next with a rating of 9, and the Chinese and Indonesian products rate an 8 due to slightly lower overall quality. Subject imports from Belarus, Latvia, Moldova, and Poland are considered lower quality products as compared with domestic and Asian rebar, and rate 6.5, while Ukrainian rebar, with a rating of 3, ranks last among subject imports in terms of quality (staff interview with *** of ***, March 13, 2001).

[12] See petitioner's prehearing brief, March 30, 2001, pp. 51-52.

[13] Ibid.

[14] Ibid.

MODEL DISCUSSION AND RESULTS

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticities) in the U.S. rebar market within the 30-state region. The model uses these estimates along with data on market shares and Commerce's final dumping margins.[15]

The analysis uses the most recent one-year period for which data are available, 2000, as the base year. The model results estimate the effects of dumping on the domestic rebar industry within the 30-state region over a one-year time period only. Effects over a longer time period are not part of this modeling exercise. Finally, the model does not assume that all of the dumping margin is passed forward to U.S. prices of the subject imports. Based on staff's estimates and the margins given by Commerce, the modeling results indicate that, if subject imports had not been dumped in the 30-state region of the U.S. market, U.S. rebar prices within the region would have been between *** and *** percent higher, output levels would have been between *** and *** percent higher, and revenues would have been between *** and *** percent higher.[16] Model results are summarized in table II-5 and presented in detail in appendix D.

Table II-5
Model results for Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

*   *   *   *   *   *   *

[15] As of the writing of this report, Commerce's final dumping margins are available for Indonesia, Poland, and Ukraine. Preliminary dumping margins were used as inputs to the COMPAS model for all other subject countries. These preliminary margins are presented in Commerce's notices in appendix A.

[16] Petitoners' economic consultant, Charles River Associates (CRA), developed a reduced form econometric model to directly estimate the effects that import volumes have on U.S. rebar prices, both immediately and with a lag. The model utilizes construction activity, scrap prices, and the volume of subject and nonsubject imports as explanatory variables in estimating U.S. rebar prices. CRA's statistical analysis reportedly shows that the volume of subject imports has had a significant negative impact, both immediately and with a lag, on U.S. producers' prices within the 30-state region, the level of construction activity has had a significant positive effect on U.S. producers' prices within the region, and scrap prices have had a marginally significant positive effect on U.S. producers' prices within the region (see petitioner's prehearing brief, exhibit 5). A critique of this model appears in the posthearing brief submitted on behalf of Latvian and Polish producers, exhibit 7.

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 preliminary margins of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and 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 29 individual plants or mills of 14 firms that accounted for virtually all U.S. production of rebar during 2000.[1]

U.S. PRODUCERS

The Commission mailed producer questionnaires to 15 firms known to produce rebar. Fourteen firms, encompassing 29 mills in which rebar is produced, supplied the Commission with complete information on their rebar operations in the United States.[2] Twenty of the 29 mills are located inside the 30-state region and the other nine are located outside the region. Twenty-three of the 29 mills are located inside the 33-state region. Seven firms comprising the petitioning coalition (excluding Riverview Steel) accounted for 86.0 percent of reported U.S. production within the region in 2000. These same firms accounted for 69.0 percent of all reported rebar production in the United States during the same period.[3] Information on all firms comprising the domestic industry are shown in tables III-1 and III-2. All domestic producers support the petitions for the imposition of antidumping duty orders on imports from Belarus, China, Korea, Latvia, Moldova, Poland, and Ukraine, and *** support the petition for the imposition of antidumping duty orders on imports from Indonesia.

U.S. PRODUCERS' PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

In the Commission's questionnaire, U.S. producers were requested to describe in detail any changes in the character of their operations or organization as a result of plant openings, relocations, expansions, acquisitions, consolidations, closures, prolonged shutdowns because of strikes or equipment failure, or curtailment of production because of shortages of materials. Firms were also requested to describe the constraints that set the limits on their production capabilities. U.S. producers' responses to these questions are presented in appendix F. With respect to constraints on production capabilities, product mix and market conditions were the most often mentioned limiting factors to production capabilities cited by producers within the region. Other constraints cited by U.S. producers included machine and equipment capabilities and normal maintenance schedules.

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[1] Company-specific data supplied by individual mills are presented in app. E.

[2] The fifteenth firm, Sherman International, reported its sales of rebar that Riverview Steel Corp., a petitioner in these investigations, produced for it on a toll basis. ***.

[3] One of the eight firms, Riverview Steel, reported toll production of *** short tons in 1999. Riverview Steel's data have not been incorporated into the tables throughout this report.

Table III-1
Rebar: U.S. producers and their mills inside the 30-state region, their position on the petitions, their shares of reported regional and national U.S. production in 2000, their U.S. production locations inside the region, and their parent companies

Firm	Position on the petitions	Share of production in region/ nationally *(percent)*	Production location(s)	Parent company and country
A.B. Steel Mill, Inc.	***	***	Cincinnati, OH	None
AmeriSteel	Petitioner	*** *** *** ***	Baldwin, FL Charlotte, NC Knoxville, TN Jackson, TN	Gerdau (Brazil): ***%; Kyoei Steel, Ltd. (Japan): ***%
Auburn Steel Co., Inc.	Petitioner[1]	*** ***	Auburn, NY Lemont, IL	Sumitomo Corp. (Japan): ***%; Sumitomo Corp. of America (U.S.): ***%; Kyoei Steel, Ltd. (Japan): ***%
Birmingham Steel Corp.	Petitioner	*** *** ***	Birmingham, AL Joliet, IL Jackson, MS	Birmingham Steel Corp. (U.S.)
Border Steel, Inc.	Petitioner	***	El Paso, TX	BSRM Holdings, Inc. (U.S.)
Co-Steel Sayreville	***	***	Sayreville, NJ	Co-Steel, Inc. (Canada)
Marion Steel Co.	Petitioner	***	Marion, OH	Marion Steel Co. (U.S.)
North Star Steel	***	***	Monroe, MI	Cargill, Inc. (U.S.)
Nucor Corp.[2]	Petitioner	*** ***	Darlington, SC Jewett, TX	Nucor Corp. (U.S.)
Riverview Steel Corp.[3]	Petitioner	***	Glassport, PA	Riverview Steel Corp. (U.S.)
SMI Steel	Petitioner	*** *** ***	Magnolia, AR Cayce, SC Seguin, TX	Commercial Metals Co. (U.S.)
TXI Chaparral Steel	***	***	Midlothian, TX	Texas Industries (U.S.)

[1] Auburn Steel Co., Inc, is not a petitioner with respect to Indonesia. Auburn *** the petition with respect to Indonesia.
[2] On March 19, 2001, Nucor announced that it had agreed to buy almost all of Auburn Steel's steel-bar mill assets in Auburn, NY, for $115 million to expand its steel-bar production into the Northeast.
[3] Data not reported herein.

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

Table III-2
Rebar: U.S. producers and their mills outside the 30-state region, their position on the petitions, their shares of reported production outside the region and national U.S. production in 2000, their U.S. production locations outside the region, and their parent companies

Firm	Position on petition	Share of production outside of region/ nationally *(percent)*	Production location(s)	Parent company and country
Birmingham Steel Corp.	Petitioner	***	Seattle, WA	Birmingham Steel Corp. (U.S.)
Cascade Steel Rolling Mill, Inc.	***	***	McMinnville, OR	Schnitzer Steel Industries, Inc. (U.S.)
North Star Steel	***	*** *** ***	Kingman, AZ Wilton, IA St. Paul, MN	Cargill, Inc. (U.S.)
Nucor	Petitioner	*** ***	Norfolk, NE Plymouth, UT	Nucor Corp. (U.S.)
Sheffield Steel Corp.	***	***	Sand Springs, OK	HMK Enterprises (U.S.): ***%
TAMCO	***	***	Rancho Cucamonga, CA	Ameron International (U.S.): ***%; Tokyo Steel Mfg. Co. (Japan): ***%; Mitsui & Co. (USA), Inc. (U.S.): ***%; Mitsui & Co., Ltd. (Japan): ***%

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

Concerning any changes in the character of their operations or organization since January 1, 1998, three mills within the 30-state region responded that they experienced no such changes. Another mill, ***, reported that it made internal improvements to increase efficiency within its mill, which resulted in increased capacity. Still another mill, ***, indicated in its response that, because of a healthy demand for rebar, it expanded its workforce in the year 2000. Finally, *** reported the start-up of a new rolling mill in May 1999. The remaining mills within the region all reported a halt, slowdown, or some other interruption in their rebar production over the period for which the Commission requested information. Adverse market conditions bought about by low-priced imports and equipment failure were cited most often as the reasons for a curtailment in production. *** stated in its questionnaire response that "***." Four firms in the region have closed down their rebar operations. Atlantic Steel and Susquehanna Steel shut down their rebar operations in December 1998; Birmingham's Joliet, IL, mill and Auburn Steel's Lemont, IL, mill were each shut down in February 2000. Riverview Steel shut down its operations in August 2000 but reopened in April 2001.

All but two of the 20 mills that are located within the 30-state region produce products other than rebar using the same machinery and equipment that is used to produce rebar. These other products are also produced by the same production-and-related workers that are used to produce rebar. Some of these other products include rebar in coils, wire rod, plain rounds, merchant products, fence posts, and assorted steel shapes (*e.g.*, flats, squares, hexagons, angles and channels).

Data on U.S. rebar production capacity, production, and capacity utilization as reported by U.S. producers with mills located inside and outside of the 30-state region are shown in table III-3. The production and capacity trends generally were favorable for both sets of producers. U.S. producers inside the region saw their production capacity and production increase by 8.0 percent and 8.3 percent, respectively, between 1998 and 2000. Capacity utilization for these firms held steady at between 75 and 76 percent over the same period. U.S. mills outside the region operated at a somewhat higher capacity utilization, achieving capacity utilization of 80.1 percent in 1998, 75.6 percent in 1999, and 79.4 percent in 2000. These outside mills experienced a 3.1 percent gain in production capacity and a 2.3 percent increase in production between 1998 and 2000.

U.S. PRODUCERS' SHIPMENTS

Although a number of U.S. mills that produce rebar internally consume a portion of their production or transfer some of their production to related U.S. establishments, sales or shipments to unrelated third parties account for the bulk of U.S. mills' total shipments. Three mills inside the 30-state region and one outside the region reported internal consumption of rebar during the period for which the Commission requested information. Within the region, *** reported data on internal consumption.[4] Outside the region, only one mill, ***, reported having internally consumed a part of its rebar production.[5] However, as a share of its production, the quantity of the firm's internal consumption accounted for *** percent of its production in all periods.

In addition to internal consumption, U.S. mills also transfer some of their production to sister mills at other locations. Within the 30-state region, mills that reported such related transfers were ***. Mills outside the region that reported such transfers were ***, as well as ***.

Data on U.S. mills' shipments of rebar are shown in tables III-4 through III-6 and in figures III-1 and III-2.

Shipments by U.S. Mills Inside the 30-State Region

The quantity of total U.S. shipments of rebar inside and outside the region by U.S. mills inside the region increased by 9.7 percent between 1998 and 2000 and decreased on the basis of value by 4.4 percent over the same period (table III-4). Not less than 7.6 percent and not more than 8.1 percent of the total quantity of U.S. shipments by these inside mills went outside the region.[6] Indeed, more rebar was consumed internally by these inside mills than was shipped outside the region. As a share of the quantity of total U.S. shipments, the quantity of rebar consumed internally inside the region increased from *** percent in 1998 to *** percent in 1999, and rose to *** percent in 2000. In terms of U.S. shipments

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[4] ***.

[5] ***.

[6] In its preliminary determinations, the Commission noted that the proximity of Iowa, Oklahoma, and Minnesota to the proposed region and the presence of two domestic producers of rebar in these states raises the issue of whether they should be included in the region. Based on data supplied by U.S. producers in their questionnaire responses, regional producers' U.S. shipments of rebar into these three states combined totaled 58,792 short tons in 1998, 64,700 short tons in 1999, and 91,576 short tons in 2000. U.S. shipments into the three states by U.S. mills located outside the region totaled 129,245 short tons in 1998, 150,093 short tons in 1999, and 121,002 short tons in 2000.

Table III-3
Rebar: U.S. producers' production capacity, production, and capacity utilization, 1998-2000

Item	1998	1999	2000
Producers inside the 30-state region:			
Capacity (*short tons*)	5,198,086	5,494,904	5,612,908
Production (*short tons*)	3,910,732	4,095,918	4,236,273
Capacity utilization (*percent*)	75.2	74.5	75.5
Producers outside the 30-state region:			
Capacity (*short tons*)	2,696,400	2,816,400	2,779,800
Production (*short tons*)	2,159,078	2,130,371	2,207,780
Capacity utilization (*percent*)	80.1	75.6	79.4
Total United States:			
Capacity (*short tons*)	7,894,486	8,311,304	8,392,708
Production (*short tons*)	6,069,810	6,226,289	6,444,053
Capacity utilization (*percent*)	76.9	74.9	76.8
Source: Compiled from data submitted in response to Commission questionnaires.			

Table III-4
Rebar: Shipments inside and outside the 30-state region by U.S. mills inside the region, by types, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Commercial shipments:			
To states inside the region	2,551,617	2,701,688	2,744,576
To states outside the region	288,606	321,192	339,879
Total	2,840,223	3,022,880	3,084,455
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	3,812,856	4,090,074	4,181,888
Export shipments	22,204	14,186	36,567
Total shipments	3,835,060	4,104,260	4,218,455
	Value (*$1,000*)		
Commercial shipments:			
To states inside the region	791,981	738,356	738,901
To states outside the region	90,298	90,498	94,369
Total	882,279	828,854	833,270
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	1,178,903	1,123,878	1,126,584

Continued on next page.

Table III-4--Continued
Rebar: Shipments inside and outside the 30-state region by U.S. mills inside the region, by types, 1998-2000

Item	1998	1999	2000
	Value (*$1,000*)		
Export shipments	6,738	3,743	8,493
Total shipments	1,185,641	1,127,621	1,135,077
	Unit value (*per short ton*)		
Commercial shipments:			
To states inside the region	$310.38	$273.29	$269.22
To states outside the region	312.88	281.76	277.65
Average	310.64	274.19	270.15
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Average	***	***	***
Total U.S. shipments	309.19	274.78	269.40
Export shipments	303.46	263.85	232.26
Average, all shipments	309.16	274.74	269.07

[1] Not applicable.

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

Table III-5
Rebar: Shipments inside and outside the 30-state region by U.S. mills outside the region, by types, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Commercial shipments:			
To states inside the region	136,093	171,449	131,572
To states outside the region	1,778,574	1,897,139	1,973,321
Total	1,914,667	2,068,588	2,104,893
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	1,940,254	2,092,459	2,126,770
Export shipments	103,782	98,322	99,123
Total shipments	2,044,036	2,190,781	2,225,893
	Value (*$1,000*)		
Commercial shipments:			
To states inside the region	42,496	47,299	35,381
To states outside the region	531,559	523,682	537,457
Total	574,055	570,981	572,838
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	581,928	578,044	579,385

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Table III-5--Continued
Rebar: Shipments inside and outside the 30-state region by U.S. mills outside the region, by types, 1998-2000

Item	1998	1999	2000
	Value (*$1,000*)		
Export shipments	32,298	25,624	27,227
Total shipments	614,226	603,668	606,612
	Unit value (*per short ton*)		
Commercial shipments:			
To states inside the region	$312.26	$275.88	$268.91
To states outside the region	298.87	276.04	272.36
Average	299.92	276.02	272.15
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Average	***	***	***
Total U.S. shipments	299.92	276.25	272.42
Export shipments	311.21	260.61	274.68
Average, all shipments	300.50	275.55	272.53

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

Table III-6
Rebar: Shipments inside and outside the 30-state region by U.S. mills inside and outside the region combined, by types, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Commercial shipments:			
To states inside the region	2,687,710	2,873,137	2,876,148
To states outside the region	2,067,180	2,218,331	2,313,200
Total	4,754,890	5,091,468	5,189,348
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	5,753,110	6,182,533	6,308,658
Export shipments	125,986	112,508	135,690
Total shipments	5,879,096	6,295,041	6,444,348
	Value (*$1,000*)		
Commercial shipments:			
To states inside the region	834,477	785,655	774,282
To states outside the region	621,857	614,180	631,826
Total	1,456,334	1,399,835	1,406,108
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Total	***	***	***
Total U.S. shipments	1,760,831	1,701,922	1,705,969

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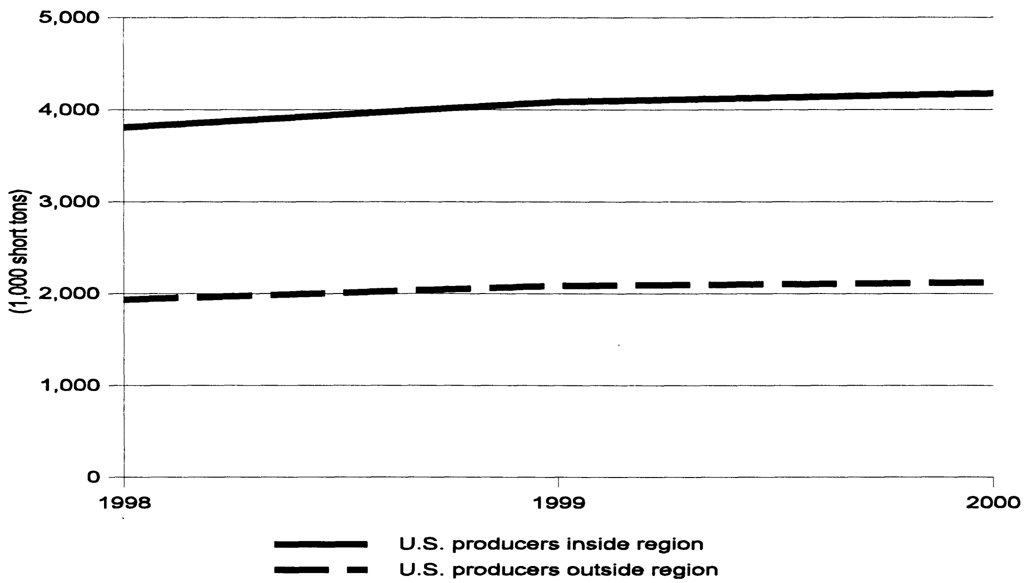
Table III-6--Continued
Rebar: Shipments inside and outside the 30-state region by U.S. mills inside and outside the region combined, by types, 1998-2000

Item	1998	1999	2000
	Value (*$1,000*)		
Export shipments	39,036	29,367	35,720
Total shipments	1,799,867	1,731,289	1,741,689
	Unit value (*per short ton*)		
Commercial shipments:			
To states inside the region	$310.48	$273.45	$269.21
To states outside the region	300.82	276.87	273.14
Average	306.28	274.94	270.96
Internal consumption	***	***	***
Company transfers to related firms:			
Inside the region	***	***	***
Outside the region	***	***	***
Average	***	***	***
Total U.S. shipments	306.07	275.28	270.42
Export shipments	309.84	261.02	263.25
Average, all shipments	306.15	275.02	270.27
Source: Compiled from data submitted in response to Commission questionnaires.			

Figure III-1
Rebar: U.S. shipments inside the region by U.S. mills inside the 30-state region and by U.S. mills outside the region, 1998-2000

* * * * * * *

Figure III-2
Rebar: Total U.S. shipments by U.S. mills inside the region and by U.S. mills outside the 30-state region, 1998-2000



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

(excluding export shipments) of rebar within the region, U.S. mills inside the region accounted for the vast majority of all rebar shipped inside the region between 1998 and 2000 (figure III-1). In terms of total U.S. shipments by mills located inside and outside the region, again, those mills inside the region shipped nearly twice as much rebar as did those mills outside the region during the 1998-2000 period (figure III-2).

Shipments by U.S. Mills Outside the 30-State Region

Data on shipments of rebar by mills producing product outside the region are shown in table III-5. The quantity of these mills' total U.S. shipments rose in all periods, increasing by 7.8 percent from 1998 to 1999 and by 1.6 percent from 1999 to 2000. The value of such total U.S. shipments decreased irregularly over the same period, declining overall by 0.4 percent. The volume of U.S. shipments into the region by these outside mills made up not more than 9.3 percent of their total U.S. shipments of rebar between 1998 and 2000.

Shipments by U.S. Mills Inside and Outside the 30-State Region Combined

Total shipments of rebar by U.S. mills inside and outside the region combined are shown in table III-6. On the basis of quantity, such total U.S. shipments increased by 7.5 percent from 1998 to 1999 and by 2.0 percent from 1999 to 2000. On the basis of value, such shipments declined irregularly over the same period, falling by 3.3 percent from 1998 to 1999 and increasing by 0.2 percent between 1999 and 2000. Eighty-one percent of U.S. mills' total shipments during 1998-2000 were to unrelated customers; *** percent were to related mills, and 2.0 percent were export shipments. The average unit value of total U.S. shipments fell sharply between 1998 and 2000, declining by 10.1 percent between 1998 and 1999 and dropping by 1.8 percent between 1999 and 2000.

U.S. PRODUCERS' INVENTORIES

Data showing end-of-period inventories of rebar as reported by U.S. mills inside the 30-state region and by mills outside the region are presented in table III-7. In efforts to manage and control inventory levels, several mills instituted planned outages and shutdowns. ***, for example, reported that it ***. Similarly, *** reported a reduction in production in order to reduce its high inventory levels. *** also stated in its questionnaire response that "the flood of low-priced imports" caused it to curtail its production in order to reduce its increasing levels of inventories. Overall, U.S. mills did manage to reduce inventory levels as total U.S. inventories declined by 9.8 percent between 1998 and 2000. However, for those U.S. mills inside the region, end-of-period inventories dipped somewhat between 1998 and 1999, falling by 1.7 percent, but then increased by 4.5 percent between 1999 and 2000. For mills inside the region, the ratio of inventories to production and shipments remained fairly constant at 10 to 11 percent over the period.

Table III-7
Rebar: U.S. producers' end-of-period inventories, 1998-2000

Item	1998	1999	2000
U.S. producers inside the 30-state region:			
Inventories (*short tons*)	408,929	402,168	420,309
Ratio to production (*percent*)	10.5	9.8	9.9
Ratio to U.S. shipments (*percent*)	10.7	9.8	10.1
Ratio to total shipments (*percent*)	10.7	9.8	10.0
U.S. producers outside the 30-state region:			
Inventories (*short tons*)	291,077	228,187	211,344
Ratio to production (*percent*)	13.5	10.7	9.6
Ratio to U.S. shipments (*percent*)	15.0	10.9	9.9
Ratio to total shipments (*percent*)	14.2	10.4	9.5
Total United States:			
Inventories (*short tons*)	700,006	630,355	631,653
Ratio to production (*percent*)	11.5	10.1	9.8
Ratio to U.S. shipments (*percent*)	12.2	10.2	10.0
Ratio to total shipments (*percent*)	11.9	10.0	9.8
Source: Compiled from data submitted in response to Commission questionnaires.			

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Employment data pertaining to the U.S. industry in which rebar is produced are shown in table III-8. As noted earlier in this section of the report, U.S. mills that produce rebar do so using the same machinery and equipment that is used to produce other products within the mill. The same production-and-related workers that are used to produce these other products are also used to produce rebar. Thus, employment data reported for those firms that co-share machinery and equipment as well as production-and related workers (PRWs) are based on some method of allocation that may or may not be indicative of the mill's actual experience.

On average, U.S. mills inside the region experienced a higher level of employment than those mills located outside the region. The number of PRWs that were employed at mills located inside the region, as well as the number of hours worked by such workers, rose by 4.6 percent and 3.2 percent, respectively, from 1998 to 2000. In contrast, those mills located outside the region saw a decline in both the number of PRWs in their employ and the number of hours worked by such PRWs over the same 1998-2000 period. Worker productivity, as measured by the number of short tons produced per 1,000

Table III-8
Rebar: Average number of production-and-related workers, hours worked, wages paid to such workers, hourly wages, productivity, and unit labor costs, 1998-2000

Item	1998	1999	2000
Mills inside the 30-state region:			
PRWs (*number*)	2,649	2,706	2,771
Hours worked (*1,000*)	5,537	5,684	5,716
Wages paid (*$1,000*)	114,445	123,264	127,747
Hourly wages	$20.67	$21.69	$22.35
Productivity (*tons per 1,000 hours*)	673.2	684.5	706.5
Unit labor costs (*per short ton*)	$30.70	$31.68	$31.64
Mills outside the 30-state region:			
PRWs (*number*)	1,485	1,541	1,445
Hours worked (*1,000*)	3,412	3,331	3,057
Wages paid (*$1,000*)	72,711	75,147	74,399
Hourly wages	$21.31	$22.56	$24.34
Productivity (*tons per 1,000 hours*)	632.8	639.6	722.2
Unit labor costs (*per short ton*)	$33.68	$35.27	$33.70
Total United States:			
PRWs (*number*)	4,134	4,247	4,216
Hours worked (*1,000*)	8,949	9,015	8,773
Wages paid (*$1,000*)	187,156	198,411	202,146
Hourly wages	$20.91	$22.01	$23.04
Productivity (*tons per 1,000 hours*)	657.8	667.9	711.9
Unit labor costs (*per short ton*)	$31.79	$32.95	$32.36
Source: Compiled from data submitted in response to Commission questionnaires.			

hours worked, increased between 1998 and 2000 for mills both inside and outside the region; however, productivity for mills outside the region increased at a much higher rate than it did for mills located inside the region. Unit labor costs for mills inside the region rose by 3.0 percent from 1998 to 2000, as compared with an increase of 0.1 percent for mills outside the region.

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

U.S. IMPORTERS

The Commission sent importer questionnaires to 45 firms believed to have imported rebar during the period for which information was requested, January 1, 1998, through December 31, 2000. Responses were received from 28 firms, two of which certified that they did not import rebar from any source during the period for which information was requested. Twenty-three firms supplied the Commission with usable information on their imports of rebar. These firms accounted for 44.1 percent of the quantity of total U.S. imports into the 30-state region in 2000 as compiled in official statistics by Commerce. In 1998 and 1999, the percentages were 57.9 and 49.5, respectively.

The number of importers that reported having imported rebar from each of the subject eight countries were as follows:

	Belarus	China	Indonesia	Korea	Latvia	Moldova	Poland	Ukraine
Number of firms	3	6	4	13	11	7	7	5

Four of the 23 U.S. importers that supplied questionnaire information reported having imported rebar from only one of the subject eight countries over the period for which information was requested. Most of the importers, however, reported that they imported rebar from more than one subject source. For example, ***, the U.S. importer ***, reported that during the period for which information was requested, it imported the subject merchandise from China, Korea, Latvia, Moldova, and Ukraine. Similarly, ***, a major U.S. importer that is headquartered in ***, reported that it imported product from ***. Two U.S. importers reported that they imported the subject merchandise from only nonsubject sources during the period for which information was requested.

Three U.S. importers of the subject merchandise are affiliated with domestic producers. *** is a wholly-owned subsidiary of ***;[1] ***;[2] and ***.[3] In its preliminary determinations, the Commission did

[1] *** reported U.S. imports from subject sources (***) totaling *** short tons and valued at $*** in 1998. All such imports were inside the 30-state region and were equivalent to *** percent of *** inside-the-region production in the same period.

[2] *** importer's questionnaire response shows that the firm imported rebar from *** during the period for which information was requested. *** combined imports inside the 30-state region from all three sources totaled *** short tons, valued at $***, in 1998; *** short tons, valued at $***, in 1999; and *** short tons, valued at $***, in 2000. Such imports were equivalent to *** percent of *** inside the 30-state region production in 1998, *** percent in 1999, and *** percent in 2000. *** also reported imports of rebar from *** outside the 30-state region. Such outside-the-region imports totaled *** short tons, valued at $***, in 1998; *** short tons, valued at $***, in 1999; and *** short tons, valued at $***, in 2000.

[3] *** importer's questionnaire response shows that it imported the subject merchandise from *** during the period for which information was requested. Such combined U.S. imports inside the 30-state region totaled *** short tons, valued at $***, in 1998; *** short tons, valued at $***, in 1999; and *** short tons, valued at $***, in 2000. The firm's U.S. imports outside the region totaled *** short tons, valued at $***, in 1998; *** short tons, valued at $***, in 1999; and *** short tons, valued at $***, in 2000. With respect to its sister company, ***, the (continued...)

not exclude any of these producers from the domestic industry under the related party provisions of the statute.

U.S. IMPORTS

Data on U.S. imports of rebar as presented in this section of the report are based on official Commerce statistics, except in the case of Belarus.[4] These data show that the quantity and value of total U.S. imports into the 30-state region rose unevenly by *** percent and *** percent, respectively, from 1998 to 2000 (table IV-1). Aggregate U.S. imports into the region from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine over the same period increased by *** percent on the basis of quantity, and declined by *** percent on the basis of value. The average unit value of subject imports from the eight countries fell by *** percent between 1998 and 1999 and increased by *** percent between 1999 and 2000.

As shown in table IV-2, the quantity and value of total U.S. imports outside the 30-state region jumped sharply between 1998 and 1999 and fell back to near 1998 levels in 2000. In 2000, Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine combined accounted for *** percent of the quantity and *** percent of the value of U.S. imports outside the region.

The quantity and value of total U.S. imports (table IV-3) from all sources fluctuated upward between 1998 and 2000 by *** percent and by *** percent, respectively. As shown in the table, subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine accounted for the bulk of total imports.

CUMULATION CONSIDERATIONS

In assessing whether imports compete with each other and with the domestic like product, the Commission has generally considered four factors: fungibility; presence of sales or offers to sell in the same geographical markets; common or similar channels of distribution; and simultaneous presence in the market. Issues concerning fungibility and channels of distribution are addressed in Part II of this report; geographical markets and simultaneous presence in the market are discussed below.

Geographical Markets

As noted previously, subject rebar produced in the United States is shipped nationwide. However, as shown in table I-1, 92 percent of U.S. shipments of producers in the 30-state region

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[3] (...continued)
quantity of *** combined U.S. imports *** the region was equivalent to *** percent of *** total U.S. production in 1998, *** percent of the total in 1999, and *** percent of the total in 2000.

[4] Petitioners and the respondent from Belarus agree that the official Commerce statistics (HTS subheading 7214.20.00) understate U.S. imports of rebar from Belarus. Accordingly, the U.S. import data presented herein for Belarus are from the questionnaire responses of U.S. importers of rebar from Belarus.

Table IV-1
Rebar: U.S. imports into the 30-state region, by sources, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Belarus	***	***	***
China	0	17,417	123,217
Indonesia	44,504	63,748	0
Korea	405,254	291,275	205,841
Latvia	97,002	303,997	207,705
Moldova	187,250	183,803	181,492
Poland	53,231	10,681	69,278
Ukraine	3,074	95,904	168,054
Subtotal	***	***	***
Other sources	191,622	527,844	377,045
Total	***	***	***
	Value (*$1,000*)		
Belarus	***	***	***
China	0	3,330	27,451
Indonesia	9,708	16,185	0
Korea	107,157	59,202	42,993
Latvia	34,013	60,153	41,965
Moldova	58,463	40,228	38,473
Poland	15,034	2,049	13,953
Ukraine	826	18,412	33,783
Subtotal	***	***	***
Other sources	47,315	111,780	86,875
Total	***	***	***

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Table IV-1--*Continued*
Rebar: U.S. imports into the 30-state region, by sources, 1998-2000

Item	1998	1999	2000
	Unit value (*per short ton*)		
Belarus	$***	$***	$***
China	-	191.21	222.78
Indonesia	218.14	253.90	-
Korea	264.42	203.25	208.86
Latvia	350.65	197.87	202.04
Moldova	312.22	218.87	211.98
Poland	282.43	191.88	201.40
Ukraine	268.73	191.98	201.03
Average	***	***	***
Other sources	246.92	211.77	230.41
Average	***	***	***

Source: Compiled from official Commerce statistics, except for Belarus, which data were compiled from Commission questionnaires.

Table IV-2
Rebar: U.S. imports outside the 30-state region, by sources, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Belarus	0	***	0
China	0	131	39,907
Indonesia	0	5,512	0
Korea	121,826	132,618	57,760
Latvia	0	0	0
Moldova	21	0	0
Poland	0	0	15
Ukraine	0	0	0
Subtotal	121,847	***	97,682
Other sources	43,202	99,187	70,829
Total	165,049	***	168,511
	Value (*$1,000*)		
Belarus	0	***	0
China	0	30	8,818
Indonesia	0	1,225	0
Korea	31,351	29,183	13,409
Latvia	0	0	0
Moldova	14	0	0
Poland	0	0	6
Ukraine	0	0	0
Subtotal	31,365	***	22,233
Other sources	11,496	23,324	18,055
Total	42,861	***	40,288

Continued on next page.

Table IV-2--*Continued*

Rebar: U.S. imports outside the 30-state region, by sources, 1998-2000

Item	1998	1999	2000
	Unit value (*per short ton*)		
Belarus	-	$***	-
China	-	226.45	$220.96
Indonesia	-	222.28	-
Korea	$257.35	220.05	232.15
Latvia	-	-	-
Moldova	669.37	-	-
Poland	-	-	429.38
Ukraine	-	-	-
Average	257.42	***	227.61
Other sources	266.09	235.15	254.90
Average	259.69	***	239.08

Source: Compiled from official Commerce statistics, except for Belarus, for which data were compiled from Commission questionnaires.

Table IV-3
Rebar: Total U.S. imports, by sources, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Belarus	***	***	***
China	0	17,547	163,124
Indonesia	44,504	69,261	0
Korea	527,080	423,893	263,601
Latvia	97,002	303,997	207,705
Moldova	187,271	183,803	181,492
Poland	53,231	10,681	69,292
Ukraine	3,074	95,904	168,054
Subtotal	***	***	***
Other sources	234,824	627,031	447,875
Total	***	***	***
	Value (*$1,000*)		
Belarus	***	***	***
China	0	3,360	36,268
Indonesia	9,708	17,411	0
Korea	138,508	88,385	56,402
Latvia	34,013	60,153	41,965
Moldova	58,477	40,228	38,473
Poland	15,034	2,049	13,959
Ukraine	826	18,412	33,783
Subtotal	***	***	***
Other sources	58,811	135,104	104,930
Total	***	***	***

Continued on next page.

Table IV-3--*Continued*
Rebar: Total U.S. imports, by sources, 1998-2000

Item	1998	1999	2000
	Unit value (*per short ton*)		
Belarus	$***	$***	$***
China	-	191.47	222.34
Indonesia	218.14	251.38	-
Korea	262.78	208.51	213.97
Latvia	350.65	197.87	202.04
Moldova	312.26	218.87	211.98
Poland	282.43	191.88	201.45
Ukraine	268.73	191.98	201.03
Average	***	***	***
Other sources	250.44	215.47	234.28
Average	***	***	***

Source: Compiled from official Commerce statistics, except for Belarus, which data were compiled from Commission questionnaires.

remained within the region[5] and between 87 and 91 percent of subject imports[6] were into the specified region.

Presence in the Market

Subject rebar produced in the United States was present throughout the period for which data were collected. Based on official Commerce statistics, in the 12-month period from June 1999 through May 2000, imports of subject rebar from Korea, Latvia, and Moldova entered the United States in all 12 months; those from China and Ukraine entered the United States in 8 of the 12 months, those from Belarus entered in 7 of the 12, and those from Indonesia and Poland entered in 4 of the 12 months.

[5] During the period examined, U.S. shipments into the 30-state region accounted for 8-11 percent of total U.S. shipments of producers located outside the region.

[6] Most of the imports from each of the subject countries during 1998-2000 were into the 30-state region. All of the imports from Belarus, China, Indonesia, Latvia, Poland, and Ukraine were in the region in 1998, and *** percent, 99.3 percent, 92.0 percent, and 68.7 percent of the imports from Belarus, China, Indonesia, and Korea, respectively, were in the region in 1999. In 2000, 100.0 percent of the imports from Belarus, Indonesia, Latvia, Moldova, and Ukraine were in the region, while 75.5 percent and 78.1 percent of the imports from China and Korea, respectively, were in the region.

APPARENT U.S. CONSUMPTION

Data on apparent consumption of rebar within the 30-state region are presented in table IV-4 and data on apparent consumption for the total U.S. market are shown in table IV-5. On the basis of quantity, apparent consumption within the region rose by *** percent between 1998 and 1999 and decreased by *** percent from 1999 to 2000. On the basis of value, apparent regional consumption increased by *** percent from 1998 to 1999 and decreased by *** percent from 1999 to 2000. Apparent consumption for the total U.S. market increased and decreased similarly, increasing from 1998 to 2000 by *** percent on the basis of quantity and falling by *** percent on the basis of value.

U.S. MARKET SHARES

Data on U.S. market shares are shown in tables IV-6 through IV-8. U.S. producers' share of the 30-state regional market fell by *** percentage points between 1998 and 1999 and increased by *** percentage points from 1999 to 2000 (table IV-6). The market share of subject imports in the region remained fairly constant at between *** percent and *** percent. The market share of nonsubject imports in the region increased from *** percent in 1998 to *** percent in 1999 and declined somewhat to *** percent in 2000. Concerning the total U.S. market, U.S. producers' market share dipped from *** percent in 1998 to *** percent in 1999 and increased to *** percent in 2000; the market share of subject imports increased from *** percent in 1998 to *** percent in 1999 and fell back to *** percent in 2000.

Negligibility

The statutory provision defining "negligibility" provides that imports from a subject country that are less than 3 percent of the volume of all such merchandise imported into the United States (or into the region if appropriate) in the most recent 12-month period for which data are available that precedes the filing of the petition shall be deemed negligible. Official Commerce import data for the 12-month period preceding the filing of the petitions, i.e., June 1999 through May 2000, are shown in table IV-9.

CURRENT ORDERS

Only one of the 23 firms that supplied the Commission with information on their U.S. imports of the subject merchandise responded in the affirmative when asked in the Commission's questionnaire whether they had imported or arranged for the importation of rebar from any of the subject eight countries to be delivered after December 31, 2000. In its questionnaire response, *** reported that it had arranged for the importation of *** short tons of the subject merchandise to be delivered between ***. In terms of subject imports, *** reported imports from ***. The firm's nonsubject imports included product imported from ***.

Table IV-4
Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the 30-state region, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Inside the region:			
Shipments by inside-the-region producers within the region	3,524,250	3,768,882	3,842,009
Shipments by outside-the-region producers into the region	160,857	194,992	153,149
U.S. imports into the region from--			
Belarus	***	***	***
China	0	17,417	123,217
Indonesia	44,504	63,748	0
Korea	405,254	291,275	205,841
Latvia	97,002	303,997	207,705
Moldova	187,250	183,803	181,492
Poland	53,231	10,681	69,278
Ukraine	3,074	95,904	168,054
Subtotal	***	***	***
All other	191,622	527,844	377,045
Total U.S. imports	***	***	***
Apparent consumption	***	***	***
Outside the region:			
Shipments by inside-the-region producers	288,606	321,192	345,284
Shipments by outside-the-region producers	1,779,397	1,897,467	1,973,621
U.S. imports outside the region from--			
Belarus	0	***	0
China	0	131	39,907
Indonesia	0	5,512	0
Korea	121,826	132,618	57,760
Latvia	0	0	0
Moldova	21	0	0
Poland	0	0	15

Continued on next page.

Table IV-4--*Continued*
Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the 30-state region, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Ukraine	0	0	0
Subtotal	121,847	***	97,682
All other	43,202	99,187	70,829
Total U.S. imports	165,049	***	168,511
Apparent consumption	2,233,052	***	2,482,011
	Value (*$1,000*)		
Inside the region:			
Shipments by inside-the-region producers within the region	1,088,605	1,033,380	1,032,215
Shipments by outside-the-region producers into the region	50,118	54,270	41,836
U.S. imports into the region from--			
Belarus	***	***	***
China	0	3,330	27,451
Indonesia	9,708	16,185	0
Korea	107,157	59,202	42,993
Latvia	34,013	60,153	41,965
Moldova	58,463	40,228	38,473
Poland	15,034	2,049	13,953
Ukraine	826	18,412	33,783
Subtotal	***	***	***
All other	47,315	111,780	86,875
Total U.S. imports	***	***	***
Apparent consumption	***	***	***
Outside the region:			
Shipments by inside-the-region producers	90,298	90,498	94,369
Shipments by outside-the-region producers	531,810	523,774	537,549

Continued on next page.

Table IV-4--*Continued*
Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the 30-state region, 1998-2000

Item	1998	1999	2000
	Value (*$1,000*)		
U.S. imports outside the region from--			
Belarus	0	***	0
China	0	30	8,818
Indonesia	0	1,225	0
Korea	31,351	29,183	13,409
Latvia	0	0	0
Moldova	14	0	0
Poland	0	0	6
Ukraine	0	0	0
Subtotal	31,365	***	22,233
All other	11,496	23,324	18,055
Total U.S. imports	42,861	***	40,288
Apparent consumption	664,969	***	672,206

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

Table IV-5
Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, total United States, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Shipments by inside-the-region producers	3,812,856	4,090,074	4,181,888
Shipments by outside-the-region producers	1,940,254	2,092,459	2,126,770
U.S. imports from--			
Belarus[1]	***	***	***
China	0	17,547	163,124
Indonesia	44,504	69,261	0
Korea	527,080	423,893	263,601
Latvia	97,002	303,997	207,705
Moldova	187,271	183,803	181,492
Poland	53,231	10,681	69,292
Ukraine	3,074	95,904	168,054
Subtotal	***	***	***
All other	234,824	627,031	447,875
Total U.S. imports	***	***	***
Apparent consumption	***	***	***
	Value (*$1,000*)		
Shipments by inside-the-region producers	1,178,903	1,123,878	1,126,584
Shipments by outside-the-region producers	581,928	578,044	579,385
U.S. imports from--			
Belarus[1]	***	***	***
China	0	3,360	36,268
Indonesia	9,708	17,411	0
Korea	138,508	88,385	56,402
Latvia	34,013	60,153	41,965
Moldova	58,477	40,228	38,473
Poland	15,034	2,049	13,959

Continued on next page.

Table IV-5--*Continued*
Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, total United States, 1998-2000

Item	1998	1999	2000
	Value (*$1,000*)		
Ukraine	826	18,412	33,783
Subtotal	***	***	***
All other	58,811	135,104	104,930
Total U.S. imports	***	***	***
Apparent consumption	***	***	***

[1] Data for Belarus reflect U.S. shipments of imports as reported in Commission questionnaires.

Note.--The "region" in this table consists of the 30-state region.

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

Table IV-6
Rebar: Apparent consumption and market shares within the 30-state region, 1998-2000

* * * * * * *

Table IV-7
Rebar: Apparent consumption and market shares outside the 30-state region, 1998-2000

Item	1998	1999	2000
	Quantity (*short tons*)		
Apparent consumption	2,233,052	***	2,482,011
	Value (*$1,000*)		
Apparent consumption	664,969	***	672,206
	Share of quantity (*percent*)		
Shipments by inside-the-region producers outside the region	12.9	***	13.7
Shipments by outside-the-region producers outside the region	79.7	***	79.5
U.S. imports outside the region from--			
Belarus	0.0	***	0.0
China	0.0	***	1.6
Indonesia	0.0	***	0.0
Korea	5.5	***	2.3
Latvia	0.0	0.0	0.0
Moldova	0.0	0.0	0.0
Poland	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0
Subtotal	5.5	***	3.9
All other	1.9	***	2.9
Total U.S. imports	7.4	***	6.8
	Share of value (*percent*)		
Shipments by inside-the-region producers outside the region	13.6	***	14.0
Shipments by outside-the-region producers outside the region	80.0	***	80.0
U.S. imports outside the region from--			
Belarus	0.0	***	0.0
China	0.0	***	1.3
Indonesia	0.0	***	0.0
Korea	4.7	***	2.0

Continued on next page.

Table IV-7--*Continued*
Rebar: Apparent consumption and market shares outside the 30-state region, 1998-2000

Item	1998	1999	2000
	Share of value (*percent*)		
Latvia	0.0	0.0	0.0
Moldova	0.0	0.0	0.0
Poland	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0
Subtotal	4.7	***	3.3
All other	1.7	***	2.7
Total U.S. imports	6.4	***	6.0

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

Table IV-8
Rebar: Apparent consumption and market shares for the total United States, 1998-2000

* * * * * * *

Table IV-9
Rebar: U.S. imports, by sources, June 1999 through May 2000

Source	Into the region		Total U.S. market	
	Quantity *(short tons)*	Share *(percent)*	Quantity *(short tons)*	Share *(percent)*
Belarus	82,008	4.7	82,008	4.1
China[1]	55,088	3.2	57,052	2.9
Indonesia	57,295	3.3	62,808	3.2
Korea	377,023	21.7	520,242	26.3
Latvia	309,245	17.8	309,245	15.6
Moldova	212,680	12.2	212,680	10.7
Poland	68,963	4.0	68,963	3.5
Ukraine	138,092	7.9	138,092	7.0
Total subject	1,300,395	74.8	1,451,090	73.3
Other sources	437,482	25.2	529,007	26.7
All sources	1,737,878	100.0	1,980,097	100.0

[1] For purposes of the Commission's concentration analysis, respondent Laiwu Steel Group, Ltd. argues for the adjustment of official import statistics so as to remove certain imports from China that entered the United States through the port of New Orleans but that were immediately transported out of the region to the state of ***. ***. (Staff telephone conversation with ***, April 26, 2001.)

Source: Compiled from official Commerce statistics.

CRITICAL CIRCUMSTANCES

In its final determinations for Indonesia, Poland, and Ukraine, Commerce found that critical circumstances exist for rebar imported from Poland and Ukraine. Presented in table IV-10 are monthly import quantities from Poland and Ukraine based on official Commerce statistics. Commerce has not made final critical circumstances determinations on imports of rebar from the other five countries, and is not scheduled to do so until June 11, 2001. Commerce made affirmative preliminary critical circumstances determinations on China, the Korean firm Hanbo, and Moldova, and negative preliminary critical circumstances determinations on Belarus, Latvia, and all firms in Korea other than Hanbo.

Table IV-10
Rebar: U.S. imports from Poland and Ukraine, by month, January 1999-December 2000

Month	Poland		Ukraine	
	1999	2000	1999	2000
	(In *short tons*)			
January	0	0	0	0
February	0	0	0	0
March	0	46,868	0	0
April	0	321	2,460	40,187
May	0	11,093	6,991	11,452
June	10,681	0	12,054	37,710
July	0	0	5,094	38,349
August	0	0	30,495	23,002
September	0	10,996	12,087	17,354
October	0	0	23,213	0
November	0	0	3,510	0
December	0	15	0	0
Total	10,681	69,292	95,904	168,054

Source: Compiled from official Commerce statistics.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Rebar is generally produced from scrap, which accounts for the greatest share of cost to domestic producers. Raw material costs accounted for approximately 53.0 percent of the total 2000 cost of goods sold for rebar production, and scrap costs accounted for nearly 78.0 percent of raw material costs.

An important measure of rebar prices is the metal spread or metal margin. The metal spread is the difference between the cost of scrap and the average unit value of a ton of rebar, and the metal margin is the metal spread as a share of the average unit value. Petitioners describe the metal margins as "collapsing" in 2000 as the gap between scrap costs and prices narrowed.[1]

Data maintained by the Bureau of Labor Statistics (series WPU1012) indicate that scrap prices fell throughout 1998 by approximately 40 percent, then increased throughout 1999 by approximately 33 percent before falling again in 2000 by approximately 30 percent. Preliminary data for 2001 indicate that scrap prices rose slightly in January, but then returned to the levels recorded in late 2000 in February and March.

Transportation Costs to the U.S. Market

Transportation costs for rebar from the subject countries to the United States (excluding U.S. inland costs) are shown in table V-1. These estimates are derived from official import data for HTS subheading 7214.20.00 and represent the transportation and other charges on 2000 imports valued on a c.i.f. basis, as compared with customs value.

Table V-1
Transportation and insurance costs as a share of total import value for imports from subject countries to the U.S. regional (30-state) and national markets

Country	Regional market (*percent*)	National market (*percent*)
Belarus	10.4	10.4
China	16.5	16.3
Indonesia[1]	10.9	11.1
Korea	12.2	12.9
Latvia	11.6	11.6
Moldova	11.6	11.6
Poland	15.0	14.9
Ukraine	10.7	10.7

[1] Transportation costs for Indonesian rebar are based on 1999 trade data because no imports were reported in 2000.

Source: Compiled from official statistics of the U.S. Department of Commerce.

[1] Phil Casey, CEO, AmeriSteel, hearing transcript, p. 29.

U.S. Inland Transportation Costs

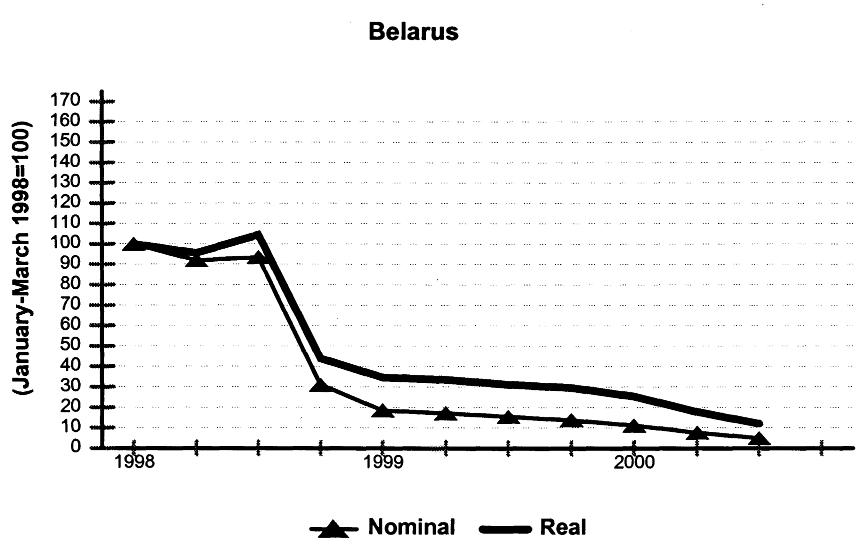
Transportation costs of rebar for delivery within the United States vary from firm to firm but tend to account for a moderate percentage of the total cost of the product. For the 13 U.S. producers who responded to this question, these costs accounted for between 5.0 and 10.0 percent of the total cost of rebar, with an average of 6.8 percent. For the 12 importers who provided usable responses to this question, these costs accounted for between 1.5 and 18.0 percent of the total cost of the product, with an average of 11.8 percent.

Producers and importers were requested to provide estimates of the percentages of their shipments that were made within specified distance ranges. Among the 14 U.S. producers that provided usable responses to this question, an average of 20.4 percent of shipments occurred within 100 miles, 42.4 percent occurred within 101 to 250 miles, 24.2 percent occurred within 251 to 500 miles, and 13.0 percent occurred at distances over 500 miles. Among the 21 importers that provided usable responses to this question, an average of 65.9 percent of shipments occurred within 100 miles, 17.4 percent occurred within 101 to 250 miles, 7.6 percent occurred within 251 to 500 miles, and 9.1 percent occurred at distances over 500 miles.

Exchange Rates

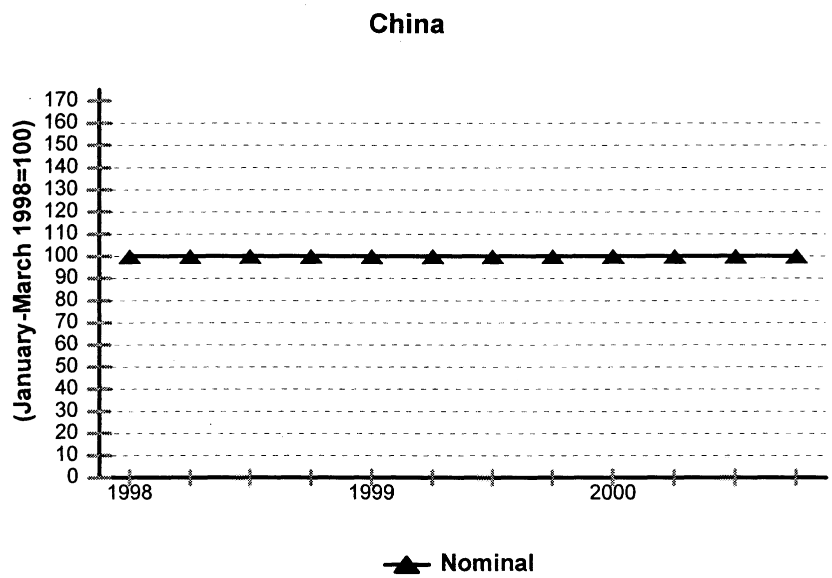
Quarterly exchange rate data for the eight subject countries are shown in figures V-1 through V-8. Real exchange rates cannot be calculated for China, Moldova, and Ukraine due to the unavailability of producer price information for these countries, and relevant data for the fourth quarter of 2000 were unavailable for Belarus and Indonesia.

Figure V-1
Exchange rates: Indices of the nominal and real values of the Belarus ruble relative to the U.S. dollar, by quarters, January 1998-September 2000



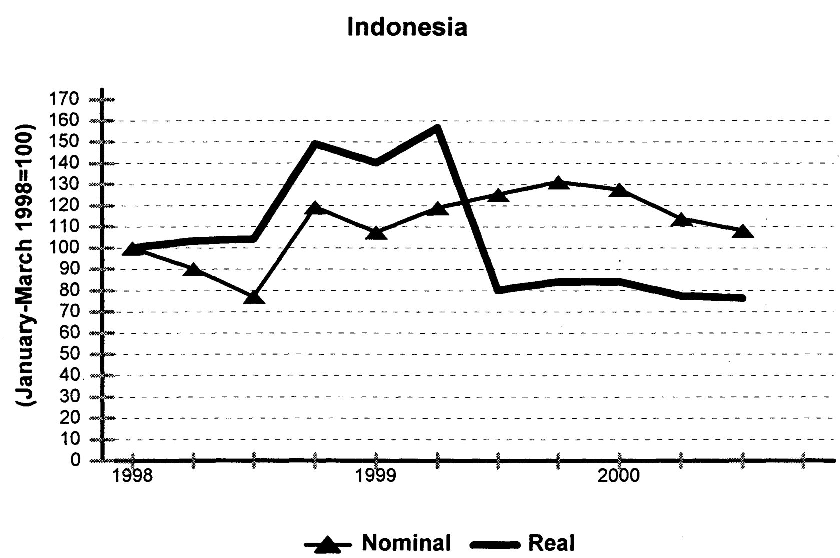
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-2
Exchange rates: Index of the nominal value of the Chinese yuan relative to the U.S. dollar, by quarters, January 1998-December 2000



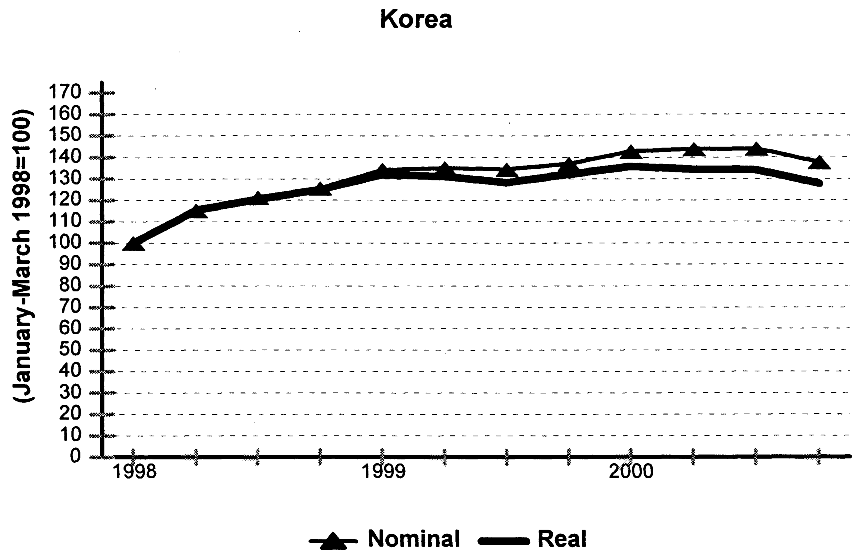
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-3
Exchange rates: Indices of the nominal and real values of the Indonesian rupiah relative to the U.S. dollar, by quarters, January 1998-September 2000



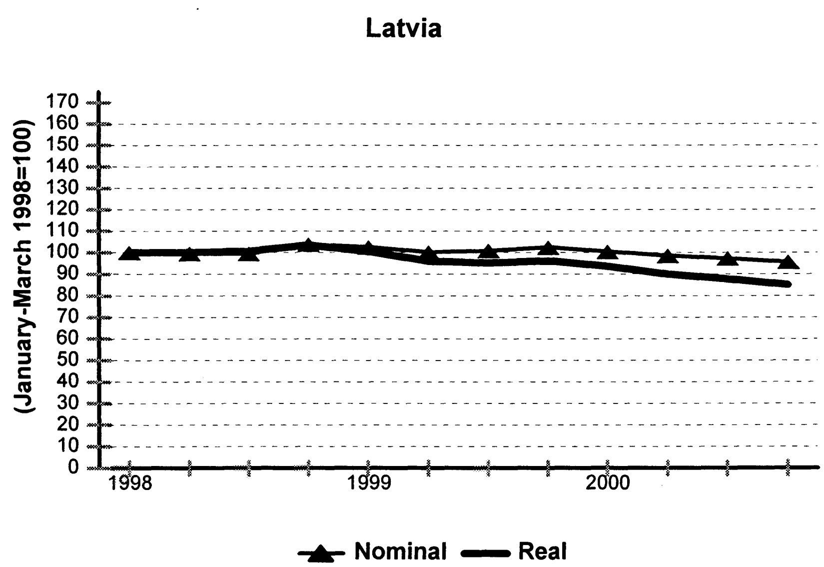
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-4
Exchange rates: Indices of the nominal and real values of the Korean won relative to the U.S. dollar, by quarters, January 1998-December 2000



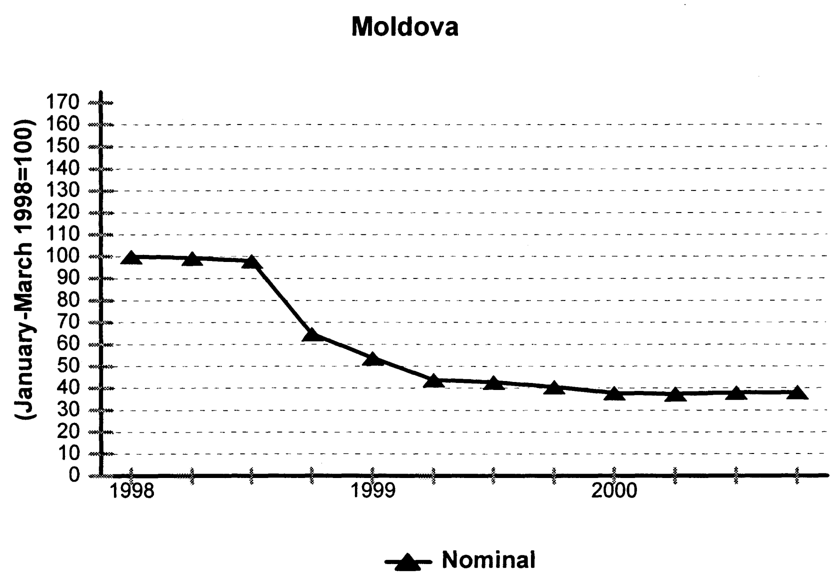
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-5
Exchange rates: Indices of the nominal and real values of the Latvian lat relative to the U.S. dollar, by quarters, January 1998-December 2000



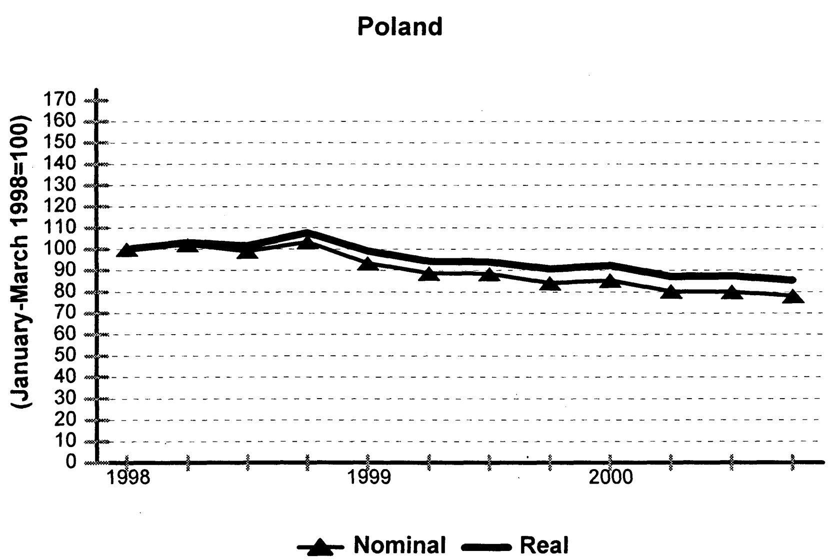
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-6
Exchange rates: Index of the nominal value of the Moldovan lei relative to the U.S. dollar, by quarters, January 1998-December 2000



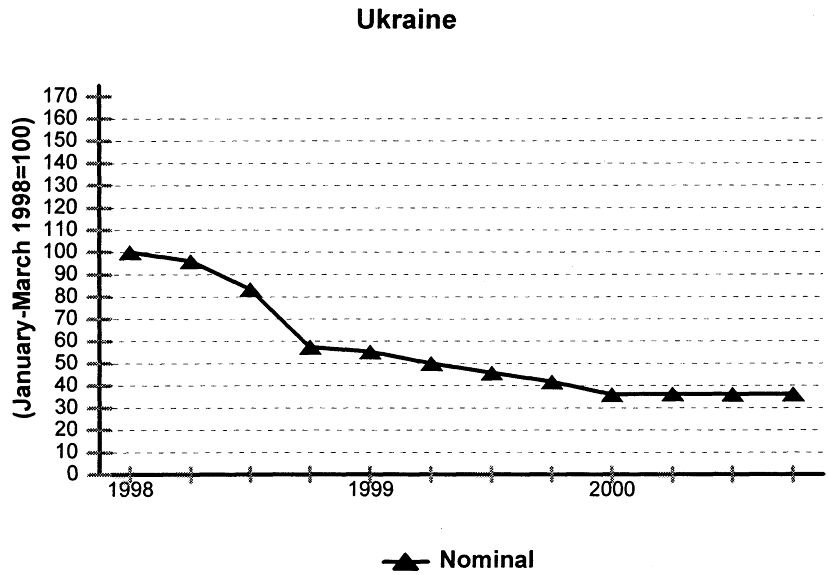
Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-7
Exchange rates: Indices of the nominal and real values of the Polish zloty relative to the U.S. dollar, by quarters, January 1998-December 2000



Source: International Monetary Fund, *International Financial Statistics*, February 2001.

Figure V-8
Exchange rates: Index of the nominal value of the Ukrainian hryvnia relative to the U.S. dollar, by quarters, January 1998-December 2000



Source: International Monetary Fund, *International Financial Statistics*, February 2001.

PRICING PRACTICES

Pricing Methods

Questionnaire responses reveal that most sales of rebar in the United States are made on a transaction-by-transaction basis, with prices quoted based on current market conditions. Available information indicates that the majority of U.S. producers' and importers' sales within the specified region are on a spot basis. However, 6 U.S. producers and 6 importers reported that at least 40 percent of their sales within the region were on a contract basis during the period for which data were requested. In those instances where suppliers engaged in contractual sales of rebar, contracts varied in duration from 3 to 18 months, and fixed both price and quantity.

Sales Terms and Discounts

The majority of U.S. producers and importers of rebar reported having no formal discount policies. However, some firms reported that volume-based discounting may occur during negotiations with individual customers. Nearly all responding firms reported that payment is required within 30 days.

"Buy American" Sales[2]

Purchasers were requested to provide information on the shares of their rebar purchases falling into the following three categories: (1) purchases involving "Buy American" regulations, (2) purchases involving a preference for U.S.-produced rebar without any regulatory requirements, and (3) purchases without a preference for the U.S. product. Of the 18 purchasers who responded to this question, an average of 32.3 percent of their purchases were subject to "Buy American" regulations, 12.7 percent of their purchases involved a preference for U.S.-produced rebar without any regulatory requirements, and 55.0 percent of their purchases did not involve a preference for domestically-produced rebar.[3]

Regarding price differences between U.S.-produced rebar used in "Buy American" and non-"Buy American" projects, 10 of 10 purchasers reported that their domestic suppliers typically charge the same prices regardless of the regulatory requirements associated with a project. Similarly, all responding U.S. producers reported that they do not charge different prices for rebar based on the regulatory requirements associated with a project, and 14 of 15 U.S. producers reported that they typically do not know during the price negotiation process whether their products will be incorporated into a project with "Buy American" requirements.

PRICE DATA

The Commission requested U.S. producers, importers, and purchasers to provide quarterly data for the total quantity and value of their domestic sales of four rebar products, both inside and outside the specified 30-state region.[4] These data were used to determine a weighted-average regional and national price in each quarter. Data were requested for the period January 1998 through December 2000. The products for which pricing data were requested are as follows:

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[2] Technically, "Buy America" applies only to the Federal-aid highway construction program. "Buy American" is a separate and distinct program from "Buy America," and applies to all Federal direct procurements (posthearing brief of respondent from Belarus, exhibit 2, p. 1). In practice, the terms tend to be used interchangeably.

[3] When weighted by their reported total value of rebar purchases in 2000, the limited purchaser responses yield somewhat different results. In this approach, 33.0 percent of rebar purchases were subject to "Buy American" regulations, 39.3 percent of purchases involved a preference for U.S.-produced rebar without any regulatory requirements, and 27.8 percent of purchases did not involve a preference for domestically-produced rebar.

In their prehearing brief, petitioners state that volume-weighted "Buy American" programs affect at most 20.0 percent of rebar sales. In addition, petitioners claim that such laws are easily bypassed. For example, Executive Order 10582 states that the domestic price of a good is considered unreasonable if its price is 6.0 percent or more above the foreign price, thus allowing the purchase of the foreign product (petitioners' prehearing brief, pp. 15-17).

Respondents believe that "Buy American" regulations affect approximately 66.0 percent of rebar sales in the U.S. market based on information obtained from Inv. No. 731-TA-745 (Final), *Rebar from Turkey*. Also based on *Rebar from Turkey*, respondents state in their prehearing brief that the "Buy American" and U.S.-preferred segments are large because of the severe penalties for violating "Buy American" restrictions (Latvian and Polish producers' prehearing brief, pp. 8-9).

[4] Questionnaire responses regarding price data inside and outside the specified 30-state region do not provide enough information to shift any relevant data from outside to inside the region to reflect a 33-state area. However, 33-state regional price data are most likely very similar to 30-state regional price data given the relatively small increase in regional sales obtained by including Iowa, Minnesota, and Oklahoma in the specified region.

***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.**

Fifteen U.S. producers, 18 importers, and 12 purchasers provided usable pricing data for sales of the requested products in the U.S. market. Pricing data reported by U.S. producers and importers accounted for approximately *** percent of the 2000 value of U.S. producers' commercial shipments of rebar within the 30-state region, as well as *** percent of the 2000 landed, duty-paid value of subject imports into the region from Belarus, *** percent of subject imports into the region from China, *** percent of subject imports into the region from Korea, *** percent of subject imports into the region from Latvia, *** percent of subject imports into the region from Moldova, *** percent of subject imports into the region from Poland, and *** percent of subject imports into the region from Ukraine.[5]

Price Comparisons

Regional data on f.o.b. selling prices and quantities of products 1 through 4 sold by U.S. producers and importers of subject rebar are shown in tables V-2 through V-5, and figures V-9 through V-12, respectively. Tables V-6 and V-7 summarize quarterly underselling/overselling by country and by product. National data for products 1 through 4 are presented in appendix G, and comparisons of regional and non-regional selling prices of U.S. producers are presented in appendix H.[6] [7]

Despite a relatively stable market share for subject imports over the period of investigation, U.S. rebar prices continued to decline. According to petitioners, U.S. prices experienced downward pressure both contemporaneously and with a lag during the period of investigation, and have only recently begun to rebound as inventories of subject imports in the distribution channel subside.[8] Respondents assert that there is no causal link between subject import volumes and U.S. rebar prices, and thus other factors, such as declining scrap prices and capacity expansions, are responsible for the downward trend in prices.[9]

[5] No imports into the U.S. market of Indonesian rebar occurred during 2000. Price data coverage at the national level is very similar to the reported percentages for the 30-state region, with the exceptions that data for subject imports from China have greater coverage at the national level at *** percent, and data for subject imports from Korea have less coverage at the national level at *** percent.

[6] Reported price data outside the 30-state region reveals generally similar trends in domestic producers' prices and margins of underselling as compared to price data within the region. Overall, non-regional prices fell during the period of investigation, and underselling in the general range of 15.0 to 35.0 percent occurred in all instances where quarterly comparisons were possible. In some quarters, weighted-average regional prices were lower than corresponding non-regional prices, while in other quarters the data reflect the opposite situation.

The Moldovan producer asserts that U.S. producers' selling prices outside of the specified region were lower than related regional prices in nearly half of the available quarterly comparisons. According to the Moldovan producer, this is an important point because if subject imports were having significant price effects within the region, prices for sales in the region should have been consistently lower than prices for sales outside of the region (Moldovan producer's posthearing brief , p. 5).

[7] Reported purchaser price data at both the regional and national levels show trends similar to U.S. producer and importer price data, with underselling generally in the range of 15.0 and 35.0 percent occurring for all products in nearly all quarters.

[8] Seth Kaplan, Vice President, Charles River Associates, hearing transcript, pp. 51-54.

[9] Bruce Malashevich, President, Economic Consulting Services, hearing transcript, pp. 202-203. See petitioners' posthearing brief, exhibit 6, for a critique of Mr. Malashevich's economic analysis.

Data maintained by the Bureau of Labor Statistics (series WPU10170425) indicate that rebar prices generally fell throughout the period of investigation. Preliminary data for 2001 indicate that rebar prices continued to fall in January, stabilized in February, and increased in March by over 4.0 percent.[10]

LOST SALES AND LOST REVENUES

During these investigations, the Commission inquired into 76 lost sales allegations, which totaled $*** million, and 25 lost revenues allegations. Commission staff were able to confirm lost sales of $*** million, as well as 4 of the 25 lost revenues allegations. Lost sales and lost revenues allegations for which responses were received from purchasers are presented in appendix J.

[10] See exhibit 5, p. 2 of the posthearing brief submitted on behalf of Polish and Latvian producers for a presentation of this BLS price series. An additional data point not shown in respondents' exhibit is the March 2001 preliminary index value of 98.2.

Table V-2
Product 1 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$355.49	19,626	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	364.03	21,165	---	---	---	---	---	---	***	***	***	253.58	24,124	30.3
July-September	358.89	18,599	$***	***	***	---	---	---	***	***	***	252.02	12,368	29.8
October-December	347.95	17,274	***	***	***	---	---	---	***	***	***	247.62	11,758	28.8
1999:														
January-March	331.41	21,650	***	***	***	---	---	---	***	***	***	203.00	5,119	38.7
April-June	326.78	21,348	***	***	***	---	---	---	***	***	***	---	---	---
July-September	321.87	18,434	***	***	***	---	---	---	***	***	***	***	***	***
October-December	320.01	18,870	***	***	***	$***	***	***	***	***	***	***	***	***
2000:														
January-March	324.54	18,620	***	***	***	***	***	***	---	---	---	***	***	***
April-June	329.57	16,551	---	---	---	***	***	***	---	---	---	***	***	***
July-September	326.04	17,880	***	***	***	***	***	***	---	---	---	***	***	***
October-December	320.83	14,493	---	---	---	***	***	***	---	---	---	***	***	***

Continued on next page.

Table V-2 - Continued

Product 1 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	---	---	---	$***	***	***	$***	***	***	---	---	---
April-June	---	---	---	***	***	***	***	***	***	---	---	---
July-September	$272.30	7,848	24.1	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	213.53	5,417	35.6	---	---	---	***	***	***	---	---	---
April-June	215.57	16,923	34.0	---	---	---	***	***	***	---	---	---
July-September	218.73	15,138	32.0	***	***	***	***	***	***	$***	***	***
October-December	215.41	7,761	32.7	***	***	***	***	***	***	***	***	***
2000:												
January-March	211.94	11,200	34.7	---	---	---	***	***	***	***	***	***
April-June	217.14	3,701	34.1	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	226.77	11,234	30.4
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table V-3
Product 2 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$321.05	115,341	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	324.97	126,007	---	---	---	---	---	---	***	***	***	252.67	40,214	22.2
July-September	320.14	123,705	$***	***	***	---	---	---	***	***	***	250.53	24,235	21.7
October-December	304.96	111,028	***	***	***	---	---	---	***	***	***	246.34	22,321	19.2
1999:														
January-March	284.55	120,401	***	***	***	---	---	---	***	***	***	***	***	***
April-June	277.88	133,052	***	***	***	---	---	---	***	***	***	***	***	***
July-September	283.16	139,769	***	***	***	---	---	---	***	***	***	219.22	9,359	22.6
October-December	278.35	116,355	***	***	***	$***	***	***	***	***	***	226.68	12,433	18.6
2000:														
January-March	282.04	122,438	***	***	***	***	***	***	---	---	---	221.37	17,065	21.5
April-June	285.10	129,355	---	---	---	***	***	***	---	---	---	***	***	***
July-September	276.25	134,317	***	***	***	***	***	***	---	---	---	***	***	***
October-December	272.68	128,635	---	---	---	***	***	***	---	---	---	***	***	***

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Table V-3 - Continued
Product 2 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	267.14	9,987	16.6	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	216.75	16,944	23.8	---	---	---	***	***	***	---	---	---
April-June	212.88	20,093	23.4	---	---	---	***	***	***	---	---	---
July-September	219.84	23,067	22.4	***	***	***	***	***	***	$***	***	***
October-December	217.45	15,325	21.9	***	***	***	***	***	***	***	***	***
2000:												
January-March	212.13	18,126	24.8	---	---	---	***	***	***	***	***	***
April-June	222.05	12,429	22.1	***	***	***	***	***	***	***	***	***
July-September	224.28	14,728	18.8	***	***	***	***	***	***	225.49	20,558	18.4
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table V-4

Product 3 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$311.19	152,747	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	313.27	178,982	---	---	---	---	---	---	***	***	***	255.14	25,697	18.6
July-September	308.25	177,900	$***	***	***	---	---	---	***	***	***	257.56	29,266	16.4
October-December	293.62	159,117	***	***	***	---	---	---	***	***	***	245.13	24,289	16.5
1999:														
January-March	273.04	166,147	***	***	***	---	---	---	***	***	***	207.18	10,587	24.1
April-June	268.20	196,908	***	***	***	---	---	---	***	***	***	***	***	***
July-September	274.89	198,931	***	***	***	---	---	---	***	***	***	***	***	***
October-December	272.97	164,720	***	***	***	$***	***	***	***	***	***	223.67	10,920	18.1
2000:														
January-March	272.71	184,902	***	***	***	***	***	***	---	---	---	220.32	8,004	19.2
April-June	275.12	195,734	---	---	---	***	***	***	---	---	---	***	***	***
July-September	267.37	204,452	***	***	***	***	***	***	---	---	---	***	***	***
October-December	261.90	185,218	---	---	---	***	***	***	---	---	---	***	***	***

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Table V-4 - Continued

Product 3 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	267.10	4,262	13.4	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	220.03	15,030	19.4	---	---	---	***	***	***	---	---	---
April-June	215.88	12,316	19.5	---	---	---	***	***	***	---	---	---
July-September	219.91	13,334	20.0	***	***	***	***	***	***	$***	***	***
October-December	218.45	11,706	20.0	***	***	***	***	***	***	***	***	***
2000:												
January-March	217.37	22,614	20.3	---	---	---	***	***	***	***	***	***
April-June	225.46	8,812	18.0	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	227.84	10,677	14.8
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table V-5

Product 4 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$310.20	87,784	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	309.05	98,773	---	---	---	---	---	---	***	***	***	256.05	4,190	17.2
July-September	306.47	99,846	$***	***	***	---	---	---	***	***	***	255.39	5,780	16.7
October-December	289.11	87,052	***	***	***	---	---	---	***	***	***	246.63	4,983	14.7
1999:														
January-March	268.85	91,017	***	***	***	---	---	---	***	***	***	***	***	***
April-June	267.69	113,392	***	***	***	---	---	---	***	***	***	***	***	***
July-September	275.64	111,731	***	***	***	---	---	---	***	***	***	***	***	***
October-December	275.07	100,991	***	***	***	$***	***	***	***	***	***	***	***	***
2000:														
January-March	273.91	107,739	***	***	***	***	***	***	---	---	---	***	***	***
April-June	274.99	111,695	---	---	---	***	***	***	---	---	---	***	***	***
July-September	265.93	121,601	***	***	***	***	***	***	---	---	---	***	***	***
October-December	262.09	105,368	---	---	---	***	***	***	---	---	---	***	***	***

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Table V-5 - Continued
Product 4 - Inside the 30-state region: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	***	***	***	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	219.01	4,803	18.5	---	---	---	***	***	***	---	---	---
April-June	215.11	5,723	19.6	---	---	---	***	***	***	---	---	---
July-September	221.47	5,284	19.7	***	***	***	***	***	***	$***	***	***
October-December	219.16	3,441	20.3	***	***	***	***	***	***	***	***	***
2000:												
January-March	214.37	4,701	21.7	---	---	---	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	225.25	6,112	15.3
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table V-6
Products 1 and 2 - Inside the 30-state region: Number of quarters of under/overselling and average margins, by country

Country	Product 1				Product 2			
	Underselling		Overselling		Underselling		Overselling	
	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*
Belarus	8	***	0	---	8	***	0	---
China	5	***	0	---	5	***	0	---
Indonesia	8	***	0	---	8	***	0	---
Korea	11	32.4	0	---	12	23.0	0	---
Latvia	10	32.4	0	---	12	19.7	0	---
Moldova	9	29.4	0	---	9	18.5	0	---
Poland	12	28.5	0	---	12	19.4	0	---
Ukraine	6	29.1	0	---	6	17.2	0	---
TOTAL	69		0		72		0	

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

Table V-7
Products 3 and 4 - Inside the 30-state region: Number of quarters of under/overselling and average margins, by country

Country	Product 3				Product 4			
	Underselling		Overselling		Underselling		Overselling	
	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*
Belarus	5	***	3	***	6	***	2	***
China	5	***	0	---	5	***	0	---
Indonesia	8	***	0	---	8	***	0	---
Korea	12	19.9	0	---	12	20.0	0	---
Latvia	12	16.2	0	---	12	16.2	0	---
Moldova	9	16.2	0	---	9	15.1	0	---
Poland	11	17.6	1	***	12	16.7	0	---
Ukraine	5	15.2	1	***	6	17.0	0	---
TOTAL	67		5		70		2	

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

Figure V-9
Weighted-average f.o.b. prices for product 1 inside the 30-state region, as reported by U.S. producers and importers, by quarters, January 1998-December 2000

* * * * * * *

Figure V-10
Weighted-average f.o.b. prices for product 2 inside the 30-state region, as reported by U.S. producers and importers, by quarters, January 1998-December 2000

* * * * * * *

Figure V-11
Weighted-average f.o.b. prices for product 3 inside the 30-state region, as reported by U.S. producers and importers, by quarters, January 1998-December 2000

* * * * * * *

Figure V-12
Weighted-average f.o.b. prices for product 4 inside the 30-state region, as reported by U.S. producers and importers, by quarters, January 1998-December 2000

* * * * * * *

PART VI: FINANCIAL CONDITION OF THE U.S. INDUSTRY

BACKGROUND

Twenty-one mills[1] in the petition's defined region of 30 states, the District of Columbia, and Puerto Rico (the "30-state region") provided usable financial data on their operations producing rebar. These data accounted for nearly 100 percent of reported U.S. regional production of rebar in 2000. Eight mills[2] that are located outside the region, accounting for nearly 100 percent of U.S. production of rebar outside the region in 2000, also provided usable financial data on their rebar operations.[3] The financial data are presented separately for producers within the 30-state region, for those outside the 30-state region, and for the total U.S. industry. Appendix K presents financial data for mills in the 33-state region.

OPERATIONS ON REBAR PRODUCED WITHIN THE 30-STATE REGION

Income and loss data for U.S. producers' rebar operations within the region are presented in table VI-1. Although the quantity of total sales increased during 1998-2000, total sales values declined, as did unit sales values. The industry's operating income declined substantially during 1998-2000, from $75.8 million down to $11.6 million. The industry's net income changed from a positive $39.6 million in 1998 to a negative $35.3 million in 2000. Cash flow also decreased substantially during the periods investigated. Similarly, the ratios of operating income and net income to sales decreased by about 6 percentage points each.[4]

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[1] These mills and their fiscal year ends are A.B. Steel ***; AmeriSteel ***, ***; Auburn (2 mills), ***; Birmingham (3 mills with ***), ***; Border (1 mill), ***; Co-Steel Sayreville (1 mill), ***; Marion (1 mill), ***; North Star (1 mill), ***; Nucor (2 mills), ***; Riverview/Sherman ***; SMI (3 mills), ***; and TXI Chaparral (1 mill), ***. Overall, most producers reported on a calendar year basis, pursuant to the Commission's request. ***. Small differences between data reported in the trade and financial sections of the Commission's producers' questionnaire are attributable to timing differences and to the inclusion of ***. Certain data were amended as a result of the staff's verification of questionnaire data of SMI's mills in Arkansas, South Carolina, and Texas.

[2] These mills and their fiscal year ends are ***. Most producers provided data on their operations based on a calendar year, pursuant to the Commission's request. Small differences between data reported in the trade and financial sections of the Commission's producers' questionnaire mainly are attributable to timing differences.

[3] ***.

[4] Several rebar mills have either ceased operating or announced their intention to cease operations. See discussion on p. III-3. Of these, data for Atlantic Steel and Susquehanna were not available and are not included herein.

Table VI-1
Results of rebar operations of U.S. producers in the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Quantity (*short tons*)		
Trade sales	2,862,277	3,085,567	3,146,146
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	3,846,322	4,162,424	4,251,627
	Value (*$1,000*)		
Trade sales	889,086	845,760	848,859
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	1,189,115	1,143,322	1,144,546
Cost of goods sold	1,055,997	1,017,965	1,064,507
Gross profit	133,118	125,357	80,039
SG&A expenses	57,296	69,723	68,468
Operating income or (loss)	75,822	55,634	11,571
Interest expense	24,550	27,315	31,309
Other expense	14,746	11,423	16,981
Other income items	3,088	3,116	1,413
Net income or (loss)	39,614	20,012	(35,306)
Depreciation/amortization	50,885	56,993	63,471
Cash flow	90,499	77,005	28,165
	Ratio to net sales (*percent*)		
Cost of goods sold	88.8	89.0	93.0
Gross profit	11.2	11.0	7.0
SG&A expenses	4.8	6.1	6.0
Operating income or (loss)	6.4	4.9	1.0
Net income or (loss)	3.3	1.8	(3.1)

Table continued.

Table VI-1--Continued
Results of rebar operations of U.S. producers in the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Unit value *(per short ton)*		
Trade sales	$310.62	$274.10	$269.81
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	309.16	274.68	269.20
Cost of goods sold	274.55	244.56	250.38
Gross profit	34.61	30.12	18.83
SG&A expenses	14.90	16.75	16.10
Operating income or (loss)	19.71	13.37	2.72
Net income or (loss)	10.30	4.81	(8.30)
	Number of firms reporting		
Operating losses	7	10	14
Data	21	21	21
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-2 presents cost data on a per-unit basis for 20 firms (***).[5] Table VI-3 presents data for the costs of raw materials and energy for the regional industry, excluding ***. Total cost of goods sold (COGS) of U.S. producers in the defined region increased because of the greater volume of sales. Also, energy costs rose in both 1999 and 2000. The ratio of COGS to net sales increased between 1998 and 2000, primarily reflecting lower sales values. The per-unit values of total COGS and raw materials fell between 1998 and 1999, reflecting a decrease in the cost of scrap metal (used by electric furnace steel makers to make steel) between 1998 and 1999; the value of scrap consumed increased between 1999 and 2000, as did the per-unit cost of scrap. Steel scrap is the largest component of the industry's raw materials' costs. The cost of steel scrap and total raw materials declined between 1998 and 2000, despite the greater volume of rebar sold.

[5] ***.

Table VI-2
Per-unit values of cost of goods sold of U.S. producers of rebar in the 30-state region, fiscal years 1998-2000

Item	Fiscal years		
	1998	1999	2000
	Unit value *(per short ton)*		
Cost of goods sold:			
Raw materials	$149.20	$122.50	$128.73
Direct labor	21.14	22.04	21.81
Other factory costs	91.85	87.54	87.53
Weighted average	274.55	244.56	250.38

Note.--Data breakouts exclude ***, which is included in the weighted average.

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

During these investigations, the "metal spread" was defined as the difference in total dollars or in dollars per ton of rebar between the sales price and the cost of a firm's raw material inputs, primarily scrap.[6] The "metal ratio" is the term for the metal spread as a percentage of the rebar price. An increasing metal spread indicates a widening between a firm's sales value and its cost of raw materials, for example when a firm's sales price is rising faster than is the cost of its raw materials, or that the raw materials' costs are declining faster than a firm's sales price, whereas a decreasing metal spread indicates the opposite. Changes in the metal ratio indicate similar aspects of changes in the underlying factors. Appendix L presents per-unit data for the metal spread and energy costs on a company-by-company basis.

[6] Used steel railroad rails also are used to make rebar. Unlike scrap, used rails are not melted to make steel, but after some processing, rails are rolled to make rebar. Several companies reported rerolling used rails, shown in the category of "all other raw materials" on their questionnaire response. The metal ratio analysis for producers outside the 30-state region slightly differs from that of producers inside the region in that it contains no rerollers, i.e., all the producers outside the defined region make steel.

Table VI-3
Raw materials, energy costs, and metal spread of U.S. producers of rebar in the 30-state region, fiscal years 1998-2000

Item	Fiscal years		
	1998[1]	1999	2000
	Value (*$1,000*)		
Raw materials:			
Carbon steel scrap	431,527	374,714	424,134
All other raw materials[2]	114,981	132,553	124,041
Total raw materials	570,040	507,267	548,175
Energy costs	93,860	107,736	124,715
Metal spread:			
Total net sales minus raw materials	562,464	574,280	540,744
Total net sales minus scrap costs	700,817	706,207	664,249
	Ratio (*percent*)		
Metal ratio:			
Scrap costs as percent of raw materials	75.7	74.0	77.4
Scrap costs as percent of sales	38.1	34.7	39.0
Energy costs to total COGS	9.4	11.2	12.3
	Unit value (*per short ton*)		
Metal spread:			
Total net sales minus raw materials	$154.21	$145.87	$133.36
Total net sales minus scrap costs	192.14	179.38	163.82
Scrap costs	118.31	95.18	104.60
Energy costs	25.73	27.37	30.76

1 ***.
2 "All other raw materials" includes used steel railroad rails which are rolled, and supplies consumed during steelmaking operations, including electrodes, fluxes, fuel, refractories, and alloys.

Note.–Data exclude ***.

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

Table VI-4 presents financial information on a company-by-company basis for total net sales, operating income, and the ratio of operating income or (loss) to total net sales. Appendix L presents more detailed data of income-and-loss experience of U.S. producers on their operations producing rebar, by region, and by mills.

Table VI-4
Total net sales, operating income, and operating income margins of U.S. producers in the 30-state region, by mills, in the production of rebar, fiscal years 1998-2000

* * * * * * *

A variance analysis (which depicts the effects of prices and volume on the producers' net sales, and of costs and volume on their total costs) for the 21 mills is presented in table VI-5. The decrease in operating income between 1998 and 1999 of $20.2 million was attributable to unfavorable price variances (lower realized average prices on sales) that were greater than favorable net cost variances and net volume variances. Between 1999 and 2000, the unfavorable operating income variance of $44.1 million was attributable about equally to unfavorable price and net cost/expense variances.

Table VI-5
Variance analysis for rebar operations of U.S. producers in the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998-2000	1998-99	1999-2000
	Value (*$1,000*)		
Trade sales:			
Price variance	(128,403)	(112,685)	(13,506)
Volume variance	88,176	69,359	16,605
Trade sales variance	(40,227)	(43,326)	3,099
Internal consumption:			
Price variance	***	***	***
Volume variance	***	***	***
Internal consumption variance	***	***	***
Related company transfers:			
Price variance	***	***	***
Volume variance	***	***	***
Transfers variance	***	***	***
Total sales:			
Price variance	(169,872)	(143,518)	(23,278)
Volume variance	125,303	97,725	24,502
Total sales variance	(44,569)	(45,793)	1,224
Cost of sales:			
Cost variance	102,766	124,817	(24,726)
Volume variance	(111,275)	(86,785)	(21,816)
Total cost variance	(8,510)	38,032	(46,542)
Gross profit variance	(53,079)	(7,761)	(45,318)
SG&A expenses:			
Expense variance	(5,134)	(7,718)	2,749
Volume variance	(6,038)	(4,709)	(1,494)
Total SG&A variance	(11,172)	(12,427)	1,255
Operating income variance	(64,251)	(20,188)	(44,063)
Summarized as:			
Price variance	(169,872)	(143,518)	(23,278)
Net cost/expense variance	97,631	117,099	(21,977)
Net volume variance	7,990	6,231	1,192

Note.–Unfavorable variances are shown in parentheses; all others are favorable.

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

U.S. regional producers are ranked in table VI-6 according to their operating income margin, with cumulated sales and percent of sales being shown in the last two columns. The top six mills, each having an operating income margin of 10 percent or greater, accounted for 51.5 percent of the regional industry's sales in 1998. Using this operating margin as a threshold, the number of such mills fell to 4, accounting for 33.4 percent of the regional industry's sales, in 1999, and fell to *** mills, accounting for *** percent, in 2000.

Table VI-6
Ranking of U.S. producers of rebar in the 30-state region by operating income margin, by mills, fiscal years 1998-2000

* * * * * * *

CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES IN THE 30-STATE REGION

Data from responding firms within the 30-state region on capital expenditures, research and development (R&D) expenses, and the value of their property, plant, and equipment used in the production of rebar are shown in table VI-7. Data for capital expenditures on a firm-by-firm basis are shown in table VI-8. The value of fixed assets increased between 1998 and 2000 in response to capital expenditures made by the producers in their plant, property, and equipment. This spending was undertaken to increase production capacity or to improve production efficiency. However, toward the end of 1999, company officials stated that investment plans have been placed on hold or in jeopardy (see appendix M for company comments). *** accounted for all of the reported R&D expenditures.

Table VI-7
Value of assets, capital expenditures, and R&D expenses of U.S. producers of rebar in the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Value (*$1,000*)		
Capital expenditures	125,169	99,085	47,040
R&D expenses	***	***	***
Fixed assets:			
Original cost	1,117,880	1,266,757	1,298,220
Book value	599,689	674,724	648,644

Note.–***. In those instances where companies reported the original cost and book value for the entire mill, asset values have been allocated based on the reported ratio of production of rebar to total production.

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

Table VI-8
Capital expenditures by U.S. producers inside the 30-state region in the production of rebar, by mills, fiscal years 1998-2000

* * * * * * *

The results of operations, a variance analysis, and values of fixed assets and capital expenditures of producers within an expanded 33-state region are shown in appendix K. That appendix includes data for mills within the defined 30-state region as well as for North Star's mills in Wilton, IA and St. Paul, MN and Sheffield's mill in Sand Springs, OK.

OPERATIONS ON REBAR OUTSIDE THE 30-STATE REGION

Income and loss data on the rebar operations of U.S. producers outside the 30-state region are presented in table VI-9. The volume of total sales increased during the periods investigated; the value of those sales declined between 1998-99, but increased by $5.0 million between 1999 and 2000. Unit sales prices declined between 1998 and 2000. The operating income of rebar producers outside the defined region increased by approximately $21.8 million between 1998 and 1999, but decreased by approximately $17.0 million between 1999 and 2000. These producers' net income and cash flow followed a similar pattern. The metal spread and energy costs of these producers outside the region followed a pattern similar to that of the U.S. producers inside the region.

Table VI-9
Results of rebar operations of U.S. producers outside the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Quantity (*short tons*)		
Trade sales	2,017,015	2,156,516	2,199,043
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	2,042,602	2,180,387	2,220,920
	Value (*$1,000*)		
Trade sales	606,272	593,644	599,178
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	613,678	600,707	605,736
Cost of goods sold	557,288	518,076	540,564
Gross profit	56,390	82,631	65,172
SG&A expenses	28,308	32,708	32,181
Operating income or (loss)	28,082	49,923	32,991
Interest expense	13,189	13,770	16,817
Other expense	2,082	2,472	3,704
Other income items	2,772	2,541	3,532
Net income or (loss)	15,583	36,222	16,002
Depreciation/amortization	32,385	34,388	30,302
Cash flow	47,968	70,610	46,304
Table continued.			

Table VI-9--Continued
Results of rebar operations of U.S. producers outside the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Ratio to net sales (*percent*)		
Cost of goods sold	90.8	86.2	89.2
Gross profit	9.2	13.8	10.8
SG&A expenses	4.6	5.4	5.3
Operating income or (loss)	4.6	8.3	5.4
Net income or (loss)	2.5	6.0	2.6
	Unit value *(per short ton)*		
Trade sales	$300.58	$275.28	$272.47
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	300.44	275.50	272.74
Cost of goods sold	272.83	237.61	243.40
Gross profit	27.61	37.90	29.34
SG&A expenses	13.86	15.00	14.49
Operating income or (loss)	13.75	22.90	14.85
Net income or (loss)	7.63	16.61	7.21
	Number of firms reporting		
Operating losses	***	***	***
Data	8	8	8

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

Each of the *** responding firms provided their costs of raw materials, factory labor, and factory overhead incurred in the production of rebar. These data are presented in table VI-10 on a per-unit basis. Table VI-11 presents costs and unit values for the metal spread and energy costs on a basis that is similar to the presentation in table VI-3. Scrap costs declined between 1998 and 1999 and increased between 1999 and 2000; total energy costs increased during 1998-2000, although energy costs per ton declined slightly between 1998 and 1999 and increased between 1999 and 2000. Financial data for total net sales, operating income, and operating income margin, by firms, are shown in table VI-12, and in appendix L, in greater detail.

Table VI-10
Per-unit values of cost of goods sold of U.S. producers of rebar outside the 30-state region, fiscal years 1998-2000

Item	Fiscal years		
	1998	1999	2000
	Unit value *(per short ton)*		
Cost of goods sold:			
Raw materials	$148.01	$118.77	$127.73
Direct labor	23.72	23.29	22.55
Other factory costs	101.10	95.54	93.11
Weighted average	272.83	237.61	243.40
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-11
Raw materials, energy costs, and metal spread of U.S. producers of rebar outside the 30-state region, fiscal years 1998-2000

Item	Fiscal years		
	1998	1999	2000
	Value (*$1,000*)		
Raw materials:			
Carbon steel scrap	238,140	200,114	220,777
All other raw materials	53,189	47,594	49,548
Total raw materials	291,329	247,708	270,325
Energy costs	53,096	54,460	64,922
Metal spread:			
Total net sales minus raw materials	311,361	341,732	322,048
Total net sales minus scrap costs	375,538	400,593	384,959
	Ratio (*percent*)		
Metal ratio:			
Scrap costs as percent of raw materials	78.8	77.3	77.8
Scrap costs as percent of sales	38.8	33.3	36.4
Energy costs to total COGS	9.5	10.5	12.0
	Unit value (*per short ton*)		
Metal spread:			
Total net sales minus raw materials	$152.43	$156.73	$145.01
Total net sales minus scrap costs	183.85	183.73	173.33
Scrap costs	116.59	91.78	99.41
Energy costs	25.99	24.98	29.23
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-12
Total net sales, operating income, and operating margins of U.S. producers of rebar outside the 30-state region, by firms, fiscal years 1998-2000

*　　*　　*　　*　　*　　*　　*

Information on the operating performance of U.S. producers outside the 30-state region is further depicted in the variance analysis (which depicts the effects of prices and volume on the producers' net sales, and of costs and volume on their total costs) in table VI-13. Favorable net cost/expense and volume variances compensated for unfavorable price variances between 1998 and 1999; price and net cost/expense variances were both unfavorable between 1999 and 2000.

Table VI-13
Variance analysis for rebar operations of U.S. producers outside the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998-2000	1998-99	1999-2000
	Value (*$1,000*)		
Trade sales:			
Price variance	(61,808)	(54,559)	(6,173)
Volume variance	54,714	41,931	11,707
Trade sales variance	(7,094)	(12,628)	5,534
Internal consumption:			
Price variance	***	***	***
Volume variance	***	***	***
Internal consumption variance	***	***	***
Related company transfers:			
Price variance	***	***	***
Volume variance	***	***	***
Transfers variance	***	***	***
Total sales:			
Price variance	(61,516)	(54,367)	(6,138)
Volume variance	53,574	41,396	11,167
Total sales variance	(7,942)	(12,971)	5,029
Cost of sales:			
Cost variance	65,375	76,804	(12,857)
Volume variance	(48,651)	(37,592)	(9,631)
Total cost variance	16,724	39,212	(22,488)
Gross profit variance	8,782	26,241	(17,459)
SG&A expenses:			
Expense variance	(1,402)	(2,490)	1,135
Volume variance	(2,471)	(1,910)	(608)
Total SG&A variance	(3,873)	(4,400)	527
Operating income variance	4,909	21,841	(16,932)
Summarized as:			
Price variance	(61,516)	(54,367)	(6,138)
Net cost/expense variance	63,973	74,314	(11,722)
Net volume variance	2,452	1,894	928

Note.–Unfavorable variances are shown in parentheses; all others are favorable.

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

11

CAPITAL EXPENDITURES, R&D EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES OUTSIDE THE 30-STATE REGION

Data on capital expenditures, R&D expenses, and the value of property, plant, and equipment used in the production of rebar by producers outside the region are shown in table VI-14. Data for capital expenditures on a firm-by-firm basis are shown in table VI-15. ***.

Table VI-14
Value of assets, capital expenditures, and R&D expenses of U.S. producers of rebar outside the 30-state region, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Value (*$1,000*)		
Capital expenditures	31,286	35,396	18,580
R&D expenses	***	***	***
Fixed assets:			
Original cost	747,981	735,112	724,589
Book value	434,487	409,956	377,136
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-15
Capital expenditures by U.S. producers outside the 30-state region in the production of rebar, by firms, fiscal years 1998-2000

* * * * * * *

TOTAL U.S. REBAR OPERATIONS

Income-and-loss data for the total rebar operations of all U.S. producers are presented in table VI-16, while total net sales, by value, operating income, and the ratio of operating income to net sales, by mill, are presented in table VI-17. The volume of sales increased between 1998 and 1999, and between 1999 and 2000. The value of sales fell between 1998 and 1999 although gross profit, operating income, and net income increased between those two years. Between 1999 and 2000, the volume and value of sales increased, but gross profit, operating income, net income and cash flow decreased. The ratios of gross profit, operating income, and net income to sales followed a similar pattern.

Table VI-16
Results of rebar operations of all U.S. producers, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Quantity (*short tons*)		
Trade sales	4,879,292	5,242,083	5,345,189
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	5,888,924	6,342,811	6,472,547
	Value (*$1,000*)		
Trade sales	1,495,358	1,439,404	1,448,037
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	1,802,793	1,744,029	1,750,282
Cost of goods sold	1,613,285	1,536,041	1,605,071
Gross profit	189,508	207,988	145,211
SG&A expenses	85,604	102,431	100,649
Operating income or (loss)	103,904	105,557	44,562
Interest expense	37,739	41,085	48,126
Other expense	16,828	13,895	20,685
Other income items	5,860	5,657	4,945
Net income or (loss)	55,197	56,234	(19,304)
Depreciation/amortization	83,270	91,381	93,773
Cash flow	138,467	147,615	74,469
	Ratio to net sales (*percent*)		
Cost of goods sold	89.5	88.1	91.7
Gross profit	10.5	11.9	8.3
SG&A expenses	4.7	5.9	5.8
Operating income or (loss)	5.8	6.1	2.5
Net income or (loss)	3.1	3.2	(1.1)

Table continued.

Table VI-16--Continued
Results of rebar operations of all U.S. producers, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Unit value *(per short ton)*		
Trade sales	$306.47	$274.59	$270.90
Internal consumption	***	***	***
Related company transfers	***	***	***
Total sales	306.13	274.96	270.42
Cost of goods sold	273.95	242.17	247.98
Gross profit	32.18	32.79	22.43
SG&A expenses	14.54	16.15	15.55
Operating income or (loss)	17.64	16.64	6.88
Net income or (loss)	9.37	8.87	(2.98)
	Number of firms reporting		
Operating losses	***	***	***
Data	29	29	29
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-17
Total net sales, operating income, and operating income margins of all U.S. producers of rebar, by mills, fiscal years 1998-2000

* * * * * * *

Changes in industry operating income are further depicted in a variance analysis for the entire U.S. industry producing rebar (table VI-18). There were unfavorable price variances between each of the three years as well as an unfavorable net cost/expense variance between 1999 and 2000 whereas there were favorable volume variances. The combined effect was a small increase in operating income between 1998 and 1999, and a fall in operating income between 1999 and 2000 of $61.0 million.

Table VI-18
Variance analysis for rebar operations of all U.S. producers, fiscal years 1998-2000

Item	Fiscal year		
	1998-2000	1998-99	1999-2000
	Value (*$1,000*)		
Trade sales:			
Price variance	(190,105)	(167,139)	(19,678)
Volume variance	142,784	111,185	28,311
Trade sales variance	(47,321)	(55,954)	8,633
Internal consumption:			
Price variance	***	***	***
Volume variance	***	***	***
Internal consumption variance	***	***	***
Related company transfers:			
Price variance	***	***	***
Volume variance	***	***	***
Transfers variance	***	***	***
Total sales:			
Price variance	(231,177)	(197,714)	(29,419)
Volume variance	178,666	138,950	35,672
Total sales variance	(52,511)	(58,764)	6,253
Cost of sales:			
Cost variance	168,099	201,588	(37,612)
Volume variance	(159,885)	(124,343)	(31,418)
Total cost variance	8,214	77,244	(69,030)
Gross profit variance	(44,297)	18,480	(62,777)
SG&A expenses:			
Expense variance	(6,561)	(10,229)	3,877
Volume variance	(8,484)	(6,598)	(2,095)
Total SG&A variance	(15,045)	(16,827)	1,782
Operating income variance	(59,342)	1,653	(60,995)
Summarized as:			
Price variance	(231,177)	(197,714)	(29,419)
Net cost/expense variance	161,538	191,359	(33,735)
Net volume variance	10,297	8,008	2,159

Note.–Unfavorable variances are shown in parentheses; all others are favorable.

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

CAPITAL EXPENDITURES, R&D EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES OF THE U.S. INDUSTRY

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment used in the production of rebar are shown in table VI-19. Data for capital expenditures of the U.S. industry on a firm-by-firm basis are shown in table VI-20.

Table VI-19
Value of assets, capital expenditures, and R&D expenses of all U.S. producers of rebar, fiscal years 1998-2000

Item	Fiscal year		
	1998	1999	2000
	Value (*$1,000*)		
Capital expenditures	156,455	134,481	65,620
R&D expenses	***	***	***
Fixed assets:			
Original cost	1,865,860	2,001,868	2,022,809
Book value	1,034,176	1,084,680	1,025,780
Source: Compiled from data submitted in response to Commission questionnaires.			

Table VI-20
Total capital expenditures of all U.S. producers in the production of rebar, by mills, fiscal years 1998-2000

* * * * * * *

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and/or Ukraine on their firms' growth, investment, and ability to raise capital or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix M.

PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). 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.

The petition lists a total of 43 firms that are believed to produce rebar in the subject countries. The number of firms believed to produce rebar in each of the subject countries are as follows:

Country	Number of producers listed in the petition
Belarus	1
China	17
Indonesia	13
Korea	9
Latvia	1
Moldova	1
Poland	2
Ukraine	5
Total	43

A summary of foreign industry data collected in these investigations is presented in appendix N, table N-1.

THE INDUSTRY IN BELARUS

Byelorussian Steel Works ("BSW") is the only producer of rebar in Belarus. Rebar is produced in the firm's commercial steel unit, which was launched in 1984. In addition to rebar, the firm also produces a range of high quality products including special bar quality bars and round cornered square bars. None of these other products, however, are produced on the same machinery and equipment that is used to produce rebar.[1] While BSW markets its products worldwide, its exports of rebar are directed principally to such countries and regions as ***. By its own estimate, rebar accounted for about *** percent of the value and about *** percent of the quantity of BSW's total establishment sales in the firm's most recent fiscal year.

Data supplied by BSW on its operations pertaining to rebar are shown in table VII-1. As the data show, between 1998 and 2000 BSW experienced an increase in rebar production capacity, an uneven

[1] BSW's postconference brief, p. 3, stated that "***."

Table VII-1
Rebar: Data on the industry in Belarus, 1998-2000, and projected 2001

* * * * * * *

decrease in production and total shipments, and a steady increase in total exports. Based on the data provided, BSW projects *** in 2001 as compared with 2000. Production capacity alone is projected to *** by over *** percent. This *** is based on ***. Production and total shipments are ***, and BSW projects that its total exports will ***, by *** percent. As a share of total shipments, BSW's shipments to its home market fell from *** percent in 1998 to *** percent in 2000 and are projected to *** to about *** percent in 2001. Total exports, on the other hand, rose from *** percent of total shipments in 1998 to *** percent in 2000 and are projected to *** to *** in 2001.

Currently, rebar that is exported from Belarus by BSW is not subject to antidumping findings or remedies in any other WTO-member country.

THE INDUSTRY IN CHINA

The petition listed Chengde Iron and Steel Group Co., Ltd.; Chengdu Iron and Steel works; Echeng Iron & Steel Group Co., Ltd.; Fushun Special Steel Co., Ltd.; Guangdong Shaoguan Iron & Steel Group; Guangzhou Iron & Steel Holdings, Ltd.; Guangzhou Nanfang Steel Works; Jiangsu Shagang Group Co., Ltd.; Kunming Iron and Steel Corp.; Laiwu Steel Group, Ltd. ("Laiwu"); Lingyuan Iron & Steel Group Co., Ltd.; Nanjing Iron & Steel Group Co.; Qingdao Iron & Steel Group Co.; Shanghai No. 5 Steel Group Co., Ltd.; Shiu Wing Steel, Ltd.; Shoudu Iron & Steel Co.; and Tangshan Iron & Steel Group Co., Ltd. as firms believed to produce the subject merchandise in China.[2] The Commission requested questionnaire data from counsel representing Laiwu and from the other 16 firms directly. Only Laiwu supplied the Commission with questionnaire information on its operations concerning rebar.[3]

According to its response to the Commission's request for information, Laiwu estimates that it accounted for *** percent of all rebar production in China in 2000. It also estimates that it accounted for *** percent of all rebar exported from China to the United States in the same period. In terms of its own operations, rebar reportedly accounted for *** percent of the firm's total sales in its most recent fiscal year. In addition to rebar, Laiwu also reported that it produces *** products on the same machinery and equipment that is used to produce subject rebar. These *** products made up roughly *** percent of its overall establishment sales in the firm's most recent fiscal year. Laiwu identified *** as being its principal other export markets. None of the rebar that it exports to these countries, or any other country, is subject to antidumping findings or remedies.

Data on Laiwu's rebar production capacity, production, shipments, and inventories are presented in table VII-2. The data show that production capacity was unchanged between 1998 and 2000 and that

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[2] *Petition for the Imposition of Antidumping Duties, Vol. IV, China*, p. 2, n. 3.

[3] In responding to the Commission's request for information, Yunnan Kungang Group Import & Export Co., Ltd. supplied very limited information on its rebar operations. While the firm reported no shipment information, it did report its production capacity and its production as increasing unevenly from *** metric tons (or *** short tons) in 1998 to *** metric tons (*** short tons) in 2000. The firm projected that its production capacity and production would *** to *** metric tons (*** short tons) in 2001. It estimates that it alone accounts for about *** percent of China's production of rebar in 2000, and it estimates that rebar accounted for *** percent of its total sales in its most recent fiscal year. One other Chinese firm, Shanghai No. 5 Steel (Group) Co., Ltd., stated in a letter to the Commission that it had never exported rebar to the United States and regretted that it could not provide the information requested.

Table VII-2
Rebar: Data on Laiwu's operations in China, 1998-2000, and projected 2001

* * * * * * *

production and total shipments fluctuated downward over the same period. Home market sales accounted for between *** percent and *** percent of total shipments between 1998 and 2000. Exports to the United States as a share of total shipments rose from *** percent in 1998 to *** percent in 2000.

In addition to requesting information from Chinese producers, the Commission also requested the assistance of the American Embassy in Beijing in identifying and providing information on the industry in China. Embassy officials were able to obtain limited information from industry sources, including sources inside the Chinese trade association responsible for rebar.[4] According to these sources, China's rebar consumption in 1998-2000 was as follows (in *short tons*):

Item	1998	1999	2000
Production	22,914,002	26,929,437	(1)
Imports	1,260,860	639,691	42,337
Exports	225,689	173,539	367,475
Consumption	23,949,173	27,395,589	29,125,248
[1] Not reported, but would be 29,450,386 short tons based on other numbers reported.			

Embassy officials indicated that six firms were contacted for information in Beijing's consular district; one was contacted in Hong Kong's consular district; five firms were contacted by the consulate in the Shanghai district; and four firms each were contacted by consulates in the Chengdu and Shenyang districts. The general response of the firms contacted was that they do not export the subject merchandise to the United States.[5]

Currently, rebar that is exported from China is not known to be subject to any antidumping findings or remedies in any other WTO-member country.

THE INDUSTRY IN INDONESIA

The petition lists PT Jakarta Kyoei Steel Works, Ltd., as the firm believed to be the primary manufacturer and exporter to the United States of the subject merchandise in Indonesia.[6] The petition also lists 12 other firms that are believed to produce the subject merchandise in Indonesia.[7] As none of the firms listed in the petition are parties in these investigations, the Commission sent, or attempted to send, by facsimile, its foreign producers' questionnaire directly to the Indonesian producers. Only two of the Indonesian producers responded to the Commission's request for information. PT Ispat Indo

[4] Department of State, incoming telegram to the Commission from the American Embassy in Beijing, R 160905Z, March 1, 2001.

[5] Ibid.

[6] *Petition for the Imposition of Antidumping Duties, Vol. V, Indonesia*, p. 2.

[7] *Petition for the Imposition of Antidumping Duties, Vol. I, Injury*, exh. I-8.

responded by letter to the Commission's request for information, stating that it neither produced nor exported the subject merchandise during the period for which information was requested.[8] The other firm to respond to the Commission's request for information was PT The Master Steel Mfg. Co. This firm reported that rebar accounted for *** percent of its total sales in its most recent fiscal year. In addition to rebar, the firm reported that it also produces ***, all on the same machinery and equipment it uses to produce rebar. *** reportedly accounted for *** percent of the firm's total net sales in its most recent fiscal year, whereas *** and *** accounted for *** percent and *** percent of such sales, respectively, in the same period. PT The Master Steel Mfg. Co. estimates that it accounted for only about *** percent of the total production of rebar in Indonesia in 2000. As the data in table VII-3 show, PT The Master Steel Mfg. Co. exported rebar to the United States ***. Its principal other export markets include ***. As shown, however, exports to these other markets were somewhat erratic over the period for which information was requested.

Table VII-3
Rebar: Data on PT The Master Steel Mfg. Co.'s operations in Indonesia, 1998-2000, and projected 2001

* * * * * * *

In a further effort to identify the industry in Indonesia that produces rebar, the Commission also sent a telegram to the American Embassy in Jakarta requesting its assistance in providing information on the industry in the host country. According to information provided to the embassy by The Indonesian Ministry of Industry and Trade (MOIT), 28 firms in Indonesia produce rebar. MOIT estimates that these 28 firms have a combined capacity of about 4.4 million metric tons (4.8 million short tons). According to MOIT, Indonesia's steel industry has largely been oriented towards the domestic market. However, in 1998 and 1999 (especially with the slowdown of the domestic market in Indonesia resulting from the Asian economic crisis), the industry reportedly took advantage of the depreciation of the Indonesian rupiah vis-a-vis the U.S. dollar and strong demand in the United States and began to increase its exports, particularly its exports to the United States. Exports reportedly peaked in 1998 and decreased in response to a weakening in demand in developing countries and antidumping and subsidy complaints filed against the state-owned producer PT Krakatau Steel.

Indonesia is among the countries on which Canada has imposed provisional antidumping duties on rebar, pursuant to an affirmative preliminary antidumping determination of February 1, 2001.

THE INDUSTRY IN KOREA

The petition listed Hanbo Iron & Steel Co., Ltd.; Inchon Iron & Steel Co., Ltd. ("Inchon"); and Kangwon Industries, Ltd. ("Kangwon") as firms believed to be the primary producers and exporters to the United States of the subject merchandise in Korea.[9] The petition also listed Daehan Steel Mill Co., Ltd.; Dongkuk Steel Mill Co., Ltd. ("Dongkuk"); Hankook Steel Mill Co., Ltd.; Hwan Young Industries Co., Ltd.; Korea Iron & Steel Co., Ltd. ("KISCO"); and Kosteel Co., Ltd. as firms believed to produce

[8] According to information supplied by P.T. Ispat Indo in connection with the Commission's preliminary investigations, the firm reported that it no longer produces rebar, choosing instead to produce ***, which accounted for *** percent of the company's sales in its most recent fiscal year. The firm reported that it can produce either rebar or *** on the same equipment, but has not produced any rebar since 1998.

[9] *Petition for the Imposition of Antidumping Duties, Vol. VII, Korea*, p. 3.

the subject merchandise in Korea.[10] The Commission requested information and data from counsel representing Dongkuk, Inchon, and KISCO and from the other companies directly. Counsel on behalf of Dongkuk, Inchon, and KISCO provided complete data for these producers, believed to account for *** percent of all Korean subject rebar production in 1999 and *** percent and *** percent of subject imports into and outside, respectively, the 30-state region of the United States in 1999. Inchon reported ***. Inchon and Kangwon have merged, so Kangwon's data are included in those of Inchon.[11]

Rebar accounted for between *** percent and *** percent of these firms' total sales in their most recent fiscal year. In terms of other products produced on the same equipment and machinery that is used to produce rebar, Dongkuk produces ***, Inchon produces ***, and KISCO produces ***. In each case, however, these other products typically account for less than *** percent of these firms' overall sales. In addition to the United States, export markets for Korean subject rebar include ***. Dongkuk and Inchon reported that their rebar is subject to an antidumping finding in Canada as of December 13, 1999 (0-percent margin for Dongkuk; Inchon did not specify).

In responding to the question of whether they have any plans to add, expand, curtail, or shut down production capacity, Dongkuk reported that in December 1998 it shut down its Pusan Works facility, causing a loss of *** tons of capacity. Dongkuk, however, also completed a new bar and shape mill facility in Pohang in April 1999, creating new capacity of *** tons, and the firm is starting up a new plant operation in Pusan which will boost its annual capacity by another *** tons. Due to plans to restructure, Inchon reported plans to ***, which will *** its production capacity by *** metric tons. Finally, KISCO reported plans to ***.

Data on the combined operations of Dongkuk, Inchon, and KISCO are presented in table VII-4. The Korea data show a ***-percent increase in production capacity between 1998 and 2000 for the three firms for which data are reported. Production increased as well over the same period, rising by *** percent. Aggregate exports to the United States and to all other export markets declined steadily from 1998 to 2000, falling in total from *** percent of total shipments in 1998 to only *** percent in 2000. The decline in total exports was, to a large extent, offset by an increase in home market sales, which rose by *** percent over the same period.

In addition to the information supplied by Dongkuk, Inchon, and KISCO, the Commission requested assistance from the American Embassy in Seoul in providing information on the rebar industry in Korea. According to information developed by embassy officials, there are eight major firms in Korea that produce rebar. Among the eight, Inchon is reported to account for *** percent of production, Dongkuk is reported to account for *** percent, KISCO is reported to account for *** percent, and Hanbo Steel reportedly accounts for *** percent. The other four firms reportedly account for 21 percent of Korea's production. The domestic construction industry is reported to be the largest consumer of Korean produced rebar. According to embassy sources, more than 95 percent of Korea's production of rebar is consumed domestically. Data for the eight major producers that supplied the embassy with information on their rebar operations are aggregated in table VII-5. In general, the data show that these firms operated at a relatively high rate of capacity utilization over the period for which data are presented and that shipments into the domestic market clearly consumed the bulk of domestic production.

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[10] *Petition for the Imposition of Antidumping Duties, Vol. I, Injury*, exh. I-8.

[11] Dongkuk International, Inc., is an importer related to Dongkuk; Hyundai Corp. (USA) is an importer affiliated with Inchon.

Table VII-4
Rebar: Data on the combined operations of Korean producers Dongkuk, Inchon, and KISCO, 1998-2000, and projected 2001

* * * * * * *

Table VII-5
Rebar: Data on the combined operations of eight major Korean producers,[1] 1998-2000, and projected 2001

Item	1998	1999	2000	Projected 2001
Production capacity (1,000 *short tons*)	8,618	8,329	9,736	9,654
Production (1,000 *short tons*)	7,137	7,042	8,276	8,165
Capacity utilization (*percent*)	83.0	84.0	85.0	84.0
Home market shipments (1,000 *short tons*)	5,967	6,588	8,166	8,042
Export shipment quantity[2] (1,000 *short tons*)	1,186	595	252	184
Export shipments value ($1,000)	291,549	133,786	57,501	([3])
End-of-period inventories (1,000 *short tons*)	307	286	280	191

[1] The data presented are for Daehan Steel, Dongkuk Steel, Hanbo Co., Hanbo Steel, Hankook Steel, Hwan Young Steel, Inchon, and KISCO.
[2] The quantity of exports to the United States totaled 523,000 short tons in 1998, 321,000 short tons in 1999, 185,000 short tons in 2000, and a projected 45,000 short tons in 2001.
[3] Not reported.

Source: American Embassy in Seoul, as provided by eight major producing firms.

THE INDUSTRY IN LATVIA

The petition listed Liepajas Metalurgs ("Liepajas") as the only firm in Latvia believed to produce and export to the United States the subject merchandise.[12] The Commission requested and received complete information and data from counsel representing Liepajas, which confirmed that it is the sole producer of the subject product in Latvia.[13]

Rebar accounted for *** percent of Liepajas' total sales in its most recent fiscal year. Liepajas reported producing *** on the same equipment used to produce rebar. Liepajas reported ***. In addition to the United States, its principal export markets for rebar include ***. The firm did report that its exports of rebar to *** have been the subject of antidumping findings or remedies since ***. Salient data pertaining to Liepajas' rebar operations are shown in table VII-6. Liepajas' production of rebar increased by *** percent between 1998 and 2000. Because the firm's production capacity was unchanged, the increased production resulted in higher capacity utilization, which rose from *** percent in 1998 to *** percent in 2000. Total exports accounted for *** percent of the firm's total shipments of

[12] *Petition for the Imposition of Antidumping Duties, Vol. VIII, Latvia*, p. 2.

[13] According to information supplied by the American embassy in Riga, Liepajas is the only steel plant in Latvia and is one of three exporters in that country of products under HTS subheading 7214.20.

Table VII-6
Rebar: Data on the industry in Latvia, 1998-2000, and projected 2001

*   *   *   *   *   *   *

rebar in 2000, up from *** percent in 1998. The firm's volume of inventories did not fluctuate widely between the periods, falling from *** percent of production in 1998 to *** percent in 2000.

Latvia is among the countries on which Canada has imposed provisional antidumping duties on rebar, pursuant to an affirmative preliminary antidumping determination of February 1, 2001.

THE INDUSTRY IN MOLDOVA

The petition listed Moldova Steel Works ("MSW") as the sole firm in Moldova believed to produce and export to the United States the subject merchandise.[14] The Commission requested and received complete information and data from counsel representing MSW, which confirmed that it is the sole producer and exporter to the United States of Moldovan subject product.

According to information supplied in MSW's questionnaire response, rebar accounted for *** percent of the firm's total sales in its most recent fiscal year. The firm reported that the bulk of its sales consists of ***. MSW indicated in its response that ***. The firm maintains no inventories of rebar in the United States, and neither is the rebar that it produces the subject of any antidumping findings or remedies in any other country. Production capacity, production, shipments, and inventory data on MSW's rebar operations are shown in table VII-7. MSW's capacity utilization *** from *** percent in 1998 to *** percent in 1999 and *** percent in 2000. Exports accounted for *** of the firm's total shipments between 1998 and 2000, capturing *** percent of the total in 1998, *** percent in 1999, and garnering *** percent in 2000. ***. MSW's other export markets include ***. MSW reported that ***, but Canada has now imposed provisional antidumping duties on rebar from Moldova, pursuant to an affirmative preliminary antidumping determination on February 1, 2001.

Table VII-7
Rebar: Data on the industry in Moldova, 1998-2000, and projected 2001

*   *   *   *   *   *   *

THE INDUSTRY IN POLAND

Information concerning the industry in Poland that produces rebar is based on the responses of two firms--Huta Ostrowiec S.A. and Huta Zawiercie S.A.--to the Commission's foreign producer questionnaire. According to information provided by the American Embassy in Warsaw, there is a general reluctance on the part of individual firms and industry groups in Poland to disclose specific information with regards to production capacity, production, shipments, and inventories.[15] Additionally, the embassy noted, readily available government statistics on the steel industry in Poland do not reflect specific statistics on the industry producing the product that is the subject of these investigations.[16] The

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[14] *Petition for the Imposition of Antidumping Duties, Vol. IX, Moldova*, p. 2, n. 2.

[15] Department of State telegram to the Commission from the American Embassy in Warsaw, R 220935Z.

[16] Ibid.

embassy further noted that the steel sector in Poland is in desperate need of restructuring and privatizing and that many steel companies are on the verge of bankruptcy.[17]

The newer of the two firms, Huta Zawiercie, started its new rolling mill in September 1999 and reported ***. In terms of total sales, Huta Zawiercie reported that rebar accounted for *** percent of its total sales in its most recent fiscal year; Huta Ostrowiec reported a percentage of *** percent. Both firms reported that they produced other products on the same equipment and machinery that is used to produce rebar. ***. Huta Ostrowiec's questionnaire response shows that *** are its principal other export markets. Effective January 2, 2001, Canada imposed a provisional antidumping duty on subject imports from Poland.

Data on the combined operations of Huta Ostrowiec and Huta Zawiercie are shown in table VII-8. The increase in most of the economic indicators between 1999 and 2000 can largely be attributable to the entry of Huta Zawiercie into the industry in the latter part of 1999. As for their rebar operations in 2001, Huta Zawiercie projects that *** and that it will experience a *** percent *** in its total shipments. With respect to exports, however, the firm anticipates that the volume of its exports will *** by about *** percent in 2001 as compared with the volume exported in 2000. Huta Zawiercie exported none of the subject merchandise to the United States in 1999 and 2000 and ***. As for Huta Ostrowiec, it reported projected ***. Indeed, it projected that its exports of the subject merchandise to the United States will *** from the *** short tons exported in 2000.

Table VII-8
Rebar: Data on the combined operations of Polish producers Huta Ostrowiec and Huta Zawiercie, 1998-2000, and projected 2001

* * * * * * *

THE INDUSTRY IN UKRAINE

The petition lists Dneprovsky Iron & Steel Works ("DMK"), Kramatorsk Iron & Steel Works ("Kramatorsk"), Krivoi Rog Mining & Metallurgical Integrated Works ("Krivorozhstal"), Makeevsky Iron & Steel Works ("Makeevsky"), and Yenakievsky Iron & Steel Works ("Yenakievsky") as firms believed to produce the subject merchandise in Ukraine.[18] The Commission successfully sent the foreign producers' questionnaire to Krivorozhstal by facsimile and was unsuccessful in its attempt to send the same by facsimile to Kramatorsk and Makeevsky. Although Krivorozhstal supplied information on its operations that was requested in the preliminary phase of these investigations, the firm did not respond to the Commission's request for information in the final phase. The information supplied in the preliminary phase investigations is summarized below.

Krivorozhstal reported that it accounts for *** subject rebar production in Ukraine and *** exports of the subject product to the United States. Rebar accounted for *** percent of Krivorozhstal's total sales in its most recent fiscal year. Krivorozhstal reported producing *** on the same equipment used to produce subject rebar. In addition to the United States, export markets for Ukrainian subject rebar include ***. Although in the preliminary phase investigations Krivorozhstal ***, Canada has now imposed provisional antidumping duties on rebar from Ukraine, pursuant to an affirmative preliminary dumping determination of February 1, 2001.

Krivorozhstal started operations in 1999 and is ***. The company reported that ***.

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[17] Ibid.

[18] *Petition for the Imposition of Antidumping Duties, Vol. XII, Ukraine*, p. 2, n. 2.

In these investigations, the Commission also sent a telegram to the American embassy in Kiev requesting its assistance in supplying the Commission with any information it could obtain that pertained to the Ukranian industry that produces the subject merchandise. Using local sources, the embassy identified the five firms listed in the petition as firms it believes are producing the subject merchandise in Ukraine. According to embassy officials, Kramatorsk denied it produces rebar but independent sources allege that it does. Also, both Makeevsky and Yenakievsky previously informed the embassy that they have not exported the subject merchandise to the United States. The embassy reported that it was unable to obtain statistical information on Ukrainian domestic production and capacity data. However, the embassy did provide Ukranian export data for rebar as published by the Ukranian Metal Market Journal. These data show the quantity and value of total rebar exports from Ukraine as follows:

Item	1998	1999	2000
Quantity (1,000 *short tons*)	2,466	2,813	3,126
Value ($1,000)	519,855	461,993	553,515

Using a number of sources, embassy officials identified Argentina, Canada, Chile, Colombia, the European Union, Mexico, Peru, Russia, South Africa, and Venezuela as countries that have initiated antidumping investigations against Ukranian steel products.

U.S. IMPORTERS' INVENTORIES

Most U.S. importers reported maintaining no inventories of subject rebar in the United States, preferring instead to place an order only after a buyer has been found. In their posthearing brief, petitioners allege that there was a significant accumulation of supply of imported rebar waiting to be sold long after importation, particularly in 1999 and 2000.[19] Such inventories, they contend, were held not only by U.S. importers but also by distributors and fabricators. Based on the information supplied by U.S. importers in their questionnaire responses, it is more likely that any such buildup of inventories was maintained or held at the distributor and fabricator level rather than at the importer level.[20]

Data on U.S. importers' reported inventories are presented in table VII-9. Reported end-of-period inventories of rebar imported from all eight subject countries fell sharply in 2000 after increasing only slightly from 1998 to 1999. Reported 1998 end-of-period inventories consisted of subject merchandise from Indonesia, Korea, Latvia, Moldova, and Poland. In 1999, such inventories consisted of product from Latvia and Ukraine, and such inventories in 2000 were made up of product from Belarus, China, Korea, Latvia, and Ukraine. The ratio of inventories to imports and the ratio of inventories to U.S. importers' U.S. shipments each fell from *** percent in 1998 and 1999 to *** percent in 2000.

Table VII-9
Rebar: U.S. importers' reported end-of-period inventories of imports and ratio of inventories to imports and to U.S. importers' U.S. shipments, by sources, 1998-2000

* * * * * * *

[19] Petitioners' posthearing brief, p. 10.

[20] *See* petitioners' posthearing brief at attachment 3B.

APPENDIX A

FEDERAL REGISTER NOTICES

The following *Federal Register* notices are presented in this appendix.

Commerce's preliminary determinations of critical circumstances concerning rebar from **China** and **Poland** (65 FR 54228, September 7, 2000)

Commerce's preliminary determinations of critical circumstances concerning rebar from **Ukraine** and **Moldova** (65 FR 70696, November 27, 2000)

Commerce's preliminary determination of sales at LTFV of rebar from **Latvia** (66 FR 8324, January 30, 2001)

Commerce's preliminary determination of sales at LTFV of rebar from **Belarus** (66 FR 8329, January 30, 2001)

Commerce's preliminary determination of sales at LTFV of rebar from **Moldova** (66 FR 8333, January 30, 2001)

Commerce's preliminary determination of sales at LTFV of rebar from **China** (66 FR 8339, January 30, 2001)

Commerce's preliminary determination of sales at LTFV of rebar from **Korea** (66 FR 8348, January 30, 2001)

The Commission's scheduling of the final phase of antidumping investigations on rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine (66 FR 10317, February 14, 2001)

Commerce's postponement of its final determination concerning rebar from **Moldova** (66 FR 11562, February 26, 2001)

Commerce's final determinations of sales at LTFV of rebar from **Indonesia, Poland, and Ukraine** (66 FR 18752, April 11, 2001)

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-860, A-455-803]

Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From the People's Republic of China and Poland

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

EFFECTIVE DATE: September 7, 2000.

FOR FURTHER INFORMATION CONTACT: Mark Manning or Magd Zalok at (202) 482-3936 and (202) 482-4162, respectively; AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Preliminary Determinations of Critical Circumstances

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (2000).

Background

In the petition filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of steel concrete reinforcing bars (rebar) from the People's Republic of China (PRC) and Poland.[1] On July 18, 2000, the Department of Commerce (the Department) initiated investigations to determine whether imports of rebar from the PRC and Poland, among others, are being, or are likely to be, sold in the United States at less-than-fair-value (LTFV) (65 FR 45754, July 25, 2000). At that time we also initiated investigations to determine whether critical circumstances exist with respect to imports of rebar from the PRC and Poland.[2]

On August 14, 2000, the International Trade Commission (ITC) determined that there is a reasonable indication of material injury to the domestic industry from imports of rebar from the PRC and Poland, among others.

In accordance with 19 CFR 351.206(c)(2)(i), because the petitioner submitted critical circumstances allegations more than 20 days before the scheduled date of the preliminary determinations, the Department must issue preliminary critical circumstances determinations not later than the date of the preliminary determinations. In a policy bulletin issued on October 8, 1998, the Department stated that it may issue preliminary critical circumstances determinations prior to the date of the preliminary determinations of dumping, assuming sufficient evidence of critical circumstances is available (see Change in Policy Regarding Timing of Issuance of Critical Circumstances Determinations, 63 FR 55364). In accordance with this policy, at this time we are issuing preliminary critical circumstances decisions in the investigations of imports of rebar from the PRC and Poland, for the reasons discussed below and in the August 30, 2000, Memorandum from Tom Futtner and Gary Taverman to Holly A. Kuga regarding: Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from the People's Republic of China and Poland—Preliminary Determinations of Critical Circumstances (Critical Circumstances Preliminary Determinations Memorandum).

Critical Circumstances

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive."

Section 351.206(i) of the Department's regulations defines "relatively short period" as normally being the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. The regulations also provide, however, that if the Department finds that importers, exporters, or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, the Department may consider a period of not less than three months from that earlier time.

In determining whether the above criteria have been satisfied, we examined: (1) The evidence presented in the petition; (2) recent import statistics released by the Census Bureau after the initiation of the LTFV investigations; and (3) the ITC preliminary injury determinations.

History of Dumping and Importer Knowledge

Because we are not aware of any existing antidumping order in any country on rebar from the PRC or Poland, we do not find a history of dumping from the PRC or Poland pursuant to section 733(e)(1)(A)(i). However, the Department may look to the second criterion for determining knowledge of dumping.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling rebar at LTFV, pursuant to section 733(e)(1)(A)(ii) of the Act, the Department's normal practice is to consider margins of 25 percent or more sufficient to impute knowledge of dumping. See Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China, 62 FR 31972, 31978 (June 11, 1997). In the instant cases, given that we have not yet made a preliminary finding of dumping, the most reasonable source of information concerning knowledge of dumping is the petition itself. In the petition, the petitioner calculated estimated dumping margins of 59.98 percent for the PRC and 53.54 percent for Poland. Since these estimated 4 dumping margins exceed the 25 percent threshold, we have preliminarily imputed knowledge of dumping to

[1] The petitioner also alleged that there is a reason to believe or suspect that critical circumstances exist with respect to imports of rebar from Latvia and the Republic of Korea. However, we are not making a determination with respect to these two countries at this time.

[2] The Department also initiated investigations to determine whether critical circumstances exist with respect to imports of rebar from Latvia and the Republic of Korea.

importer, exporters, or producers of subject merchandise from the PRC and Poland. *See* the Critical Circumstances Preliminary Determinations Memorandum.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, under section 733(e)(1)(A)(ii) of the Act, the Department normally will look to the preliminary injury determinations of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports. See Final Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon Steel Plate from the People's Republic of China, 62 FR 61964 (November 20, 1997). In the instant cases, the ITC has found that a reasonable indication of present material injury due to dumping exists for all imports of rebar from the PRC and Poland. *See* ITC's Preliminary Determinations, August 14, 2000. Therefore, we preliminarily find that there is a reasonable basis to believe or suspect that importers knew or should have known that dumped imports of rebar from the PRC and Poland were likely to cause material injury.

Massive Imports

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the "base period"), and at least three months following the filing of the petition (*i.e.*, the "comparison period"). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from the PRC and Poland had reason to believe that an antidumping proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from the PRC and Poland. Accordingly, we examined the increase in import volumes from July 1999 through December 1999, as compared to the import volume during January 2000 through June 2000, and found that imports of rebar from the PRC increased by 182.76 percent and that imports from Poland increased from zero to over 58,000 metric tons, an unquantifiable percent. *See* the Critical Circumstances Preliminary Determinations Memorandum. Therefore, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily determine that there have been massive imports of rebar from the PRC and Poland over a relatively short time.

Conclusion

Given the above-referenced reasons, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from the PRC and Poland.

Suspension of Liquidation

In accordance with section 733(e)(2) of the Act, upon issuance of affirmative preliminary determinations of sales at LTFV in the investigations with respect to the PRC and Poland, the Department will direct the U.S. Customs Service to suspend liquidation of all such entries of rebar from the PRC and Poland that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determinations of sales at LTFV. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins reflected in the preliminary determinations of sales at LTFV published in the **Federal Register**. This suspension of liquidation will remain in effect until further notice.

Final Critical Circumstances Determinations

We will make final determinations concerning critical circumstances for the PRC and Poland when we make our final determinations regarding sales at LTFV in those investigations, which will be 75 days (unless extended) after the preliminary LTFV determinations.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determinations. This notice is issued and published pursuant to section 777(i) of the Act.

Dated: August 30, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–22996 Filed 9–6–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–809, A–841–804]

Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From Ukraine and Moldova

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

EFFECTIVE DATE: November 27, 2000.

FOR FURTHER INFORMATION CONTACT: Magd Zalok or Mark Manning at (202) 482–4162 and (202) 482–3936, respectively; AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Preliminary Determinations of Critical Circumstances

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (2000).

Background

On July 18, 2000, the Department of Commerce (the Department) initiated investigations to determine whether imports of steel concrete reinforcing bars (rebar) from Ukraine and Moldova, among others, are being, or are likely to be, sold in the United States at less-than-fair-value (LTFV) (65 FR 45754, July 25, 2000). On August 14, 2000, the International Trade Commission (ITC) determined that there is a reasonable indication of material injury to the domestic industry from imports of rebar from Ukraine and Moldova, among other countries. On August 22, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from the above-referenced two countries.[1]

In accordance with 19 CFR 351.206(c)(2)(i), because the petitioner submitted critical circumstances allegations more than 20 days before the scheduled date of the preliminary determinations, the Department must issue preliminary critical circumstances determinations not later than the date of the preliminary determinations. In a policy bulletin issued on October 8, 1998, the Department stated that it may issue preliminary critical circumstances determinations prior to the date of the preliminary determinations of dumping, assuming sufficient evidence of critical circumstances is available (*see Change in Policy Regarding Timing of Issuance of Critical Circumstances Determinations*, 63 FR 55364). In accordance with this policy, at this time we are issuing the preliminary critical circumstances decision in the investigations of imports of rebar from Ukraine and Moldova for the reasons discussed below and in the concurrent Memorandum from Holly Kuga to Troy H. Cribb: Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from Ukraine and Moldova—Preliminary Affirmative Determinations of Critical Circumstances (Critical Circumstances Preliminary Determinations Memorandum).

Critical Circumstances

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive."

Section 351.206(i) of the Department's regulations defines "relatively short period" as normally being the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. The regulations also provide, however, that if the Department finds that importers, exporters, or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, the Department may consider a period of not less than three months from that earlier time.

In determining whether the above criteria have been satisfied, we examined: (1) The evidence presented in the petition; (2) recent import statistics released by the Census Bureau after the initiation of the LTFV investigation; and (3) the ITC preliminary injury determination.

History of Dumping and Importer Knowledge

We are not aware of any existing antidumping order in any country on rebar from Ukraine and Moldova. For

[1] The petitioner also alleged that there is a reason to believe or suspect that critical circumstances exist with respect to imports of rebar from Belarus. However, we are not making a determination with respect to this country at this time.

this reason, we do not find a history of dumping from those countries pursuant to section 733(e)(1)(A)(i). However, the Department has looked to the second criterion for determining knowledge of dumping.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling rebar at LTFV, pursuant to section 733(e)(1)(A)(ii) of the Act, the Department's normal practice is to consider margins of 25 percent or more sufficient to impute knowledge of dumping. *See Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-tto-Length Carbon Steel Plate From the People's Republic of China*, 62 FR 31972, 31978 (June 11, 1997). In these instant cases, given that we have not yet made a preliminary finding of dumping, the most reasonable source of information concerning knowledge of dumping is the petition itself. In the petitions, the petitioner calculated estimated dumping margins of 41.69 percent for Ukraine and 59.98 percent for Moldova. Since these estimated dumping margins exceed the 25 percent threshold, we have preliminarily imputed knowledge of dumping to importers, exporters, or producers of subject merchandise from Ukraine and Moldova. *See* the Critical Circumstances Preliminary Determinations Memorandum.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, under section 733(e)(1)(A)(ii) of the Act, the Department normally will look to the preliminary injury determination of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports. *See Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 62 FR 61964 (November 20, 1997). In these instant cases, the ITC found that a reasonable indication of present material injury due to dumping exists for imports of rebar from Ukraine and Moldova. *See* ITC's Preliminary Determinations, August 14, 2000, Investigation Nos. 731–TA–872–883. Therefore, we preliminarily find that there is a reasonable basis to believe or suspect that importers knew or should have known that dumped imports of rebar from Ukraine and Moldova were likely to cause material injury.

Massive Imports

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for three months immediately preceding the filing of the petition (*i.e.*, the base period), and three months following the filing of the petition (*i.e.*, the comparison period). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from Ukraine and Moldova had reason to believe that an antidumping proceeding was likely before the filing of the petition. In determining whether imports from Ukraine and Moldova have been massive, the petitioner also alleges that rebar is a product for which demand is subject to seasonal shifts and that it is appropriate to use a seasonal methodology to examine whether an import surge occurred with respect to the above-referenced countries.

Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from Ukraine and Moldova. We disagree with the petitioner's analysis of massive imports based on seasonality because the evidence on the record does not substantiate that imports of rebar are subject to seasonal shifts. *See* Critical Circumstances Preliminary Determinations Memorandum for detailed discussion of this issue. Accordingly, we examined the increase in import volumes from May 1999 through December 1999 (the base period), as compared to the import volume during January 2000 through August 2000 (the comparison period), and found that imports of rebar from Ukraine and Moldova increased by 69.30 percent and 22.08 percent, respectively. *See* the Critical Circumstances Preliminary Determinations Memorandum. Therefore, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily determine that there have been massive imports of rebar from Ukraine and Moldova over a relatively short time.

Conclusion

Given the above-referenced analysis, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from Ukraine and Moldova.

Suspension of Liquidation

In accordance with section 733(e)(2) of the Act, if the Department issues affirmative preliminary determinations of sales at LTFV in the investigations with respect to Ukraine and Moldova, the Department, at that time, will direct the U.S. Customs Service to suspend liquidation of all entries of rebar from Ukraine and Moldova that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determinations of sales at LTFV. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins reflected in the preliminary determinations of sales at LTFV published in the **Federal Register**. This suspension of liquidation will remain in effect until further notice.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Ukraine and Moldova when we make our final determinations regarding sales at LTFV in those investigations, which will be 75 days (unless extended) after the preliminary LTFV determinations.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. This notice is issued and published pursuant to section 777(i) of the Act.

Dated: November 17, 2000.

Troy H. Cribb,

Assistant Secretary for Import Administration. 7

[FR Doc. 00–30144 Filed 11–24–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–449–804]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From Latvia

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

EFFECTIVE DATE: January 30, 2001.

FOR FURTHER INFORMATION CONTACT: Keir Whitson or Gabriel Adler at (202) 482–1777 or (202) 482–3813, respectively; AD/CVD Enforcement, Office 5, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2000).

Preliminary Determination

We preliminarily determine that steel concrete reinforcing bars (rebar) from Latvia are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on July 18, 2000.[1] *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela,* 65 FR 45754 (July 25, 2000) (*Initiation Notice*). Since the initiation of this investigation, the following events have occurred.

On August 14, 2000, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that a regional industry in the United States is materially injured or threatened with material injury by reason of imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine of certain steel concrete reinforcing bars. *See Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela,* 65 FR 51329 (August 23, 2000). With respect to subject imports from Austria, Russia, and Venezuela, the ITC determined that imports from these countries during the period of investigation (POI) were negligible and, therefore, these investigations were terminated. The ITC also determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, by reason of subject imports from Japan. *Id.*

On August 18, 2000, the Department issued antidumping questionnaires to the only producer/exporter of subject merchandise in Latvia, Liepajas Metalurgs (LM).[2]

As of the date of initiation of this investigation, Latvia was still considered a non-market economy (NME) country. On August 24, 2000, the Department received a letter from Latvia's Ministry of Foreign Affairs requesting that the Department revoke the NME status of Latvia under section 771(18)(A) of the Act. After a thorough examination of all relevant information available to the Department, we have revoked Latvia's NME status under section 771(18)(A) of the Act. *See Memorandum from Holly A. Kuga to Troy H. Cribb: Non-Market Economy Status Revocation* (January 12, 2001). This preliminary determination is therefore based on information contained in the market economy questionnaire responses submitted by LM.

On November 9, 2000, the petitioner requested a postponement of the preliminary determinations in all concurrent rebar investigations. On November 21, 2000, the Department published a **Federal Register** notice postponing the deadline for the preliminary determination until January 16, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, and Ukraine,* 65 FR 69909 (November 21, 2000).

Postponement of the Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On January 5, 2001, LM requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the preliminary determination. LM made a separate request to extend the provisional measures to not more than six months. Accordingly, since we have made an affirmative preliminary determination, and LM is the sole producer of the subject merchandise in Latvia, we have postponed the final determination for Latvia until not later than 135 days after the date of the publication of the preliminary determination.

Period of Investigation

The POI is April 1, 1999, through March 31, 2000. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

Scope of Investigation 8

For purposes of these investigations, the product covered is all rebar sold in

[1] The petitioner in these investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (This section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production (COP) of the foreign like product and the constructed value (CV) of the merchandise under investigation. In NME cases, Section D requests information on factors of production. Section E requests information on further manufacturing.

straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

Critical Circumstances

In the petition filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Latvia. On July 18, 2000, concurrent with the initiations of the LTFV investigation on imports of rebar from Latvia, the Department announced its intention to investigate the petitioner's allegation that critical circumstances exist with respect to imports of rebar from Latvia. On August 14, 2000, the International Trade Commission (ITC) determined that there is a reasonable indication of material injury to the domestic industry from imports of rebar from Latvia.

Section 733(e)(1) of the Act provides that the Department will determine that there is a reasonable basis to believe or suspect that critical circumstances exist, if: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent or more during the "relatively short period" of time may be considered "massive."

With respect section to section 733(e)(1)(A)(i) of the Act, we do not find that there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, inasmuch as no country has issued a finding of dumping against Latvian rebar. Further, with respect to section 733(e)(1)(A)(ii) of the Act, the magnitude of the dumping margins found in this preliminary determination is insufficient to conclude that the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales. As such, we are issuing a preliminary negative critical circumstances determination.

Although unnecessary in this case, we have also examined whether imports have been massive over a "relatively short period" of time, pursuant to section 733(e)(1)(B) of the Act. To do so, the Department normally compares the import volume of the subject merchandise for three months immediately preceding the filing of the petition (*i.e.*, the base period), and three months following the filing of the petition (*i.e.*, the comparison period). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from Latvia had reason to believe that an antidumping proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from Latvia. As a result, the Department has considered whether there have been massive imports after that time based on a comparison of periods immediately preceding and following the end of December 1999. *See Memorandum from Gary Taverman to Holly A. Kuga, Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from Latvia—Preliminary Negative Determination of Critical Circumstances (Critical Circumstances Preliminary Determination Memorandum*), dated January 16, 2001.

In order to determine whether imports from Latvia have been massive, the Department requested that LM provide its shipment data for the last three years. Based on our analysis of the shipment data reported, because imports have decreased during the comparison period, we preliminarily find that the criterion under section 733(e)(1)(B) of the Act has not been met, *i.e.*, there have not been massive imports of rebar from LM over a relatively short time. *See Critical Circumstances Preliminary Determination Memorandum*. For this reason, we preliminarily determine that critical circumstances do not exist for imports of rebar produced by LM.

Regarding the "all others" category, it is the Department's practice to conduct its critical circumstances analysis of companies in this category based on the experience of the investigated companies. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars from Turkey (Rebar from Turkey)*, 62 FR 9737, 9741 (March 4, 1997) (the Department found that critical circumstances existed for the majority of the companies investigated, and therefore concluded that critical circumstances also existed for companies covered by the "all others" rate). However, the Department does not automatically extend a critical circumstances determination to companies covered by the "all others" rate. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils from Japan*, 64 FR 30574, 30585 (June 8, 1999) (*Stainless Steel Sheet and Strip from Japan*). Instead, the Department may consider the traditional critical circumstances criteria with respect to the companies covered by the "all others" rate.

In determining whether imports from the "all others" category have been massive, the Department followed its normal practice of conducting its critical circumstances analysis of companies in this category based on the experience of the investigated companies. In this case, since we are unaware of any other Latvian rebar producers, it is appropriate to extend the experience of LM to the "all others" category. For this reason, we determine that the second criterion under section 733(e)(1) of the Act has not been met and that there have not been massive imports of rebar from the "all others" category over a relatively short time. Therefore, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily find that critical circumstances do not exist for imports of rebar produced by the "all others" category.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits us to investigate either (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined. LM is the only known producer/exporter of subject merchandise in Latvia.

Product Comparisons

Pursuant to section 771(16) of the Act, all products produced by the respondent covered by the description in the Scope of Investigation section, above, and sold in the comparison market during the POI are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on three criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: type of steel, yield strength, and size. These characteristics have been weighted by the Department where appropriate. Where there were no sales of identical merchandise in the comparison market to compare to U.S. sales, we compared U.S. sales to sales of the next most similar foreign like product on the basis of the characteristics listed above.

Fair Value Comparisons

To determine whether sales of rebar from Latvia were made in the United States at LTFV, we compared the export price (EP) to the normal value (NV), as described in the Export Price and Normal Value sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and, subsequently, compared these to weighted-average home market or third-country prices, as appropriate.

Export Price

For the price to the United States, we calculated an EP as defined in sections 772(a) and 772(b) of the Act, respectively. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold by the exporter or producer outside the United States to an unaffiliated purchaser for exportation to the United States, before the date of importation, or to an unaffiliated purchaser for exportation to the United States. We calculated EP based on the packed, delivered, ex-factory prices charged to the first unaffiliated purchaser in the United States prior to importation. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These include foreign movement expense (inland freight) and foreign brokerage and handling.

We note that, as explained below, we did not calculate dumping margins for certain sales by LM to an affiliated customer based on the reported databases. Instead, in accordance with section 776(a) of the Act, we preliminarily relied on adverse facts available in calculating the dumping margins for the transactions in question.

On December 1, 2000, the Department issued a memorandum stating that, for purposes of this investigation, it had found LM to be affiliated with one of its customers. *See Memorandum from Gabriel Adler to Gary Taverman: Antidumping Investigation of Steel Concrete Reinforcing Bars from Latvia; Affiliation* (December 1, 2000). On December 4, 2000, the Department issued a supplemental sales questionnaire to LM requesting, in part, that LM provide the downstream sales data for all sales made during the POI by its affiliated customer to unaffiliated parties in the United States. On December 6, 2000, LM stated that, while it did not view itself as affiliated with the customer in question, it had requested that its customer provide downstream sales data for its sales made to the United States during the POI. LM further stated that the affiliate was not willing to provide the Department with the requested information. On December 8, 2000, LM again stated that it could not provide this data to the Department.

Section 776(a)(2) of the Act provides that "if an interested party or any other person (A) withholds information that has been requested by the administering authority, (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782, (C) significantly impedes a proceeding under this title, or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority and the Commission shall, subject to section 782(d) and (e) of the Act, use the facts otherwise available in reaching the applicable determination under this title." The statute requires that certain conditions be met before the Department may resort to the facts otherwise available. Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits, the Department may, subject to section 782(e), disregard all or part of the original and subsequent responses, as appropriate. Briefly, section 782(e) provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, and the Department can use the information without undue difficulties, the statute requires it to do so.

In selecting from among the facts otherwise available, section 776(b) of the Act authorizes the Department to use an adverse inference, if the Department finds that an interested party failed to cooperate by not acting to the best of its ability to comply with the request for information. *See, e.g., Certain Welded Carbon Steel Pipes and Tubes from Thailand: Final Results of Antidumping Duty Administrative Review*, 62 FR 53808, 53819–20 (October 16, 1997). Finally, section 776(b) states that an adverse inference may include reliance on information derived from the petition. *See also* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103–316 at 870 (1994).

While LM has been generally cooperative over the course of this antidumping proceeding, it has not been cooperative in responding to the Department's specific request for downstream sales data. As a result, we are applying the facts otherwise available for all sales made to the United States through the affiliate in question. Moreover, we are making an adverse inference with respect to this determination. Specifically, for sales made through this affiliated customer, we have assigned a margin calculated on the basis of the lowest net U.S. price reported for any sale not involving the affiliate, and the highest normal value calculated for any product reported by the respondent.[3]

We note that, since most U.S. sales were made through the affiliate in question, the use of facts otherwise available extends to the majority of the respondent's U.S. sales. In reaching this preliminary determination, we are mindful that a respondent's failure to report the appropriate sales prices for the majority of U.S. sales might warrant wholesale rejection of the submitted responses, and reliance entirely on the facts otherwise available. In view of the specific circumstances presented in this case, however, we preliminarily believe at this time that it is more appropriate to base the dumping margins in part on that portion of the reported sales database that is not directly in question as a result of the respondent's omission. Given the nature of control between LM and its affiliate (where the affiliate has some measure of control over LM, but LM lacks control over its affiliate), the failure of the affiliate to provide requested sales data, while warranting an adverse inference with respect to those sales, does not necessarily impugn LM's compliance in reporting sales to other customers. While the factors above do not excuse the affiliate's failure to submit the requested sales information, they do provide a context in which it is appropriate to limit the use of adverse facts available to that specific omission.

Normal Value for Market Economy Analysis

A. Selection of Comparison Markets for Market Economy Countries

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is no particular market situation that prevents a proper comparison with the EP or CEP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

For the Latvia case, we found that LM does not have a viable home market for sales of rebar. Therefore, the respondent submitted data for sales to Germany, its largest third-country market, for purposes of the calculation of NV.

In deriving NV, we made adjustments as detailed in the Calculation of Normal Value Based on Third-Country Market Prices section below.

B. Cost of Production Analysis

On October 26, 2000, the petitioner made a sales below cost allegation against LM. Based on this allegation and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that sales of rebar manufactured by LM were made at prices below the COP. As a result, the Department has conducted an investigation to determine whether LM made sales in its third-country comparison market at prices below the COP during the POI, within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

1. *Calculation of Cost of Production.* In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for the home market general and administrative (G&A) expenses, selling expenses, packing expenses and interest expenses.

We relied on the COP data submitted by LM in its cost questionnaire responses, except, as noted below, in specific instances where the submitted costs were not appropriately quantified or valued. We made company-specific adjustments to the reported COP as follows. First, we adjusted LM's reported G&A expense to include certain non-operating income and expense amounts that relate to the general operations of the company. Second, we adjusted the cost of goods sold amount used as the denominator in LM's G&A and interest expense rate calculations by excluding certain non-operating income and expense amounts included in the numerator of the G&A expense rate calculation. Finally, we excluded packing expenses from the calculation of LM's G&A and interest expenses.

2. *Test of Home Market Sales Prices.* We compared the adjusted weighted-average COP to the third-country market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.*, a period of one year) in substantial quantities[4] and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

On a model-specific basis, we compared the revised COP to the third-country prices, less any applicable movement charges.

3. *Results of the COP Test.* Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." We found that no models of rebar sold by LM failed the 20 percent test and, therefore, we did not disregard any third-country sales in calculating NV.

C. Calculation of Normal Value Based on Third-Country Market Prices

We based third-country market prices on the packed prices to unaffiliated purchasers in Germany. We adjusted the starting price for foreign inland freight and international freight. We made no other adjustments.

We note that LM claimed a credit revenue for sales made to the United States and Germany. In its questionnaire responses, LM characterized this revenue as arising from prepayment made to LM by certain customers. For this preliminary determination, we have not allowed this claimed credit revenue as a circumstance of sale adjustment, as the respondent does not appear to be receiving prepayment from its customers. Instead, the respondent is apparently obtaining funds from banks in order to finance production, and arranging for customers to cancel this obligation directly with the banks after the merchandise is shipped. While the respondent has the use of the money to finance production, it must pay an interest fee to the banks, which offsets any imputed revenue that might arise from such an arrangement. LM has not demonstrated that these fees have been properly reported to the Department. As a result, we have denied the claimed credit revenue for U.S. and third-country sales for purposes of this preliminary determination. We intend to examine this issue further at verification.

D. Level of Trade

LM made only EP sales to the United States. LM's EP and third-country sales were made to trading companies and resellers. In both cases, the selling functions performed by LM for the

[3] Because we have relied on the respondent's own sales data as facts available, it is not necessary to corroborate such information under section 776(c) of the Act.

[4] In accordance with section 773(b)(2)(C)(i) of the Act, we determined that sales made below the COP were made in substantial quantities if the volume of such sales represented 20 percent or more of the volume of sales under consideration for the determination of NV.

different customer types and channels of distribution were limited in both markets to price and quantity negotiation, packing, and loading. The selling functions were virtually identical in both markets.

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade as the EP transaction.[5] The NV level of trade is that of the starting-price sales in the comparison market. For EP sales, the U.S. level of trade is also the level of the starting-price sale, which is usually from exporter to importer.

To determine whether NV sales are at a different level of trade than EP transactions, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison market sales are at a different level of trade and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act.

In implementing these principles in this investigation, we obtained information from LM about the marketing stages involved in the reported U.S. and third-country market sales, including a description of the selling activities performed by the respondent for each channel of distribution. In identifying levels of trade for EP and third-country market sales we considered the selling functions reflected in the starting price before any adjustments.

LM reported that its customers in both the United States and Germany were trading companies and resellers. LM further reported that its selling functions in both markets were identical and very limited (primarily to the provision of freight services), and did not include inventory maintenance, technical advice, warranty services, or advertising. Given this, we found a single level of trade for EP sales, and a single, identical level of trade in the comparison market. Therefore no adjustment for level of trade is warranted or granted.

Currency Conversions

We made currency conversions into U.S. dollars in accordance with section 773A of the Act based on exchange rates in effect on the dates of the U.S. sales, as obtained from the Federal Reserve Bank (the Department's preferred source for exchange rates).

[5] As noted above, LM had only EP sales in the United States during the POI.

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Latvia when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 135 days after the publication of this notice in the **Federal Register.**

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of steel concrete reinforcing bars from Latvia that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We are also instructing the Customs Service to require a cash deposit or the posting of a bond equal to the dumping margin, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
Liepajas Metalurgs	17.37
All Others	17.37

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of the proceedings in these investigations in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our sales at LTFV and negative critical circumstances preliminary determinations. If our final antidumping determination is affirmative, the ITC will determine whether the imports covered by that determination are materially injuring, or threaten material injury to, the U.S. industry. The deadline for the ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one rebar case, the Department may schedule a single hearing to encompass all those cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

As noted above, we will make our final determination no later than 135 days after the date of publication of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: January 16, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01–2518 Filed 1–29–01; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–822–804]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From Belarus

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

EFFECTIVE DATE: January 30, 2001.

FOR FURTHER INFORMATION CONTACT: Alexander Amdur or Karine Gziryan at (202) 482–5346 or (202) 482–4081, respectively; AD/CVD Enforcement, Office 4, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2000).

Preliminary Determination

We preliminarily determine that steel concrete reinforcing bars (rebar) from Belarus are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on July 18, 2000.[1] *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela*, 65 FR 45754 (July 25, 2000) (*Initiation Notice*). Since the initiation of this investigation, the following events have occurred:

On August 14, 2000, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this investigation are threatening material injury or materially injuring a regional industry in the United States producing the domestic like product. *See Certain Steel Concrete Reinforcing Bars From Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, 65 FR 51329 (August 23, 2000). With respect to subject imports from Austria, Russia, and Venezuela, the ITC determined that imports from these countries during the period of investigation (POI) were negligible and, therefore, these investigations were terminated. The ITC also determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, by reason of subject imports from Japan. *Id.*

On August 18, 2000, we sent the antidumping questionnaire to the Embassy of the Republic of Belarus with a letter requesting that it forward the questionnaire to all exporters who had shipments of rebar to the United States during the POI.[2] We received responses from one company, Byelorussian Steel Works (BSW). We have reason to believe that this company accounted for all shipments of rebar from Belarus to the United States during the POI. We issued supplemental questionnaires to BSW, where appropriate.

On November 9, 2000, the petitioner requested a postponement of the preliminary determination in this investigation. On November 21, 2000, the Department published a **Federal Register** notice postponing the deadline for the preliminary determination until January 16, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea and Ukraine*, 65 FR 69909 (November 21, 2000).

Postponement of the Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On November 15, 2000, BSW requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the preliminary determination. BSW also included a request to extend the provisional measures to not more than six months. Accordingly, since we have made an affirmative preliminary determination, we have postponed the final determination until not later than 135 days after the date of the publication of the preliminary determination.

Period of Investigation

The POI is October 1, 1999, through March 31, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

Scope of Investigation

For purposes of these investigations, the product covered is all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

Critical Circumstances

In a letter filed on August 22, 2000, the petitioner alleged that there is a

[1] The petitioner in these investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (This section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production (COP) of the foreign like product and the constructed value (CV) of the merchandise under investigation. In NME cases, Section D requests information on factors of production. Section E requests information on further manufacturing.

reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Belarus. Under section 733(e)(1) of the Act, when critical circumstances allegations are submitted more than 20 days before the scheduled date of the preliminary determination, the Department shall determine on the basis of information available whether there is a reasonable basis to believe or suspect that critical circumstances exist.

Section 733(e)(1) of the Act provides that the Department will determine that there is a reasonable basis to believe or suspect that critical circumstances exist if: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent or more during the "relatively short period" of time may be considered "massive."

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for three months immediately preceding the filing of the petition (*i.e.*, the base period), and three months following the filing of the petition (*i.e.*, the comparison period). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time (*i.e.*, from that time prior to the beginning of the proceeding). Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from Belarus had reason to believe that an antidumping proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by the end of December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from Belarus. As a result, pursuant to section 351.206(i) of the Department's regulations, the Department has considered whether there have been massive imports after that time based on a comparison of periods immediately preceding and following the end of December 1999 (*i.e.*, April 1999 through December 1999, and January 2000 through September 2000, respectively). *See* Memorandum from Tom Futtner to Holly A. Kuga, Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from Belarus—Preliminary Negative Determination of Critical Circumstances (*Critical Circumstances Preliminary Determination Memorandum*), dated January 16, 2000.

In its critical circumstances allegation, the petitioner also alleges that rebar is a product for which demand is subject to seasonal shifts, and that it is appropriate to use a seasonal methodology to examine whether an import surge occurred with respect to Belarus. We disagree with the petitioner's analysis of massive imports based on seasonality because the evidence on the record does not substantiate that imports of rebar from Belarus are subject to seasonal shifts. *See Critical Circumstances Preliminary Determination Memorandum.*

In order to determine whether imports from Belarus have been massive, the Department requested that BSW, the only Belorussian producer and exporter to the United States of the subject merchandise,[3] provide its shipment data for the last three years. Based on our analysis of the shipment data reported, because imports have decreased during the comparison period, we preliminarily find that the criterion under section 733(e)(1) of the Act has not been met, *i.e.*, there have not been massive imports of rebar from BSW over a relatively short time. *See Critical Circumstances Preliminary Determination Memorandum.* For this reason, we preliminarily determine that critical circumstances do not exist for imports of rebar from Belarus.

Non-Market Economy Status for Belarus

In accordance with section 771(18)(C) of the Act, any determination that a foreign country has at one time been considered a non-market economy (NME) shall remain in effect until revoked. This status covers the geographic area of the former U.S.S.R., each part of which retains the NME status of the former U.S.S.R. Therefore, Belarus will be treated as a NME country unless and until its NME status is revoked (*see Preliminary Determinations of Sales at Less Than Fair Value: Uranium From Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine and Uzbekistan; and Preliminary Determinations of Sales at Not Less Than Fair Value: Uranium From Armenia, Azerbaijan, Belarus, Georgia, Moldova and Turkmenistan*, 57 FR 23380 (June 3, 1992)).

The respondent in this investigation has not requested a revocation of Belarus's NME status. We have, therefore, preliminarily continued to treat Belarus as a NME.

When the Department is investigating imports from a NME country, section 773(c)(1) of the Act directs us to base normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the Normal Value section, below.

Separate Rates

It is the Department's policy to assign all exporters of subject merchandise in a NME country a single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. BSW has submitted separate rates information in its section A responses, and has requested a separate, company-specific rate. BSW has stated that it is wholly owned by the Ministry of Industry of the Republic of Belarus, but that is not controlled by the Government of the Republic of Belarus.

The Department's separate rates test is not concerned, in general, with macroeconomic/border-type controls (*e.g.*, export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. Rather, the test focuses on controls over export-related investment, pricing, and output decision-making process at the individual firm level. *See Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of*

[3] *See* section of this notice on the Belarus-wide rate.

Sales at Less Than Fair Value, 62 FR 61754, 61757 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997); and *Honey from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 60 FR 14725, 14726 (March 20, 1995).

To establish whether a firm is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991), and amplified in *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this test, the Department assigns separate rates in NME cases only if an exporter can affirmatively demonstrate the absence of both (1) de jure and (2) de facto governmental control over export activities. *See Silicon Carbide* and *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22545 (May 8, 1995).

1. Absence of De Jure Control

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies.

In its questionnaire response, BSW asserts that under its Charter, it operates as an independent economic unit with those rights accorded to a legal entity, including the ownership of property, and independent responsibility for its sales. BSW also states that its owner, the Ministry of Industry of the Republic of Belarus, does not control the company's export activities. BSW further claims that there are no licensing requirements, quotas, or any other restrictions or controls by the Government of Belarus on exports of subject merchandise to the United States or any other destination.

However, despite requests by the Department in its original and supplemental questionnaires, BSW did not place on the record any legislative enactments or other formal measures by the Government of the Republic of Belarus that support its claims, and that demonstrate the absence of de jure control. While BSW's Charter may provide for the company to operate independently in some respects, the Charter (which BSW placed on the record) is subject to the laws of Belarus (which BSW did not submit), and does not by itself prove the absence of de jure control. Therefore, without any documentary proof of the absence of de jure control, BSW has not overcome the presumption of de jure control.

2. Absence of De Facto Control

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or subject to the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

BSW reports that it has authority to negotiate and sign contracts, and claims that no organization outside BSW reviews or approves any aspect of BSW's export sales transactions. In addition, the submitted sales documentation shows no government involvement in setting export prices. In regard to management selection, BSW states that the Ministry of Industry of the Republic of Belarus appoints the Directors of BSW. Then, in consultation with the General Director of BSW, the Directors appoint the management of BSW. BSW notes that the General Director also must notify the Government of any change in the position of Chief Engineer, the second most senior position in the company.

In regard to export revenue and profits, BSW reports that it has no restrictions on the use of its export revenue, but states that by special decrees of the Republic of Belarus, it is required to sell a certain percentage of its export revenue. BSW also claims that the management of BSW is solely responsible for the disposition of profits. However, proprietary documents on the record of this investigation indicate that the Ministry of Industry of the Republic of Belarus influences the allocation of BSW's profit.

While the record evidence indicates that BSW sets its own export prices and has the authority to negotiate and sign contracts, it appears that BSW does not have autonomy from the government in selecting its management: BSW's Directors, appointees of the Ministry of Industry, select the management. Furthermore, BSW does not have complete operational control over either the proceeds of its export sales or its profits. Other record evidence, including BSW's Charter, indicates that in general, BSW's relevant activities are under the jurisdiction of its owner, the Ministry of Industry of the Republic of Belarus. In view of BSW's relationship with the Ministry of Industry of the Republic of Belarus, BSW has not overcome the presumption of de facto government control. Due to the proprietary nature of these issues, for further details, *see* Memorandum on Whether to Grant BSW a Separate Rate dated January 16, 2001.

The failure to demonstrate either the absence of de jure or de facto control makes an exporter ineligible for a separate rate. In this case, we have preliminarily determined that BSW has failed to demonstrate the absence of both de jure and de facto control. Therefore, the Department preliminarily determines that BSW is not eligible to receive a separate rate.

The Belarus-Wide Rate

As in all NME cases, the Department implements a policy whereby there is a rebuttable presumption that all exporters or producers comprise a single exporter under common government control, the "NME entity." The Department assigns a single NME rate to the NME entity, unless an exporter can demonstrate eligibility for a separate rate. Information on the record of this investigation indicates that BSW was the only Belorussian producer and exporter to sell the subject merchandise to the United States during the POI. Since the only Belorussian producer and exporter of the subject merchandise responded to the Department's questionnaire, and we have no reason to believe that there are other non-responding exporters/producers of the subject merchandise during the POI, we calculated a Belarus-wide rate based on the weighted-average margin determined for BSW.

Fair Value Comparisons

To determine whether sales of rebar from Belarus were made in the United States at less than fair value, we compared export price (EP) to a NV calculated using our NME methodology, as described below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

Export Price

We used EP methodology in accordance with section 772(a) of the Act because the merchandise was sold, prior to importation, by BSW to an unaffiliated purchaser for exportation to the United States, and constructed export price (CEP) methodology was not otherwise warranted based on the facts on the record. At the time of sale, BSW knew that its reported sales of the subject merchandise were destined for the United States.

We calculated EP based on the packed, delivered-at-frontier (DAF) and free-carrier (FCA) prices charged to the first unaffiliated customer for exportation to the United States. Where appropriate, we made deductions from the starting price (gross unit price) for inland freight from the factory to the frontier. Because inland freight was provided by NME companies, we based freight charges on surrogate freight rates from Thailand (see the Normal Value section for further discussion).

Normal Value

A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME country; and (2) are significant producers of comparable merchandise. The Department initially determined that Colombia, Ecuador, Namibia, South Africa, and Thailand were the countries most comparable to Belarus in terms of overall economic development (*see* the August 31, 2000, memorandum, *Antidumping Duty Investigation of Steel Concrete Reinforcing Bars (Rebar) from Belarus: Nonmarket Economy Status and Surrogate Country Selection*).

Because of a lack of necessary factor price information from the other potential surrogate countries that are significant producers of products comparable to the subject merchandise, we have relied, where possible, on information from Thailand, the source of the most complete information from among the potential surrogate countries. Accordingly, we have calculated NV by applying Thai values to BSW's factors of production. *See Factors of Production Valuation Memorandum*, dated January 16, 2001 (*Surrogate Value Memorandum*).

B. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on the factors of production reported by BSW for the POI. To calculate NV, we multiplied the reported per-unit quantities by publicly available surrogate values from Thailand.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we included freight costs in input prices to make them delivered prices. Specifically, we added to the surrogate values a surrogate freight cost using the reported distance from the domestic supplier to the factory where this distance was shorter than the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States*, 117 F. 3d 1401 (Fed. Cir. 1997). Where a producer did not report the distance between the domestic supplier and the factory, we used as facts available the longest distance reported, *i.e.*, the distance from the nearest seaport to the factory. For those values not contemporaneous with the POI, we adjusted the values to account for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

We valued material inputs and packing materials (including steel scrap, ferroalloys, lime, limestone, coke, dolomite, haydite, fluorspar, wire with silicon calcium powder, electrodes, nitrogen, oxygen, argon, wire, and labels) using values from the appropriate Harmonized Tariff Schedule (HTS) number, from 1997, 1998, and 1999 Thai imports statistics reported in the United Nations Commodity Trade Statistics. Where a material input was purchased in a market-economy currency from an unaffiliated market-economy supplier, we valued such material input at the actual purchase price in accordance with section 351.408 (c)(1) of the Department's regulations. For a complete analysis of surrogate values, *see Surrogate Value Memorandum*.

We valued labor using the method described in 19 CFR 351.408(c)(3).

To value electricity, we used the 1997 Thai electricity rates, as adjusted, reported in the publication Energy Prices and Taxes, fourth quarter 1999. We based the value of natural gas on 1993 Thai prices reported in Coal and Natural Gas Competition in APEC Economies, published by the Asian Institute of Technology in August 1999.

We based our calculation of selling, general and administrative (SG&A) expenses, overhead, and profit on the 1999 financial statement of Sahaviriya Steel Industries Public Company Limited (Sahaviriya), a Thai producer of steel products comparable to the subject merchandise. Although Sahaviriya does not produce rebar, we used Sahaviriya's statement because Sahaviriya is a Thai producer of comparable steel products, and we could not locate a financial statement of a Thai rebar producer from which we could calculate a positive amount of profit. We only included depreciation in our overhead calculation because Sahaviriya's financial statement does not separately list other factory overhead expenses.

To value railway freight rates, we used a November 1999 rate from the State Railway of Thailand.

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Belarus when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 135 days after the date of publication of the preliminary LTFV determination.

Suspension of Liquidation

We are directing the Customs Service to suspend liquidation of any entries of rebar from Belarus entered, or withdrawn from warehouse, for consumption on or after the date on which this notice is published in the **Federal Register**. We are instructing the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are provided below:

Manufacturer/exporter (percent)	Margin (percent)
Belarus-Wide Rate	73.98

The Belarus-wide rate applies to all entries of the subject merchandise from Belarus.

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of the proceedings in this investigation in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our affirmative sales at less than fair value and negative critical circumstances preliminary determinations. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury, to the U.S. industry. The deadline for that ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification report. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one rebar case, the Department may schedule a single hearing to encompass all the cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

As noted above, the final determination will be issued 135 days after the date of the publication of the preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: January 16, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01–2519 Filed 1–29–01; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–841–804]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From Moldova

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

EFFECTIVE DATE: January 30, 2001.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan or Michele Mire at (202) 482–5253 or (202) 482–4711, respectively; AD/CVD Enforcement, Office 4, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR Part 351 (2000).

Preliminary Determination

We preliminarily determine that steel concrete reinforcing bars (rebar) from Moldova are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on July 18, 2000.[1] *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela*, 65 FR 45754 (July 25, 2000) (*Initiation Notice*). Since the initiation of this investigation, the following events have occurred.

On August 14, 2000, the United States International Trade Commission (the ITC) preliminarily determined that there is a reasonable indication a regional industry in the United States is materially injured or threatened with material injury by reason of imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine of certain steel concrete reinforcing bars. *See Certain Steel Concrete Reinforcing Bars From Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, 65 FR 51329 (August 23, 2000). With respect to subject imports from Austria, Russia, and Venezuela, the ITC determined that imports from these countries during the period of investigation (POI) were negligible and, therefore, these investigations were terminated. The ITC also determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, by reason of subject imports from Japan. *Id.*

On August 18, 2000, we sent the antidumping questionnaire to the Embassy of the Republic of Moldova with a letter requesting that it forward the questionnaire to all exporters who had shipments of rebar to the United States during the POI.[2] We received responses from one company, Moldova Steel Works (MSW). We have reason to believe that MSW is the only exporter to the United States during the POI. We

[1] The petitioner in these investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (This section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production (COP) of the foreign like product and the constructed value (CV) of the merchandise under investigation. In NME cases, Section D requests information on factors of production. Section E requests information on further manufacturing.

issued several supplemental questionnaires to MSW, as appropriate.

On August 18, 2000, in the Department's original questionnaire, we requested MSW to provide copies of legislation and other documentation to substantiate its claim for a separate rate. On September 22, 2000, MSW responded to the Department's original Section A questionnaire and claimed that the company was located in the "Transdniestrian region of Moldova" (TMR).[3] Accordingly, MSW stated that any discussion regarding separate rates or copies of documentation and legislation would concern only the relationship between "TMR" and MSW. Currently, the United States Government does not recognize the "TMR" as a separate political state. On October 3, 2000, the Department, issued a supplemental questionnaire, requesting that MSW provide complete answers to the separate rates section of the questionnaire as it relates to the Republic of Moldova. On October 20, 2000, MSW responded, claiming that it is not under the jurisdiction of the Republic of Moldova and would therefore only provide information as it related to "TMR." Finally, on October 31, 2000, the Department issued a second supplemental section A questionnaire, requesting MSW to provide copies of documentation and other supporting evidence for its claim for a separate rate, its claim for treating U.S. sales as export price (EP) transactions, and supporting discussions on several issues regarding affiliations with its customers. This second supplemental questionnaire was issued by the Department due to MSW's failure to respond to several questions in its October 20, 2000 response on these same issues. A response to the second supplemental questionnaire was filed on November 8, 2000.

During the course of this proceeding, MSW requested, and the Department granted, several extensions to enable MSW to respond to the Department's questions. The issues of primary importance in this investigation are separate rates, the proper universe of U.S. sales, and any potential affiliations with customers. These topics were addressed in the Department's original, first supplemental section A, and second supplemental section A questionnaires. We note that at each stage of the process, MSW failed to provide the requested information even after receiving extensions from the Department. For example, with regard to translations and discussions of legislation issued by the Government of Moldova and "TMR," the Department made multiple requests for information. However, as evidenced by the submissions on the record, MSW repeatedly filed responses stating that it would provide the requested information at some undisclosed future date. Finally, after numerous requests, MSW filed translated copies of the requested legislation on November 22, 2000, nearly three months after these documents were initially requested in the Department's original questionnaire. Nonetheless, recognizing MSW's attempts to respond to the Department's information requests, and in light of its claimed unique difficulties, we believe that it is appropriate to use the information placed on the record for this preliminary determination, subject to verification.

In a letter filed on August 22, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Moldova. On November 27, 2000, the Department preliminarily determined that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from Moldova. *See Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars from Ukraine and Moldova*, 65 FR 70696 (November 27, 2000).

On October 13, 2000, in a cover letter accompanying its unsolicited market economy Section B and C response, MSW requested that the Department find the concrete reinforcing bar industry in Moldova to be a market-oriented industry (MOI), but failed to provide a market economy section A response. The petitioner submitted comments to the Department on October 18, 2000, objecting to the MOI claim made by the responding company on the grounds that neither the Republic of Moldova nor "TMR" can be described as operating under market principles. Subsequently, the Department issued a supplemental questionnaire to MSW on October 20, 2000, requesting any additional information relevant to the MOI request, including a request for a market economy section A response. On November 8, 2000, we received responses from MSW providing documentation which it claimed supported its MOI claim, but in essence merely referred the Department to MSW's September 23, 2000, October 20, 2000, and November 8, 2000 responses to the non-market economy section A questionnaire.

On October 27, 2000, the Department issued its supplemental section C and D questionnaire, requesting MSW to provide information to substantiate its claims for date of sale, affiliation issues, and also to provide a complete list of all the factors of production which MSW had omitted in its original Section C and D responses filed on October 13, 2000. The response to this supplemental questionnaire was received on November 3, 2000.

On November 3, 2000, the petitioner alleged, in conjunction with MSW's MOI request, that MSW's sales were sold below the cost of production. Pending the Department's determination with respect to MSW's MOI request, the Department initiated a sales-below cost investigation on November 7, 2000, and issued a section D questionnaire to MSW. Responses to this questionnaire were submitted on December 6, 2000, after the Department granted MSW's request for an extension.

On November 9, 2000, the Department received a timely request for postponement of the preliminary determination from the petitioner in accordance with 19 CFR 351.205(e). The Department postponed the preliminary determination, pursuant to section 733(c)(1)(A) of the Act, until January 16, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, and Ukraine*, 65 FR 69909 (November 21, 2000).

Period of Investigation

The POI is October 1, 1999, through March 31, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

Scope of Investigation

For purposes of these investigations, the product covered is all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

[3] Although Moldova became independent in 1991, the population east of the Dniester river has proclaimed a "Transdniestrian" republic, referred to in this case as "TMR." *See* CIA World Factbook, Moldova. The United States Government does not recognize "TMR" as a legitimate governmental body, *i.e.*, "country" within the meaning of section 773(c)(1)(A) of the Act. The United States only recognizes the Republic of Moldova as an independent political entity.

Critical Circumstances

On August 22, 2000, the petitioner alleged that critical circumstances exist with respect to imports of rebar from Moldova. On November 27, 2000, the Department preliminary determined that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from Moldova. *See Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From Ukraine and Moldova*, 65 FR 70696 (November 27, 2000) (*Critical Circumstances Notice*).

Non-Market Economy Status for Moldova

In accordance with section 771(18)(C) of the Act, any determination that a foreign country has at one time been considered a non-market economy (NME) shall remain in effect until revoked. This status covers the geographic area of the former Union of Soviet Socialist Republics (U.S.S.R.), each part of which retains the NME status of the former U.S.S.R. Therefore, Moldova will be treated as an NME unless and until its NME status is revoked by the Department. *See Preliminary Determinations of Sales at Less Than Fair Value: Uranium From Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine and Uzbekistan; and Preliminary Determinations of Sales at Not Less Than Fair Value: Uranium From Armenia, Azerbaijan, Belarus, Georgia, Moldova and Turkmenistan*, 57 FR 23380 (June 3, 1992).

The respondent in this investigation has not requested a revocation of Moldova's NME status. We have, therefore, preliminarily continued to treat Moldova as a NME country.

When the Department is investigating imports from a NME country, section 773(c)(1) of the Act directs us to base normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the Normal Value section below.

Market Oriented Industry

As indicated above, the single Moldovan producer, MSW, requested that the Department find the concrete reinforcing bar industry in Moldova to be a MOI. We note at the outset that MSW did not request MOI status until October 13, 2000, well after our NME questionnaires were issued, leaving the Department little time to conduct its analysis. Nevertheless, the Department issued a supplemental questionnaire regarding information relevant to the MOI request on October 20, 2000. This supplemental questionnaire requested that MSW address the criteria for determining whether an MOI exists. Specifically, this questionnaire requested MSW to provide information regarding the level of governmental involvement in setting prices and production quantities, and the relationship between MSW and its owners; to describe the ownership structure of the rebar industry; and to demonstrate that market determined prices are paid for all significant inputs used in the production process. Furthermore, the Department sought clarifying information with regard to MSW's responses to section B and C of the Department's market economy questionnaire (including discussions on the proper comparison market), and requested that MSW respond to a market economy section A questionnaire to address concerns regarding affiliation, ownership, and distribution systems. On November 8, 2000, MSW responded to the Department's questionnaire by providing generic statements and cross-references to prior submissions, which the Department had separately found to be deficient. Nevertheless, the Department undertook an examination of the information placed on the record.

The criteria for determining whether a MOI exists are: (1) Virtually no government involvement in setting prices or amounts to be produced; (2) the industry producing the merchandise under review should be characterized by private or collective ownership; and (3) market determined prices must be paid for all significant inputs, whether material or non-material, and for all but an insignificant portion of all inputs accounting for the total value of the merchandise. *See Chrome-Plated Lug Nuts from the People's Republic of China; Final Results of Administrative Review*, 61 FR 58514, 58516 (November 15, 1996) (*Lug Nuts*). In addition, in order to make an affirmative determination that an industry in a NME country is a MOI, the Department requires information on virtually the entire industry. *See Freshwater Crawfish Tailmeat from the People's Republic of China, Final Determination of Sales at Less than Fair Value*, 62 FR 41347, 41353 (August 1, 1997) (*Crawfish*). A MOI claim, and supporting evidence, must cover producers that collectively constitute the industry in question; otherwise, the MOI claim is dismissed. *See id.*

We preliminarily find in this investigation that the Moldovan rebar industry does not meet the Department's criteria for an affirmative MOI finding. As noted above, MSW responded to the Department's supplemental MOI questionnaire by providing generic statements and cross-references to prior submissions, which the Department had separately found to be deficient. For example, MSW responded with the same unsupported assertion from its section A response that the "TMR" does not exercise control over its use and acquisition of capital. Therefore, applying the facts before us with respect to the first two criteria listed above, and based upon an examination of the information submitted on the record by MSW, we find that there is insufficient evidence to determine that: (1) There is virtually no government involvement in setting prices or amounts to be produced; and (2) the industry under review is characterized by private or collective ownership. With regard to the third factor, the record evidence demonstrates that market-determined prices are not paid for all significant inputs, whether material or non-material. In fact, Exhibit 3 of MSW's October 13, 2000 Section D response, and page 33 of MSW's November 3, 2000 supplemental response, demonstrate that only a few minor inputs were purchased from market economy suppliers and paid for in market economy currencies. Thus, the information on the record of this investigation does not support Moldova's claim that its rebar industry is a MOI. Therefore, we preliminarily determine that the Moldovan rebar industry does not meet the criteria for an affirmative MOI finding.

Separate Rates

It is the Department's policy to assign all exporters of subject merchandise in a NME country a single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. MSW has submitted separate rates information in its section A responses, and has requested a separate, company-specific rate. MSW has stated that it is partially owned by the "State Property Committee of TMR,"[4] but claimed that this entity is neither associated with, nor endorsed by, the Government of the Republic of Moldova. Despite the Department's requests for documents discussing the relationship between

[4] MSW made references in its responses to the "State Property Committee of TMR," the "State Committee on Property of TMR," and the "State Committee of Property of TMR." As these three names are almost identical, we believe that these names all refer to the same entity. For the purposes of this notice, we will use a single name, the "State Property Committee of TMR," in place of the three names that MSW used in its responses to refer to this entity.

MSW and the Republic of Moldova, MSW only provided copies of legislative enactments and other supporting documentation discussing the relationship between MSW and the "TMR," an entity not recognized by the United States as a "country" within the meaning of section 773(c)(1)(A) of the Act. *See Case History* section above for a full discussion. We note that, although the United States does not recognize "TMR" as a country, even if the Department were to entertain, arguendo, MSW's analysis of its relationship to "TMR" under section 773(c) of the Act, the information provided does not support MSW's claim. An examination of the submitted documents alleged to establish the independence of MSW from the "TMR" reveals that MSW has failed to provide sufficient documentation to support its claim for a separate rate. Consequently, as discussed in detail below, we preliminarily determine, based on the facts on the record, that MSW has failed to meet the separate rates test both in relation to the Government of Moldova, as well as the "TMR."

The Department's separate rates test is not concerned, in general, with macroeconomic/border-type controls (*e.g.*, export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. Rather, the test focuses on controls over export-related investment, pricing, and output decision-making process at the individual firm level. *See Notice of Final Determination of Sales at Less than Fair Value: Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 62 FR 61754, 61757 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997); and *Notice of Preliminary Determination of Sales at Less than Fair Value: Honey from the People's Republic of China*, 60 FR 14725, 14728 (March 20, 1995).

To establish whether a firm is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20585–87 (May 6, 1991), and amplified in *Final Determination of Sales at Less-Than-Fair-Value: Silicon Carbide from the People's Republic of China*, 59 FR 22588 (May 2, 1994) (*Silicon Carbide*). Under this test, the Department assigns separate rates in NME cases only if an exporter can affirmatively demonstrate the absence of both (1) de jure and (2) de facto governmental control over export activities. See *Silicon Carbide* and *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22545 (May 8, 1995).

1. Absence of De Jure Control

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies.

During the course of this investigation, MSW has failed to provide any legislation or other documentation issued by the Republic of Moldova regarding the absence of de jure control. For purposes of this investigation, we preliminarily determine that MSW has not provided sufficient documentary proof of the absence of de jure control by the Republic of Moldova. As a consequence, we find that MSW fails to overcome the presumption of de jure control.

Although the Republic of Moldova is the only country recognized by the United States for the purposes of this investigation, for the sake of argument we have addressed MSW's claims with respect to "TMR." Given the fact that MSW only provided documentation regarding its relationship with the "State Property Committee of TMR," the Department examined this information to determine the extent to which there is any governmental control, regional or otherwise, over the operations of MSW. MSW asserts in its questionnaire response that under its Charter, it operates as an independent economic unit with those rights accorded to a legal entity, including the ownership of property. MSW claims that it bears independent responsibility for its sales and that the "State Property Committee of TMR," does not control the company's export activities. MSW also claims that there are no licensing requirements, quotas, or any other restrictions or controls by the "TMR" on exports of subject merchandise to the United States or any other destination.

Despite having made such claims, and despite several requests by the Department, MSW failed to submit adequate translations and original language copies of the legislation of the "TMR." MSW provided the Department with a copy of its Charter, but since this document is neither a formal measure by the Government of the Republic of Moldova nor "TMR," its provisions are not dispositive in the de jure analysis. Therefore, without any documentary proof of the absence of de jure control, we preliminarily determine that MSW has failed to overcome the presumption of de jure control.

2. Absence of De Facto Control

Having failed to overcome the presumption of de jure control, the Department need not address MSW's claim that it is not de facto controlled by either the Republic of Moldova or the "TMR." However, we note that the information supplied would also be insufficient to establish an absence of de facto control as discussed below.

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or subject to the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

In its responses, MSW failed to discuss the extent, if any, to which the Republic of Moldova exercised de facto control over its export functions. As such, the Department was prevented from conducting a thorough analysis of the four afore-mentioned factors regarding the absence of de facto control by the Government of Moldova. In view of MSW's failure to provide documentation regarding its relationship with the Government of the Republic of Moldova, MSW fails to overcome the presumption of de facto governmental control.

MSW did provide certain information in relation to the de facto control by the "TMR," which, as discussed above, we are addressing solely for the sake of argument. MSW reported that it has authority to negotiate and sign contracts without express "TMR" approval, and claimed that no organization outside MSW reviews or approves any aspect of MSW's export sales transactions. In addition, although MSW failed to discuss the Republic of Moldova's control over MSW's export functions, the submitted sales documentation showed no involvement by either the Government of Moldova or "TMR" in setting export prices.

In regards to management selection, MSW stated that the shareholders of MSW elect the Board of Directors which in turn elects the Governing Board (*i.e.*, the company management). The documentation on the record did not reference the Government of Moldova, but indicated that the "State Property Committee of TMR" is a shareholder that exercises veto power over several aspects of the operational control of MSW. This includes the power to veto any ventures, associations, and agreements entered into by MSW for export sales.

In regards to export revenue and profits, MSW reported that it has no internal restrictions on the use of its export revenue, but stated that by special decrees of the "TMR," it is required to sell a certain percentage of its export revenue.

In addition, MSW further claimed that the management of MSW is solely responsible for the disposition of the profits. However, MSW's Charter indicates that the "State Property Committee of TMR" influences the allocation of MSW's profit.

While the record evidence indicates that MSW sets its own export prices and has the authority to negotiate and sign contracts, it appears that, assuming the validity of the regional entity "TMR," MSW does not have autonomy from the "State Property Committee of TMR" in selecting its management, since the regional "State Property Committee of TMR" assists in appointing MSW's Directors, who in turn select the management. In addition, MSW does not have complete operational control over either the proceeds of its export sales or its profits.

Furthermore, other record evidence, including MSW's Charter, indicates that in general, MSW is under the jurisdiction of the "State Property Committee of TMR." In view of MSW's failure to provide documentation regarding its relationship with the Government of the Republic of Moldova, MSW fails to overcome the presumption of *de facto* governmental control. Moreover, even if "TMR" were a recognized government, MSW's numerous ties to the "State Property Committee of TMR" would justify a finding of *de facto* government control.

The failure to demonstrate either the absence of *de jure* or *de facto* control makes an exporter ineligible for a separate rate. In this case, we have preliminary determined that MSW has failed to demonstrate the absence of both *de jure* and *de facto* control. Therefore, the Department preliminarily determines that MSW is not eligible to receive a separate rate.

The Moldova-Wide Rate

As in all NME cases, the Department implements a policy whereby there is a rebuttable presumption that all exporters or producers comprise a single exporter under common government control, the "NME entity." The Department assigns a single NME rate to the NME entity, unless an exporter can demonstrate eligibility for a separate rate. Information on the record of this investigation indicates that MSW was the only Moldovan producer and exporter to sell the subject merchandise to the United States during the POI. Since the only Moldovan producer and exporter of the subject merchandise responded to the Department's questionnaire, and we have no reason to believe that there are other non-responding exporters/producers of the subject merchandise during the POI, we calculated a Moldova-wide rate based on the weighted-average margin determined for MSW.

Fair Value Comparisons

To determine whether sales of rebar from Moldova were made in the United States at less than fair value, we compared export price (EP) to a normal value (NV) calculated using our NME methodology, as described below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

Export Price

We used EP methodology in accordance with section 772(a) of the Act because the merchandise was sold, prior to importation, by MSW to an unaffiliated purchaser for exportation to the United States, and constructed export price (CEP) methodology was not otherwise warranted based on the facts on the record. At the time of sale, MSW knew that its reported sales of the subject merchandise were destined for the United States.

We calculated EP based on the freight-on-board (FOB) prices charged to the first unaffiliated customer for exportation to the United States. Where appropriate, we made deductions from the starting price (gross unit price) for inland freight from the factory to the port of export and domestic brokerage and handling expenses. Because inland freight and brokerage and handling services were provided by NME companies, we based freight and brokerage charges on surrogate freight and brokerage rates from India. See Normal Value section for further discussion.

Normal Value

A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME country; and (2) are significant producers of comparable merchandise. The Department initially determined that India, Pakistan, Indonesia, and Sri Lanka were the countries most comparable to Moldova in terms of overall economic development. *See* the memorandum regarding *Antidumping Duty Investigation of Steel Concrete Reinforcing Bars (Rebar) from Moldova: Nonmarket Economy Status and Surrogate Country Selection*, dated August 31, 2000.

Furthermore, the Department determined, based on information derived from publicly available sources, that India is a significant producer of products comparable to the subject merchandise. Therefore, we have relied, where possible, on information from India, and calculated NV by applying Indian values to virtually all of MSW's factors of production. Where no Indian values were available, we used information from Indonesia, the second-most complete source of information from among the potential surrogate countries. *See Surrogate Value Memorandum*, dated January 16, 2001.

B. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production (*e.g.* steel scrap, ferroalloys, labor, energy, and packing materials) reported by MSW for the POI. To calculate NV, we multiplied the reported per-unit factor quantities by publicly available surrogate values from India, and where necessary, from Indonesia.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we include freight costs in input prices to make them delivered prices. Specifically, we added to the surrogate values of inputs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the port of export to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States*, 117 F. 3d 1401, 1408–11 (Fed. Cir. 1997). Where MSW did not report the distance between the material supplier and the factory, we used, as facts available, the longest distance reported, *i.e.*, the distance between the port of export and the factory. For those values not contemporaneous with the POI, we adjusted the values to account for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

We valued material inputs and packing materials (*i.e.*, metal scrap, ferromanganese, silicomanganese, ferrosilicon, lime, limestone, coke, aluminum powder, aluminum, electrodes, wire rod, paint, etc.) using values from the appropriate Harmonized Tariff Schedule (HTS) number, from imports statistics reported in the *Monthly Statistics on Foreign Trade for India* for the partial year 1998, or in the TradeStat Web data for the period October 1999 to March 2000. For a complete analysis of surrogate values, *see Surrogate Value Memorandum*.

We valued labor using the method described in 19 CFR 351.408(c)(3).

To value electricity, we used the 1997 electricity rates, as adjusted, for India reported in the publication *Energy Prices and Taxes*, fourth quarter 1999. We based the value of natural gas on the value calculated in the final determination of Polyvinyl Alcohol from the People's Republic of China. Finally we valued oxygen, nitrogen, and argon on the import statistics reported in the *Monthly Statistics of Foreign Trade for India* for the partial year 1998.

We based our calculation of factory overhead and selling, general and administrative (SG&A) expenses, and profit on the 1999–2000 financial statement of TATA Steel Company, an Indian producer of products comparable to the subject merchandise.

To value railway freight rates, we used a 1998 rate provided by the Indian Railway Conference Association. For truck transportation, we valued truck rates using information from a prior investigation, as adjusted for inflation. *See Surrogate Value Memorandum*.

For each of the material inputs, energy, and transportation surrogate values selected for use in the Department's calculation, we inflated the values using appropriate inflators when these values were not from a period concurrent with the POI. *See Surrogate Value Memorandum*.

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Moldova when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 75 days after the date of publication of the preliminary LTFV determination.

Suspension of Liquidation

Because of our preliminary affirmative critical circumstances finding, we are directing the Customs Service to suspend liquidation of all entries of rebar from Moldova entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date on which this notice is published in the **Federal Register**. *See Critical Circumstances Notice*, dated November 27, 2000. We are instructing the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are provided below:

Manufacturer/exporter	Margin (percent)
Moldova-Wide Rate	277.62

The Moldova-wide rate applies to all entries of the subject merchandise from Moldova.

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to the proceeding in this investigation in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our affirmative sales at LTFV and critical circumstances preliminary determinations. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury, to the U.S. industry. The deadline for that ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than seven days after the issuance of the verification report. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, it would be appreciated if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one rebar case, the Department may schedule a single hearing to encompass all the cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination no later than 75 days after the date of the preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: January 16, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01–2520 Filed 1–29–01; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–860]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From the People's Republic of China

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

EFFECTIVE DATE: January 30, 2001.

FOR FURTHER INFORMATION CONTACT: Magd Zalok or Charles Riggle at (202) 482–4162 or (202) 482–0650, respectively; AD/CVD Enforcement, Office 5, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2000).

Preliminary Determination

We preliminarily determine that steel concrete reinforcing bar (rebar) from the People's Republic of China (PRC) is being sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on July 18, 2000.[1] *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela*, 65 FR 45754 (July 25, 2000) (*Initiation Notice*). Since the initiation of this investigation, the following events have occurred.

In the petition, filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from the PRC. On August 30, 2000, the Department preliminarily determined that critical circumstances exist with respect to exports of rebar from the PRC. *See Memorandum to Holly A. Kuga Re: Preliminary Affirmative Determinations of Critical Circumstances* (August 30, 2000); *see also Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From the People's Republic of China and Poland*, 65 FR 54228 (September 7, 2000).

On August 14, 2000, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that a regional industry in the United States is materially injured or threatened with material injury by reason of imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine of certain steel concrete reinforcing bars. *See Certain Steel Concrete Reinforcing Bars From Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, 65 FR 51329 (August 23, 2000). With respect to subject imports from Austria, Russia, and Venezuela, the ITC determined that imports from these countries during the period of investigation (POI) were negligible and, therefore, these investigations were terminated. The ITC also determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, by reason of subject imports from Japan. *Id.*

On August 18, 2000, we issued the antidumping questionnaire to the Chinese Ministry of Foreign Trade & Economic Cooperation (MOFTEC) with a letter requesting that it forward the questionnaire to all exporters of rebar who had shipments during the POI.[2] In addition, on August 18, 2000, we sent the questionnaire to the Chinese exporter/producer Laiwu Steel Group, Ltd. (Laiwu), which had contacted us through counsel, with instructions to complete and return the questionnaire by the given deadline. We received a response only from Laiwu. Subsequently, we issued supplemental questionnaires to, and received responses from Laiwu.

On September 13, 2000, we invited interested parties to provide comments on the surrogate country selection and publicly available information for valuing the factors of production. We received comments from the petitioner between October 16 and November 13, 2000, and from Laiwu on October 23, 2000.

On November 9, 2000, the petitioner requested a postponement of the preliminary determination in this investigation. On November 21, 2000, the Department published a **Federal Register** notice postponing the deadline for the preliminary determination until January 16, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea and Ukraine*, 65 FR 69909 (November 21, 2000).

Postponement of Final Determination

Pursuant to section 735(a)(2) of the Act, on December 28, 2000, Laiwu requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination. In its request, Laiwu also requested that the Department extend by 60 days the application of the provisional measures prescribed under paragraphs (1) and (2) of section 773(d) of the Act. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondent's request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

Period of Investigation

The POI is October 1, 1999, through March 31, 2000. This period

[1] The petitioner in these investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (This section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production (COP) of the foreign like product and the constructed value (CV) of the merchandise under investigation. In NME cases, Section D requests information on factors of production. Section E requests information on further manufacturing.

corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.,* June 2000).

Scope of Investigation

For purposes of these investigations, the product covered is all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.,* non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

Non-market Economy Status for the People's Republic of China

The Department has treated the PRC as a non-market economy (NME) country in all past antidumping investigations (*see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China,* 65 FR 33805 (May 25, 2000), and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Non-Frozen Apple Juice Concentrate from the People's Republic of China,* 65 FR 19873 (April 13, 2000). A designation as a NME remains in effect until it is revoked by the Department (*see* section 771(18)(C) of the Act). The respondent in this investigation has not requested a revocation of the PRC's NME status. We have, therefore, preliminarily determined to continue to treat the PRC as a NME. When the Department is investigating imports from a NME, section 773(c)(1) of the Act directs us to base the normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the Normal Value section, below.

Separate Rates

It is the Department's policy to assign all exporters of merchandise subject to investigation in a NME country a single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Laiwu, the only responding company that has submitted a questionnaire response, has provided the requested company-specific separate rates information and has stated that there is no element of government ownership or control. In its questionnaire response, Laiwu states that it is an independent company "owned by all the people" and controlled by the general assembly of workers and employees. Laiwu further claims that it does not maintain any corporate relationship with the central, provincial, and local government in terms of production, management, and operations. As stated in the *Final Determination of Sales at Less-Than-Fair-Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585 (May 2, 1994) (*Silicon Carbide*), and *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol,* 60 FR 22545 (May 8, 1995) (*Furfuryl Alcohol*), ownership of a company by "all the people" does not require the application of a single rate. The Department's separate rate test is not concerned, in general, with macroeconomic/border-type controls (*e.g.,* export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. Rather, the test focuses on controls over the export-related investment, pricing, and output decision-making process at the individual firm level. *See Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value,* 62 FR 61754, 61757 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 62 FR 61276, 61279 (November 17, 1997); and *Honey from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value,* 60 FR 14725, 14726 (March 20, 1995).

To establish whether a firm is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991), and amplified in *Silicon Carbide.* Under this test, the Department assigns separate rates in NME cases only if an exporter can affirmatively demonstrate the absence of both (1) de jure and (2) de facto governmental control over export activities. *See Silicon Carbide* and *Furfuryl Alcohol.*

1. Absence of De Jure Control

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies.

Laiwu has placed on the record a number of documents to demonstrate absence of de jure control, including the "Foreign Trade Law of the People's Republic of China," promulgated on May 12, 1994, the "Law of the People's Republic of China on Industrial Enterprises Owned By the Whole People," adopted on April 13, 1988, and the "Regulations for Transformation of Operational Mechanism of State-Owned Enterprises," effective as of July 23, 1992. In prior cases, the Department has analyzed these laws and found that they establish an absence of de jure control. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China,* 60 FR 54472 (October 24, 1995). We have no new information in this proceeding which would cause us to reconsider this determination.

As stated in previous cases, there is some evidence that the provisions of the above-cited 1988 Law and 1992 Regulations regarding enterprise autonomy have not been implemented uniformly among different sectors and/or jurisdictions in the PRC, (*see* "PRC Government Findings on Enterprise Autonomy," in Foreign Broadcast Information Service-China-93-133 (July 14, 1993)). Therefore, the Department has determined that an analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

2. Absence of De Facto Control

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

Laiwu asserted the following: (1) It establishes its own export prices independently of the government and without the approval of a government authority; (2) it negotiates contracts, without guidance from any governmental entities or organizations; (3) it makes its own personnel decisions including the selection of management; and (4) it retains the proceeds of its export sales, and utilizes profits according to its business needs.

Based on the information provided, we preliminarily determine that Laiwu has met the criteria for the application of separate rates. We will examine this matter further at verification.

Since Laiwu is the only responding producer/exporter, we preliminarily determine, as facts available, that all other non-responsive producers/exporters have not met the criteria for application of separate rates.

The People's Republic of China-Wide Rate and Use of Facts Otherwise Available

All exporters were given the opportunity to respond to the Department's questionnaire. As explained above, we received a timely response from only Laiwu, for which we have calculated a company-specific rate. Our review of U.S. import statistics from the PRC, however, reveals that Laiwu did not account for all imports into the United States from the PRC. For this reason, we preliminarily determine that some PRC exporters of steel concrete reinforcing bars failed to respond to our questionnaire. In accordance with our standard practice, as adverse facts available, we are assigning as the PRC-wide rate the higher of: (1) The highest margin stated in the notice of initiation; or (2) the margin calculated for Laiwu (*see, e.g., Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From The People's Republic of China* 64 FR 34660 (May 31, 2000). In this case, the preliminary adverse facts available margin is 59.98 percent, which is the highest margin stated in the notice of initiation.

Section 776(b) of the Act states that an adverse inference may include reliance on information derived from the petition. *See also* SAA at 829–831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value (*see* SAA at 870). The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation (*see* SAA at 870).

In order to determine the probative value of the margins in the petitions for use as adverse facts available for purposes of this determination, we examined evidence supporting the calculations in the petitions. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the (EP) and normal value (NV) calculations on which the margins in the petitions were based. Our review of the EP and NV calculations indicated that the information in the petitions has probative value, as certain information included in the margin calculations in the petitions is from public sources concurrent, for the most part, with the POI. For purposes of the preliminary determination, we attempted to further corroborate the information in the petition. We re-examined the EP and NV data which formed the basis for the highest margin in the petition in light of information obtained during the investigation and, to the extent practicable, found that it has probative value (*see* the January 16, 2001, memoranda to the file regarding *Corroboration of the Petition Data for the People's Republic of China* on file in the Central Records Unit, Room B–099, of the Main Commerce Department building).

Fair Value Comparisons

To determine whether sales of rebar from the PRC were made in the United States at less than fair value, we compared export price (EP) to NV based on a NME analysis, as described below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

Export Price

We used EP methodology in accordance with section 772(a) of the Act, because Laiwu sold the subject merchandise directly to unaffiliated customers in the United States prior to importation, and constructed export price (CEP) methodology was not otherwise appropriate. We calculated EP based on packed free-on-board (FOB) or, where appropriate, cost and freight (C&F) prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for inland freight from the plant/warehouse to the port of embarkation, insurance, brokerage and handling in China, ocean freight and marine insurance. Because certain domestic charges such as those for inland freight, insurance, brokerage and handling, and ocean freight were provided by NME companies, we based those charges on surrogate rates from India. (*See Memorandum from the Team to the File,* dated January 16, 2001 (*Surrogate Value Memorandum*).)

Normal Value

1. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME country; and (2) are significant producers of comparable merchandise. The Department initially determined that India, Pakistan, Indonesia, Sri Lanka, and Philippines were the countries most comparable to the PRC in terms of overall economic development (*see* the August 31, 2000, memorandum, *Antidumping Duty Investigation of Steel Concrete Reinforcing Bars (Rebar) from the People's Republic of China (PRC): Nonmarket Economy Status and Surrogate Country Selection*).

Because of a lack of the necessary factor price information from the other potential surrogate countries that are significant producers of comparable products to the subject merchandise, we have relied, where possible, on information from India, the source of the most complete information from among the potential surrogate countries. Accordingly, we have calculated NV by applying Indian values to Laiwu's factors of production for virtually all factors. *See Surrogate Value Memorandum.*

2. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by Laiwu for the POI. To calculate NV, the reported per-unit factor quantities were multiplied by publicly available Indian surrogate values.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. We added to Indian surrogate values a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* 25 *v. United States,* 117 F. 3d 1401 (Fed. Cir.

1997). Where a producer did not report the distance between the material supplier and the factory, we used as facts available the longest distance reported, *i.e.*, the distance between the PRC seaport and the producer's location. For those values not contemporaneous with the POI, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

We valued material inputs and packing materials (*e.g.*, where appropriate, coal, iron ore, limestone, white ash, permanganese, aluminum manganese, ferro-silicon, silico-calcium, aluminum, steel strip, and wire rod) by Harmonized Tariff Schedule (HTS) number, using primarily imports statistics from the Monthly Statistics of the Foreign Trade of India and the United Nations Commodity Trade Statistics. Where a material input was purchased in a market-economy currency from a market-economy supplier, we valued such a material input at the actual purchase price in accordance with section 351.408 (c)(1) of the Department's regulations.

We valued labor using the method described in 19 CFR 351.408(c)(3).

To value electricity, we used the 1997 electricity rates, as adjusted for inflation, for India as reported in the publication Energy Prices and Taxes, 4th quarter 1999.

We based our calculation of factory overhead, selling, general and administrative (SG&A) expenses, and profit on the 1999/2000 financial statements of The TATA Iron and Steel Company Limited, an Indian producer of products comparable to the subject merchandise.

To value truck freight rates, we used freight costs based on price quotes obtained by the Department in November 1999 from trucking companies in India. For rail transportation, we valued rail rates using information published by the Indian Railway Conference Association in June 1998, as adjusted for inflation.

For brokerage and handling, we used the recent publicly available source which is the public version of a U.S. sales listing reported in the questionnaire response submitted by Viraj Impoexpo in the *New Shipper Review of Stainless Steel Wire Rod from India*, 63 FR 48184 (September 9, 1998).

For a complete analysis of surrogate values, see *Surrogate Value Memorandum.*

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for the PRC when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 135 days after the publication of this notice in the **Federal Register**.

Suspension of Liquidation

Because of our preliminary affirmative critical circumstances findings, we are directing the Customs Service to suspend liquidation of all unliquidated entries of rebar from the PRC entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date on which this notice is published in the **Federal Register.** We are instructing the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are provided below:

Manufacturer/exporter	Margin (percent)
Laiwu Steel Group, Ltd	20.89
PRC-Wide Rate	59.98

The China-wide rate applies to all entries of the subject merchandise except for entries from the exporter/ factory that is identified above.

Disclosure

The Department will disclose calculations performed within five days of this determination to the parties of the proceedings in this investigation in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our sales at LTFV and our affirmative critical circumstances preliminary determinations. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. The deadline for that ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one rebar case, the Department may schedule a single hearing to encompass all the cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

As noted above, the final determination for the PRC will be issued no later than 135 days after the date of the publication of the preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: January 16, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01–2521 Filed 1–29–01; 8:45 am]

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BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–844]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From the Republic of Korea

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

EFFECTIVE DATE: January 30, 2001.

FOR FURTHER INFORMATION CONTACT: Mark Manning or Jeff Pedersen at (202) 482–3936 and (202) 482–4195, respectively; AD/CVD Enforcement, Office 4, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (2000).

Preliminary Determination

We preliminarily determine that steel concrete reinforcing bars (rebar) from the Republic of Korea (Korea) are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the **SUSPENSION OF LIQUIDATION** section of this notice.

Case History

This investigation was initiated on July 18, 2000.[1] *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela*, 65 FR 45754 (July 25, 2000) (*Initiation Notice*). Since the initiation of these investigations, the following events have occurred.

On August 14, 2000, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this investigation are threatening material injury or materially injuring a regional industry in the United States producing the domestic like product. *See Certain Steel Concrete Reinforcing Bars From Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, 65 FR 51329 (August 23, 2000). With respect to subject imports from Austria, Russia, and Venezuela, the ITC determined that imports from these countries during the period of investigation (POI) were negligible and, therefore, these investigations were terminated. The ITC also determined that there is no reasonable indication that an industry in the United States is

[1] The petitioner in these investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

materially injured or threatened with material injury, by reason of subject imports from Japan. *Id.*

The Department issued antidumping questionnaires to the three mandatory respondents in Korea on August 18, 2000.[2] We received responses from two companies, Dongkuk Steel Mill Co., Ltd. (DSM) and Korea Iron & Steel Co., Ltd. (KISCO). The third respondent, Hanbo Iron & Steel Co., Ltd. (Hanbo) did not respond to our questionnaire. We confirmed with Federal Express that Hanbo did receive our questionnaire (*see* Memorandum from Jeff Pedersen to the File, dated January 16, 2001). On September 14, 2000, we notified Hanbo that we had not received its questionnaire response and that, as a result, the Department may have to rely on facts available in making our determinations in this proceeding. We issued supplemental questionnaires pertaining to sections A, B, C, and D of the antidumping questionnaire to DSM and KISCO in September, October, November, and December 2000. DSM and KISCO responded to these supplemental questionnaires in October, November, and December 2000.

DSM and KISCO requested that they not be required to report certain information requested in the questionnaires. Specifically they requested that they be permitted to exclude three types of data. First, on September 20, 2000, DSM and KISCO reported that they each purchased a small quantity of rebar from each other, which was resold to unaffiliated home market customers. DSM and KISCO also reported that they purchased a small quantity of rebar from unaffiliated suppliers, which was resold to unaffiliated home market customers. Since their accounting systems do not identify which resales of purchased rebar related to purchases from affiliated suppliers and which related to purchases from unaffiliated suppliers, DSM and KISCO stated that their accounting systems prevent them from reporting the downstream sales of rebar purchased from affiliated suppliers (*i.e.*, each other). Therefore, DSM and KISCO requested that they be allowed to report the upstream sale from DSM to KISCO, and vice versa, while being allowed to exclude the downstream sale to the unaffiliated customer.

Second, DSM and KISCO stated in their section A responses that they have not reported their home market sales of rebar purchased from unaffiliated suppliers because such rebar does not fall within the definition of the "foreign like product." DSM and KISCO contend that "foreign like product" is defined as merchandise "produced in the same country by the same person as the subject merchandise." Since they did not produce the rebar in question, DSM and KISCO did not include these home market sales in their reported sales listing.

Lastly, in the September 20, 2000, submission, KISCO requested that it be allowed to exclude certain U.S. market sales of rebar that were cut to length and then repacked in Korea by its affiliate, Pusan Steel Mill Co., Ltd. (PSM), prior to export. According to KISCO, these sales account for a tiny portion of its U.S. market sales, are not typical of KISCO's normal course of business, and would complicate the Department's dumping analysis.

On September 29, 2000, the Department issued to DSM and KISCO a supplemental questionnaire concerning these exclusion requests. We received their joint response on October 23, 2000. The information contained in this response, in addition to information contained in DSM and KISCO's responses to the antidumping questionnaire, indicated that the sales covered by these exclusion requests were not representative of normal selling behavior, were made in such small volumes that they would have an insignificant effect on the calculation, and, if not excluded, would unduly complicate the Department's analysis. Therefore, we granted the three exclusion requests discussed above. *See* Letter from Thomas F. Futtner, Acting Office Director, to DSM and KISCO, dated November 6, 2000.

On November 9, 2000, the petitioner requested a postponement of the preliminary determination in this investigation. On November 21, 2000, the Department published a **Federal Register** notice postponing the deadline for the preliminary determination until January 16, 2001. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea and Ukraine*, 65 FR 69909 (November 21, 2000).

Postponement of the Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On December 28, 2000, DSM and KISCO requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the preliminary determination. DSM and KISCO also included a request to extend the provisional measures to not more than 135 days after the publication of the preliminary determination. Accordingly, since we have made an affirmative preliminary determination, and the requesting parties account for a significant proportion of exports of the subject merchandise, we have postponed the final determination until not later than 135 days after the date of the publication of the preliminary determination.

Period of Investigation

The POI for this investigation is April 1, 1999, through March 31, 2000. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

Scope of Investigations

For purposes of these investigations, the product covered is all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production (COP) of the foreign like product and the constructed value (CV) of the merchandise under investigation. Section E requests information on further manufacturing.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits us to investigate either (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined. Using company-specific export data for all of 1999 and the first half of 2000, which we obtained from the American Embassy in Seoul, we found that four Korean exporters shipped rebar to the United States during that time period. Due to limited resources we determined that we could investigate only the three largest producers. *See* Memorandum from Valerie Ellis and Paige Rivas to Holly A. Kuga, Selection of Respondents, dated August 25, 2000. Therefore, we designated DSM, KISCO, and Hanbo as mandatory respondents and sent them the antidumping questionnaire. On September 18, 2000, we received section A questionnaire responses from DSM and KISCO. We did not, however, receive a response from Hanbo.

Facts Available (FA)

Section 776(a) of the Act provides that "if an interested party or any other person—(A) withholds information that has been requested by the administering authority, (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782, (C) significantly impedes a proceeding under this title, or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority and the Commission shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title." The statute requires that certain conditions be met before the Department may resort to the facts otherwise available. Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits, the Department may, subject to section 782(e), disregard all or part of the original and subsequent responses, as appropriate. Briefly, section 782(e) provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, and the Department can use the information without undue difficulties, the statute requires it to do so.

In this proceeding, Hanbo declined to respond at all to the Department's antidumping questionnaire. Because Hanbo provided no information whatsoever, sections 782(d) and (e) of the Act are not relevant, and the Department must resort to the use of facts available for this respondent, in accordance with 776(a) of the Act. Moreover, we note that at no time did Hanbo contact the Department and state that it was having difficulty responding to the questionnaire or otherwise explain why it could not provide the requested information. Thus, we have also determined that this respondent has not cooperated to the best of its ability. Therefore, pursuant to 776(b) of the Act, we used an adverse inference in selecting a margin from the FA. As FA, the Department has applied a margin rate of 102.28 percent, the highest alleged margin for Korea in the petition. *See* Memorandum from Holly A. Kuga to Troy H. Cribb, Antidumping Investigation of Steel Concrete Reinforcing Bars From The Republic of Korea—The Use of Facts Available for Hanbo Iron & Steel Co. Ltd., and Corroboration of Secondary Information, dated January 16, 2001 (*Facts Available Memorandum*).

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on "secondary information," such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No.316, 103d Cong., 2d Sess. (1994) (hereinafter, the SAA) states that "corroborate" means to determine that the information used has probative value. *See* SAA at 870.

In this proceeding, we considered the petition information the most appropriate record information to use to establish the dumping margins for this uncooperative respondent because, in the absence of verifiable data provided by Hanbo, the petition information is the best approximation available to the Department of Hanbo's pricing and selling behavior in the U.S. market. In accordance with section 776(c) of the Act, we sought to corroborate the data contained in the petition. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (*e.g.*, import statistics and foreign market research reports). *See Initiation Notice.*

For purposes of this preliminary determination, we attempted to corroborate the information in the petition with information gathered since the initiation. We compared the export price (EP) and CV data which formed the basis for the highest margin in the petition to the price and expense data provided by DSM and KISCO during the investigation and, to the extent practicable, found that it had probative value (*see Facts Available Memorandum*).

Critical Circumstances

In the petition filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Korea. On July 18, 2000, concurrent with the initiation of the LTFV investigations on imports of rebar from Korea and other countries, the Department announced its intention to investigate the petitioner's allegation that critical circumstances exist with respect to imports of rebar from Korea. On August 14, 2000, the ITC determined that there is a reasonable indication of material injury to a regional domestic industry from imports of rebar from Korea.

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist, if: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive."

Because we are not aware of any existing antidumping order in any country on rebar from Korea, we do not find a history of dumping from Korea, pursuant to section 733(e)(1)(A)(i) of the Act. Further, with respect to section 733(e)(1)(A)(i) of the Act, the magnitude of the dumping margins found in this preliminary determination with respect to DSM, Kisco, and the producers of subject merchandise in the "all others" category, are insufficient to conclude that the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling subject merchandise at LTFV and that there was likely to be material injury by reason of such sales.

With respect to DSM, KISCO and producers of subject merchandise in the "all others" category, we find (*see* below) that they do not satisfy the statutory criterion regarding massive imports necessary for an affirmative finding of critical circumstances, section 733(e)(1)(B) of the Act. Therefore, we did not address the issue of whether importers had knowledge that DSM, KISCO and the "all others" companies were selling the subject merchandise at less than its fair value.

As mentioned above, Hanbo was selected as a mandatory respondent in this investigation and did not respond to our antidumping questionnaire, nor provide the requested shipment data necessary for our critical circumstances analysis. On September 14, 2000, we notified Hanbo that we had not received its questionnaire response and that, as a result, the Department may have to rely on facts available in making our determinations in this proceeding. With respect to imports of subject merchandise sold by Hanbo, we have determined the preliminary dumping margin to be 102.28 percent (based on adverse facts available). This margin exceeds the 25 percent threshold used by the Department to impute knowledge that the subject merchandise was causing injury. Therefore, pursuant to section 733(e)(1)(A)(ii) of the Act, we find that there is a reasonable basis to believe or suspect that importers knew or should have known that rebar imports from Hanbo were being sold at less than fair value and there was likely to be material injury by reason of such sales.

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for three months immediately preceding the filing of the petition (*i.e.*, the base period), and three months following the filing of the petition (*i.e.*, the comparison period). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from Korea had reason to believe that an antidumping proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from Korea. As a result, the Department has considered whether there have been massive imports after that time, based on a comparison of periods immediately preceding and following the end of December 1999. *See* Memorandum from Tom Futtner to Holly A. Kuga, Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from Korea—Preliminary Determination of Critical Circumstances (*Critical Circumstances Preliminary Determination Memorandum*), dated January 16, 2001.

In order to determine whether imports from Korea have been massive, the Department requested that DSM, KISCO and Hanbo provide their shipment data for the last three years. We note that we have collapsed DSM and KISCO into a single entity for purposes of this antidumping investigation (*see* the Collapsing section below). Therefore, we conducted our analysis on the shipment volumes from the collapsed entity DSM/KISCO. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil*, 65 FR 5554, 5561 (February 4, 2000). Based on our analysis of the shipment data reported, because imports have decreased during the comparison period, we preliminarily find that the criterion under section 733(e)(1) of the Act has not been met, *i.e.*, there have not been massive imports of rebar from DSM/KISCO over a relatively short time. *See Critical Circumstances Preliminary Determination Memorandum*. For this reason, we preliminarily determine that critical circumstances do not exist for imports of rebar produced by DSM/KISCO.

With respect to imports of this merchandise from producers in the "all others" category, it is the Department's normal practice to conduct its critical circumstances analysis of companies in this category based on the experience of the investigated companies. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars from Turkey*, (*Rebar from Turkey*) 62 FR 9737, 9741 (Mar. 4, 1997). In *Rebar from Turkey*, the Department found critical circumstances for the "all others" category because it found critical circumstances for three of the four companies investigated. However, as we more recently determined in *Notice of Final Determination of Sales at Less Than Fair Value: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan*, 64 FR 24329 (May 6, 1999) (*Hot-Rolled Steel from Japan*), we are concerned that literally applying that approach could produce anomalous results in certain cases. Thus, in deciding whether critical circumstances apply to companies covered by the "all others" rate, the Department also considers the traditional critical circumstances criteria.

In determining whether imports from the "all others" category have been massive, the Department followed its normal practice of conducting its critical circumstances analysis of companies in this category based on the experience of the investigated companies. In this case, we note that DSM/KISCO account for the majority of rebar exports from Korea. *See Critical Circumstances Preliminary Determination Memorandum*. For this reason, it is appropriate to extend the experience of DSM/KISCO to the "all others" category and determine that there have not been massive imports of rebar from the "all others" category over a relatively short time. Since the second criterion under section 733(e)(1) of the Act has not been met, we find that critical circumstances do not exist for imports of rebar produced by the "all others" category.

With regard to Hanbo, we note that since Hanbo refused to respond to the Department's antidumping questionnaire, there is no verifiable information on the record with respect to Hanbo's export volumes. For this reason, we must use the facts available in accordance with section 776(a) of the Act in determination of whether there were massive imports of merchandise produced by Hanbo. With regard to aggregate import statistics, these data do not permit the Department to ascertain the import volumes for any individual company that failed to provide verifiable information. Nor do these data reasonably preclude an increase in shipments of 15 percent or more within a relatively short period for Hanbo. As a result, in accordance with section 776(b) of the Act, we have used an adverse inference in applying facts available, and determine that there were massive imports from Hanbo. Since we also find that, pursuant to section 733(e)(1)(A)(ii) of the Act, there is a reasonable basis to believe or suspect that importers knew or should have known that rebar imports from Hanbo were being dumped and there was likely to be material injury by reason of such sales, we preliminary determine that critical circumstances exist with respect to imports of rebar produced by Hanbo.

Product Comparisons

In accordance with section 771(16) of the Act, all products produced by the respondents covered by the description in the Scope of Investigation section, above, and sold in Korea during the POI are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on three criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product or CV: Type of steel, yield strength, and size. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed above.

Collapsing

Section 771(33)(E) of the Act provides that "affiliated persons" include "any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization." Furthermore, under section 351.401(f) of the Department's regulations, we will treat "two or more affiliated producers as a single entity where those producers (1) have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities and (2) the Secretary concludes that there is significant potential for the manipulation of price or production" based on factors such as: (a) The level of common ownership; (b) the extent to which managerial employees or board members of one firm sit on the board of the other firm; and (c) whether operations are intertwined (*e.g.*, through sharing of sales information, involvement in production and pricing decisions, sharing facilities/employees, and/or significant transactions between the two affiliated producers).

In this case, it is undisputed that DSM owns over 5 percent of KISCO's outstanding equity. Thus, DSM and KISCO are affiliated as defined by section 771(33)(E) of the Act. Regarding the first collapsing criterion listed in section 351.401(f) of the Department's regulations, DSM and KISCO stated that both companies "produce the same grades of rebar . . . {and} there were no grades that were produced by one company but not the other." In addition, both companies stated that "there are no significant differences in the production processes used by DSM and KISCO to produce rebar." *See* DSM and KISCO's October 23, 2000, submission at 46 and 47. In addition, we note that DSM and KISCO's U.S. market sales of rebar (by quantity) are not large percentages of their total home market sales of rebar. For this reason, we conclude that both companies potentially have the capacity to absorb the other's export market sales, in the event they were to shift export sales to the company with a lower margin. In analyzing whether there exists the potential for manipulation of price or production, we note that in addition to DSM's direct ownership of KISCO, DSM has a significant level of indirect ownership of KISCO through the Chang family, which founded both DSM and KISCO. Concerning the extent to which DSM and KISCO have shared managerial employees and board members, we note that two of KISCO's current senior managers are former senior managers at DSM, and that one of DSM's current senior managers was a former director at KISCO. Lastly, we note that DSM and KISCO have intertwined operations because both companies sold a small amount of rebar to each other in the home market, which entailed the sharing of certain sales information, and used the same affiliated transportation company for certain home market sales.

Based on these reasons, we find that DSM and KISCO are affiliated producers with similar or identical production facilities that would not require substantial retooling of either facility in order to restructure manufacturing priorities. We also find that there exists a significant potential for the manipulation of price or production. For further discussion, *see* Decision Memorandum: Whether to Collapse Dongkuk Steel Mill Co., Ltd. and Korea Iron and Steel Co., Ltd. Into a Single Entity, dated December 5, 2000. Therefore, we have collapsed DSM and KISCO, and are treating them as a single entity (hereafter referred to as DSM/KISCO) for purposes of the preliminary determination in this antidumping investigation.

Fair Value Comparisons

To determine whether sales of rebar from Korea were made in the United States at LTFV, we compared the EP or the constructed export price (CEP) to the normal value (NV), as described in the EP and CEP and NV sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and CEPs. We compared these to weighted-average home market prices.

EP and CEP

For the price to the United States, we used, as appropriate, EP or CEP as defined in sections 772(a) and 772(b) of the Act, respectively. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold by the exporter or producer outside the United States to an unaffiliated purchaser for exportation to the United States, before the date of importation, or to an unaffiliated purchaser for exportation to the United States.

Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold inside the United States before or after the date of importation, by or for the account of the producer or exporter of the merchandise, or by a seller affiliated with the producer or exporter, to an unaffiliated purchaser, as adjusted under subsections 772(c) and (d) of the Act.

For DSM/KISCO, we calculated EP and CEP, as appropriate, based on the packed prices charged to the first unaffiliated customer in the United States. During the POI, DSM/KISCO made both EP and CEP transactions. We calculated an EP for sales where DSM/KISCO sold the merchandise directly to unaffiliated U.S. customers and where DSM/KISCO sold the merchandise to unaffiliated Korean companies, with knowledge that these companies in turn sold the merchandise to U.S. customers. We also calculated an EP for sales to PSM,[3] an affiliated Korean company, who in turn sold the merchandise to U.S. customers. We calculated a CEP for sales where DSM/KISCO sold the merchandise to its U.S. affiliate, Dongkuk International Inc. (DKA), who then resold the merchandise to unaffiliated U.S. customers. We also calculated a CEP for sales made by DSM/KISCO to an affiliated home market company, Dongkuk Industries Co. Ltd. (DKI), who in turn sold the merchandise to DKA, who then sold the merchandise to unaffiliated U.S. customers.

We calculated EP in accordance with section 772(c)(1)(B) of the Act, by adding, where applicable, to the starting price an amount for duty drawback. We also deducted from the starting price, where applicable, amounts for discounts and rebates. We made deductions, where applicable, from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These include, where appropriate, foreign inland freight, international freight, foreign and U.S. brokerage and handling charges, insurance, U.S. duties and U.S. inland freight. We adjusted the reported credit expense to reflect a more accurate shipping period. *See* Calculation Memorandum of the Preliminary Determination for the Investigation of Dongkuk Steel Mill Co., Ltd., and Korea Iron & Steel Co., Ltd., January 16, 2001 (*Preliminary Calculation Memorandum*).

We calculated CEP, in accordance with section 772(c)(2)(A) of the Act, by adding, where applicable, to the starting price an amount for duty drawback. We also deducted from the starting price, where applicable, amounts for discounts and rebates, and movement expenses from the starting price. Movement expenses include, where appropriate, foreign inland freight, international freight, foreign and U.S. brokerage and handling charges, insurance, U.S. duties, and U.S. inland freight. In accordance with section 772(d)(1) of the Act, we deducted from the starting price those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (commissions and credit costs) and indirect selling expenses. We adjusted the reported credit expense to reflect a more accurate shipping period. *See Preliminary Calculation Memorandum*. Finally, in accordance with section 772(d)(3) of the Act, we made a deduction for CEP profit.

[3] Although the Department granted DSM/KISCO its exclusion request concerning its U.S. sales through PSM, DSM/KISCO reported these sales in its U.S. sales database.

NV

A. Selection of Comparison Market

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is no particular market situation that prevents a proper comparison with the EP or CEP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

For this investigation, we found that DSM/KISCO has a viable home market of rebar. The respondents submitted home market sales data for purposes of the calculation of NV.

In deriving NV, we made adjustments as detailed in the Calculation of NV Based on Home Market Prices and Calculation of NV Based on CV, sections below.

B. Affiliated-Party Transactions and Arm's-Length Test

During the POI, DSM sold a small amount of rebar to KISCO, who then resold the merchandise to unaffiliated home market customers. Similarly, KISCO sold a small amount of rebar to DSM, who then resold the merchandise to unaffiliated home market customers. Since we have collapsed these two companies into a single entity, we requested that DSM and KISCO remove these sales, which we considered to be inter-company sales, from their home market sales database.

During the POI, DSM/KISCO also had home market sales to other affiliated companies. Both DSM and KISCO had home market sales to DKI, an affiliated Korean company that consumed rebar in its construction division, while KISCO had home market sales to PSM, an affiliated home market company that also consumed rebar during the POI. *See* DSM/KISCO's September 18, 2000, section A response at 3. We applied the arm's-length test to sales from DSM/KISCO to these affiliated companies by comparing them to sales of identical merchandise from DSM/KISCO to unaffiliated home market customers. If these affiliated party sales satisfied the arm's-length test, we used them in our analysis. Sales to affiliated customers in the home market which were not made at arm's-length prices were excluded from our analysis because we considered them to be outside the ordinary course of trade. *See* 19 CFR 351.102.

To test whether these sales were made at arm's-length prices, we compared on a model-specific basis the starting prices of sales to affiliated and unaffiliated customers net of all discounts and rebates, movement charges, direct selling expenses, commissions, and home market packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated parties, we determined that sales made to the affiliated party were at arm's-length. *See* 19 CFR 351.403(c) and 62 FR at 27355, *Preamble—Department's Final Antidumping Regulations* (May 19, 1997).

A. COP Analysis

On June 28, 2000, the petitioner alleged that sales of rebar in the home market of Korea were made at prices below the fully absorbed COP, and accordingly, requested that the Department conduct a country-wide sales-below-COP investigation. Based upon the comparison of the adjusted prices from the petition for the foreign like product to its COP, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that sales of rebar manufactured in Korea were made at prices below the COP. See Initiation Notice. As a result, the Department has conducted an investigation to determine whether DSM/KISCO made sales in the home market at prices below its COP during the POI within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

1. *Calculation of COP.* In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for the home market general and administrative (G&A) expenses and interest expenses.

We relied on the COP data submitted by DSM and KISCO in their cost questionnaire responses, except, as noted below, in specific instances where the submitted costs were not appropriately quantified or valued. Since we collapsed DSM and KISCO, and are treating them as a single entity for the purposes of this antidumping investigation, we merged their separately reported cost databases into a single, combined cost database by weight-averaging DSM and KISCO's individually reported costs. We used the combined costs in our dumping analysis. *See Preliminary Calculation Memorandum.*

DSM. We adjusted DSM's G&A expense ratio to exclude gain on disposal of land, freight revenue, gain on equity method investments and gain on insurance settlement and to include donation expenses in the calculation of the G&A expense ratio.

In addition, we adjusted DSM's financial expense ratio to exclude the long-term portion of exchange gains and losses generated by foreign currency denominated debt. *See* Memorandum from Robert Greger, dated January 16, 2001.

KISCO

We adjusted KISCO's G&A expense ratio to: (1) Exclude the "non-operating income from the gain on equity method valuation," from the miscellaneous gains section of KISCO's financial statement; and (2) included donation expenses in the calculation of the G&A expense ratio.

Further, we adjusted KISCO's financial expense ratio to exclude the long-term portion of exchange gains and losses generated by foreign currency denominated debt. *See* Memorandum from Michael Harrison, dated January 16, 2001.

2. Test of Home Market Sales Prices. We compared the adjusted weighted-average COP to the home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.,* a period of one year) in substantial quantities[4] and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

On a model-specific basis, we compared the revised COP to the home market prices, less any applicable discounts and rebates, movement charges, selling expenses, commissions, and packing.

3. Results of the COP Test. Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in "substantial quantities" within an extended period of time in accordance with section 773(b)(2)(B) or the Act. In such cases, because we compared prices to POI average costs, we also determined that such sales were not made at prices that would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales.

We found that, for certain models of rebar, more than 20 percent of the home market sales by DSM/KISCO were made within an extended period of time at prices less than the COP. Further, the prices did not provide for the recovery of costs within a reasonable period of time. We therefore disregarded these below-cost sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

1. Calculation of NV Based on Home Market Prices. We determined price-based NVs for DSM/KISCO as follows. We made adjustments for any differences in packing, and we deducted movement expenses pursuant to section 773(a)(6)(B)(ii) of the Act. In addition, where applicable, we made adjustments for differences in circumstances of sale (COS) pursuant to section 773(a)(6)(C)(iii) of the Act. We also made adjustments, pursuant to 19 CFR 351.410(e), for indirect selling expenses incurred on comparison-market or U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset).

We based home market prices on the packed prices to unaffiliated purchasers in Korea. We adjusted, where applicable, the starting price for discounts and rebates and movement expenses (foreign inland freight and warehousing). We also made COS adjustments, where applicable, by deducting direct selling expenses incurred for home market sales (credit expense and warranty). For comparisons made to EP sales, we made COS adjustments by adding U.S. direct selling expenses. For comparisons made to CEP sales, we did not add U.S. direct selling expenses. No other adjustments to NV were claimed or allowed.

2. Calculation of NV Based on CV. Section 773(a)(4) of the Act provides that, where NV cannot be based on comparison-market sales, NV may be based on CV. Accordingly, for those models of rebar for which we could not determine the NV based on comparison-market sales, either because there were no sales of a comparable product or all sales of the comparison products failed the COP test, we based NV on CV. Since there were contemporaneous home market sales of identical merchandise for all U.S. market EP and CEP sales, we did not resort to CV in this investigation.

3. Level of Trade (LOT)/CEP Offset. In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same LOT as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. For EP sales, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer. For CEP transactions, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than EP or CEP transactions, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. For CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP-offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa,* 62 FR 61731 (November 19, 1997).

In implementing these principles in this investigation, we obtained information from the respondents about the marketing stages involved in the reported U.S. and home market sales, including a description of the selling activities performed by the respondents for each channel of distribution. In identifying LOTs for EP and home market sales we considered the selling functions reflected in the starting price before any adjustments. For CEP sales, we considered only the selling activities reflected in the price after the deduction

[4] In accordance with section 773(b)(2)(C)(i) of the Act, we determined that sales made below the COP were made in substantial quantities if the volume of such sales represented 20 percent or more of the volume of sales under consideration for the determination of NV.

of expenses pursuant to section 772(d) of the Act.

In this investigation, DSM/KISCO reported that it sold subject merchandise to three types of customers (distributors, end-users, and government entities) in the home market. Further, it indicated that, for each of the two originally reported channels of distribution, it provided the same types of selling functions (market research, price negotiations, order processing, sales calls, interactions with customers, inventory maintenance, technical advice, warranty services, Korean inland freight, and advertising) at the same levels of intensity for each of the three types of customers. Since all three types of customers received the same selling functions, at the same levels of intensity, we determine that there is a single LOT in the home market. *See* Memorandum from Ronald Trentham to Thomas F. Futtner, Level of Trade Analysis: Dongkuk Steel Mill Co., Ltd. and Korea Iron & Steel Co., Ltd. (*LOT Memorandum*), dated January 16, 2001.

DSM/KISCO also reported that it made EP and CEP sales of subject merchandise to three types of customers (Korean trading companies, U.S. distributors, and U.S. end-users) through four channels of distribution in the U.S. market. The four channels are as follows: (1) sales from DSM directly to unaffiliated U.S. distributors and end-users, (2) sales from DSM to unaffiliated Korean trading companies, who then resold the merchandise to U.S. customers,[5] (3) sales from DSM to DKA, who then resold the merchandise to unaffiliated U.S. distributors and end-users, and (4) sales from DSM to DKI, who then resold the merchandise to DKA, who then resold the merchandise to unaffiliated U.S. distributors and end-users. Further, DSM/KISCO indicated that it provided certain types of selling functions (market research, price negotiations, order processing, sales calls, interactions with customers, inventory maintenance, technical advice, warranty services, Korean inland freight, and advertising) for each of the three types of customers. We examined the types of selling functions provided in each of the four U.S. market channels of distribution, and the level of intensity with which each function is provided, and determined, based upon the selling functions performed, that EP sales and CEP sales are sold at two different LOTs, specifically, LOT1 for EP sales, and at a more remote level of selling activity, LOT2, for CEP sales. *See LOT Memorandum*. We then compared LOT1 (the LOT for EP sales) to the home market LOT and found that EP sales are provided at a different LOT than the home market sales. We also compared LOT2 (the LOT for CEP sales) to the home market and found that CEP sales are provided at the same LOT as the home market transactions. Thus, no LOT adjustment is warranted for CEP comparisons.

Section 773(7)(A)(ii) of the Act states that the Department will grant a LOT adjustment only "if the difference in the level of trade is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different levels of trade in the country in which normal value is determined." Although we find that the U.S. market LOT1 (EP sales) is different from the home market LOT, we are unable to calculate "a pattern of consistent price differences between sales at different levels of trade in the country in which normal value is determined" because there is only one LOT in the home market. Thus, in this instance, we have also not granted DSM/KISCO a LOT adjustment to NV for EP comparisons.

Section 773(a)(7)(B) of the Act provides for a CEP offset to NV when NV is established at a more advanced LOT than the LOT of CEP. Since, in this instance, we have found that the U.S. market LOT2 (CEP sales) is the same as the home market LOT, we have not granted DSM/KISCO a CEP offset to NV. For a further discussion, *see* LOT Memorandum.

Currency Conversions

We made currency conversions into U.S. dollars in accordance with section 773A of the Act based on exchange rates in effect on the dates of the U.S. sales, as obtained from the Federal Reserve Bank (the Department's preferred source for exchange rates).

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determinations.

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Korea when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 135 days after the publication of this notice in the **Federal Register**.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of rebar from Korea that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. In the case of rebar produced by Hanbo, because of our preliminary affirmative critical circumstances finding, and in accordance with section 733(e) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of rebar produced by Hanbo that are entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP or CEP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

	Margin (percent)
Manufacturer/exporter:	
Dongkuk Steel Mill Co., Ltd/ Korea Iron & Steel Co., Ltd	21.70
Hanbo Iron & Steel Co., Ltd ...	102.28
All Others ...	21.70

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of the proceedings in these investigations in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our sales at LTFV determination. If our final antidumping determination is affirmative, the ITC will determine whether the imports covered by that determination are materially injuring, or threaten material injury to, the U.S. industry. The deadline for that ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed

[5] DSM did not report the types of U.S. customers to which the unaffiliated Korean trading companies resold the subject merchandise.

within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one rebar case, the Department may schedule a single hearing to encompass all those cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

As noted above, the final determination will be issued 135 days after the date of the publication of the preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: January 16, 2001.

Troy H. Cribb,

Assistant Secretary for Import Administration.

[FR Doc. 01–2523 Filed 1–29–01; 8:45 am]

BILLING CODE 3510–DS–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–873–875, 877–880, and 882 (Final)]

Certain Steel Concrete Reinforcing Bars From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of antidumping investigations.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of antidumping investigations Nos. 731–TA–873–875, 877–880, and 882 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine of certain steel concrete reinforcing bars, provided

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for in subheading 7214.20.00 of the Harmonized Tariff Schedule of the United States.[1]

For further information concerning the conduct of this phase of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

EFFECTIVE DATE: January 24, 2001.

FOR FURTHER INFORMATION CONTACT: Woodley Timberlake (202–205–3188), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background.—The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce that imports of certain steel concrete reinforcing bars from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. § 1673b). The investigations were requested in petitions filed on June 28, 2000, by the Rebar Trade Action Coalition (RTAC) (Washington, DC) and its individual members.[2]

Participation in the investigations and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. § 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on March 23, 2001, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on April 5, 2001, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 28, 2001. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 2, 2001, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is March 30, 2001. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is April 12, 2001; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before April 12, 2001. On May 8, 2001, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 10, 2001, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. Parties may also issue final comments on Commerce's final determinations on Belarus, China, Korea and Latvia on or before June 29, 2001; such comments must not contain new factual information except for information contained in Commerce's determinations on the four countries, and must otherwise comply with section 207.30 of the Commission rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

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Authority: These investigations are being conducted under authority of title VII of the

[1] For purposes of these investigations, Commerce has defined the subject merchandise as "all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating."

[2] Such members include Ameristeel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); Marion Steel Co. (Marion, OH); Riverview Steel (Glassport, PA); Nucor Steel (Darlington, SC); and CMC Steel Group (Seguin, TX). Auburn Steel Co., Inc. is not a petitioner involving certain steel concrete reinforcing bars from Indonesia.

Tariff Act of 1930; this notice is published pursuant to § 207.21 of the Commission's rules.

By order of the Commission.

Issued: February 7, 2001.

Donna R. Koehnke

Secretary.

[FR Doc. 01–3749 Filed 2–13–01; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–841–804]

Notice of Postponement of the Final Determination of Investigation: Steel Concrete Reinforcing Bars From Moldova

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

EFFECTIVE DATE: February 26, 2001.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan or Michele Mire at (202) 482–5253 or (202) 482–4711, respectively; AD/CVD Enforcement, Office 4, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (2000).

Background

This investigation was initiated on July 18, 2000. *See Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars from Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine and Venezuela*, 65 FR 45754 (July 25, 2000). The period of investigation (POI) is October 1, 1999 through March 31, 2000. On January 30, 2001, the Department published the notice of preliminary determination. *See Notice of Preliminary Determination of Sales at Less than Fair Value: Steel Concrete Reinforcing Bars from Moldova*, 66 FR 8338 (January 30, 2001).

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On February 1, 2001, JV CJSC Moldova Steel Works (MSW), the respondent in this investigation, requested that the Department extend the final determination for the maximum statutory period of 135 days after the publication of the preliminary determination. MSW also requested that the Department extend the imposition of provisional measures from a four-month period to not more than six months. Accordingly, since we have made an affirmative preliminary determination, and MSW is the sole producer of the subject merchandise in Moldova, we have postponed the final determination until not later than 135 days after the date of publication of the preliminary determination or June 14, 2001.

This notice is published in accordance with section 735(a)(2) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of Assistant Secretary for Import Administration.

Dated: February 15, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, AD/CVD Enforcement Group II.

[FR Doc. 01–4661 Filed 2–23–01; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–811; A–455–803; A–823–809]

Notice of Final Determinations of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Indonesia, Poland and Ukraine

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

EFFECTIVE DATE: April 11, 2001.

FOR FURTHER INFORMATION CONTACT: Maisha Cryor at (202) 482–5831 (for Indonesia), Valerie Ellis at (202) 482–2336 (for Poland), or Keir Whitson at (202) 482–1777 (for Ukraine), AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR part 351 (2000).

Background

On January 30, 2001, the Department published the preliminary determinations of the antidumping investigations of rebar from Indonesia, Poland and Ukraine. *See Notice of Preliminary Determinations of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Poland, Indonesia and Ukraine,* 66 FR 8343 (January 30, 2001) (*Preliminary Determinations*). We gave interested parties an opportunity to comment on our preliminary determinations. On March 6, 2001, the petitioner filed a case brief in the investigation involving Ukraine. No rebuttal brief was submitted on behalf of Ukraine, nor were case briefs or rebuttal briefs filed in cases involving Indonesia and Poland. The Department received no requests for a public hearing in any of the three cases.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. All exporters participating in the instant investigations were aware of their opportunity to propose suspension agreements. However, the Department did not accept any suspension agreements in these proceedings. *See* Memorandum from Holly A. Kuga to The File, dated April 2, 2001.

The Department has conducted these investigations in accordance with section 751 of the Act.

Scope of Investigations

For purposes of these investigations, the product covered is all steel concrete reinforcing bars (rebar) sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (*i.e.,* non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

Analysis of Comments Received

The only issue raised by any party involved the Ukraine investigation and is addressed in the "Issues and Decision Memorandum" (*Decision Memorandum*), dated April 2, 2001, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the *Decision Memorandum,* is attached to this notice as an Appendix. Parties can find a complete discussion of the issue raised in these investigations and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B–099 ("B–099") of the main Department building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at http://ia.ita.doc.gov. The paper copy and electronic version of the Decision Memorandum are identical in content.

Use of Facts Available

In the preliminary determinations of these investigations, the Department preliminarily determined that the application of total adverse facts available was appropriate with respect to each mandatory respondent from Indonesia, Poland, and Ukraine. Specifically, the Department assigned to the mandatory respondents from Indonesia, Poland and Ukraine the highest margins alleged in the amendments to the respective petitions. The interested parties did not object to the use of adverse facts available for the mandatory respondents in the investigations from Indonesia and Poland, or to the Department's choice of facts available, and no new facts were submitted which would cause the Department to revisit this decision. Therefore, for the reasons set out in the *Preliminary Determinations,* 66 FR 8343, we have continued to use the highest margins alleged by the petitioner for the mandatory respondents from Indonesia and Poland for the purposes of this final determination notice. In addition, the Department has left unchanged from the preliminary determinations the "All Others Rate" in the investigations from Indonesia and Poland.

We received comments from the petitioner regarding the margin assigned in the Ukraine investigation. For the reasons set out in the *Decision Memorandum,* we have continued to use the highest margin alleged by the petitioner for the rebar produced/exported by Ukrainian firms.

Critical Circumstances

In the petition, filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Poland. On August 30, 2000, the Department preliminarily determined that critical circumstances exist with respect to exports of rebar from Poland. *See Memorandum to Holly A. Kuga Re: Preliminary Affirmative Determinations of Critical Circumstances* (August 30, 2000); *see also Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From the People's Republic of China and Poland,* 65 FR 54228 (September 7, 2000).

In a letter filed on August 22, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Ukraine. On November 27, 2000, the Department preliminarily determined that critical circumstances exist for imports of rebar from Ukraine. *See Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From Ukraine and Moldova,* 65 FR 70696 (November 27, 2000).

No comments were filed since the preliminary determinations on the issue of critical circumstances by any party in the Poland or Ukraine proceedings, and there were no new facts discovered by the Department. Therefore, for the reasons specified in our preliminary determinations, we continue to find that critical circumstances exist in the cases of Poland and Ukraine.

Final Determinations of Investigations

We determine that the following percentage weighted-average margins exist for the periods April 1, 1999, through March 31, 2000 (for Indonesia and Poland), and October 1, 1999 through March 31, 2000 (for Ukraine):

Manufacturer/exporter	Margin (percent)
Poland:	
Stalexport	52.07
All others	47.13
Indonesia:	
Sakti	71.01
Bhirma	71.01
Krakatau	71.01
Perdana	71.01
Hanil	71.01
Pulogadung	71.01
Tunggal	71.01
Master Steel	71.01
All others	60.46
Ukraine:	
Ukraine-Wide Rate	41.69

Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service to continue to suspend liquidation of all entries of rebar from

Indonesia that are entered, or withdrawn from warehouse, for consumption on or after January 30, 2001 (the date of publication of the *Preliminary Determinations* in the **Federal Register**). For Poland and Ukraine, in accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of rebar that are entered, or withdrawn from warehouse, for consumption on or after November 1, 2000 (90 days prior to the date of publication of the *Preliminary Determinations* in the **Federal Register**). The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The suspension of liquidation instructions will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determinations. As our final determinations are affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

These determinations are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: April 2, 2001.

Timothy J. Hauser,

Acting Under Secretary for International Trade.

Appendix—Issues in Decision Memorandum

Comment and Response

1. Basis for Facts Available Margin

[FR Doc. 01–8935 Filed 4–10–01; 8:45 am]

BILLING CODE 3510–DS–P

APPENDIX B

CALENDAR OF THE PUBLIC HEARING

CALENDAR OF THE PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject:	Certain Steel Concrete Reinforcing Bars from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine
Invs. Nos.:	731-TA-873-875, 877-880, and 882 (Final)
Date and Time:	April 5, 2001, 9:30 a.m.

Sessions were held in connection with the investigations in the Main Hearing Room, 500 E Street, S.W., Washington, DC.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES

The Honorable Amo Houghton, U.S. Congressman, 31st District, New York

Wiley, Rein & Fielding
Washington, DC
on behalf of

The Rebar Trade Action Coalition

John Correnti, Chairman and Chief Executive Officer, Birmingham Steel Corp.
Phil Casey, Chief Executive Officer, AmeriSteel
Clyde Selig, President, CMC Steel Group
Jim Fritsch, Vice President for Strategic Planning, CMC Steel Group
Ron Colella, Controller, Nucor Steel
Daryle L. Doden, President, Ambassador Steel Corp.
Martin R. Koch, President, Southwestern Suppliers, Inc.
Seth T. Kaplan, Vice President, Charles River Associates, Inc.

Charles Owen Verrill, Jr.)
Alan H. Price)
John R. Shane)--OF COUNSEL
Timothy C. Brightbill)

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES

Yurii O. Krutovertsev, Deputy Chief of the Trade and Economic Mission of Ukraine
Vira M. Mishchuk, Chief Economist of the Trade and Economic Mission of Ukraine

--Continued--

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES--Continued

Hunton & Williams
Washington, DC
on behalf of

Huta Ostroweic S.A.
JS Liepajas Metalurgs
Stalexport S.A.

Bruce Malashevich, President, Economic Consulting Services

William Silverman)
Richard P. Ferrin)--OF COUNSEL

Holland & Knight
Washington, DC
on behalf of

Byelorussian Steel Works

Frederick P. Waite)
Kimberly R. Young)--OF COUNSEL

Shearman & Sterling
Washington, DC
on behalf of

Laiwu Steel Group, Ltd.

Jeffrey M. Winton--OF COUNSEL

White & Case
Washington, DC
on behalf of

JV CJSC Moldova Steel Works

Matt H. Tollefson, Economic Consultant, White & Case

Frank H. Morgan--OF COUNSEL

APPENDIX C

SUMMARY DATA

Table C-1
Rebar: Summary data concerning the 30-state region, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
(period changes=percent, except where noted)

Item	Reported data 1998	1999	2000	Period changes 1998-2000	1998-99	1999-2000
Regional consumption quantity:						
Amount	***	***	***	14.8	18.0	-2.7
U.S. producers' share (1):						
Regional producers	***	***	***	-3.8	-7.0	3.2
Outside producers	***	***	***	-0.6	0.1	-0.7
Importers' share (1):						
Belarus	***	***	***	***	***	***
China	***	***	***	2.3	0.3	2.0
Indonesia	***	***	***	-0.9	0.2	-1.2
Korea	***	***	***	-4.8	-3.4	-1.4
Latvia	***	***	***	1.8	3.4	-1.6
Moldova	***	***	***	-0.6	-0.7	0.0
Poland	***	***	***	0.2	-0.9	1.1
Ukraine	***	***	***	3.1	1.7	1.4
Subtotal	***	***	***	1.5	1.5	-0.0
Other sources	***	***	***	2.9	5.5	-2.5
Total imports	***	***	***	4.4	6.9	-2.6
Regional consumption value:						
Amount	***	***	***	-3.0	0.0	-3.0
U.S. producers' share (1):						
Regional producers	***	***	***	-1.7	-3.9	2.2
Outside producers	***	***	***	-0.5	0.3	-0.8
Importers' share (1):						
Belarus	***	***	***	***	***	***
China	***	***	***	2.0	0.2	1.8
Indonesia	***	***	***	-0.7	0.5	-1.1
Korea	***	***	***	-4.4	-3.4	-1.0
Latvia	***	***	***	0.7	1.8	-1.2
Moldova	***	***	***	-1.3	-1.3	-0.0
Poland	***	***	***	-0.0	-0.9	0.9
Ukraine	***	***	***	2.4	1.2	1.2
Subtotal	***	***	***	-0.8	-0.9	0.2
Other sources	***	***	***	3.0	4.5	-1.6
Total imports	***	***	***	2.2	3.6	-1.4
U.S. imports into the region from:						
Belarus:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
China:						
Quantity	0	17,417	123,217	(2)	(2)	607.5
Value	0	3,330	27,451	(2)	(2)	724.3
Unit value	(2)	$191.21	$222.78	(2)	(2)	16.5
Indonesia:						
Quantity	44,504	63,748	0	-100.0	43.2	-100.0
Value	9,708	16,185	0	-100.0	66.7	-100.0
Unit value	$218.14	$253.90	(2)	(2)	16.4	(2)
Korea:						
Quantity	405,254	291,275	205,841	-49.2	-28.1	-29.3
Value	107,157	59,202	42,993	-59.9	-44.8	-27.4
Unit value	$264.42	$203.25	$208.86	-21.0	-23.1	2.8
Latvia:						
Quantity	97,002	303,997	207,705	114.1	213.4	-31.7
Value	34,013	60,153	41,965	23.4	76.9	-30.2
Unit value	$350.65	$197.87	$202.04	-42.4	-43.6	2.1
Moldova:						
Quantity	187,250	183,803	181,492	-3.1	-1.8	-1.3
Value	58,463	40,228	38,473	-34.2	-31.2	-4.4
Unit value	$312.22	$218.87	$211.98	-32.1	-29.9	-3.1
Poland:						
Quantity	53,231	10,681	69,278	30.1	-79.9	548.6
Value	15,034	2,049	13,953	-7.2	-86.4	580.8
Unit value	$282.43	$191.88	$201.40	-28.7	-32.1	5.0
Ukraine:						
Quantity	3,074	95,904	168,054	5,366.2	3,019.4	75.2
Value	826	18,412	33,783	3,989.1	2,128.6	83.5
Unit value	$268.73	$191.98	$201.03	-25.2	-28.6	4.7

See footnotes at end of table

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Table C-1--Continued
Rebar: Summary data concerning the 30-state region, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; (period changes=percent, except where noted)

	Reported data			Period changes		
Item	1998	1999	2000	1998-2000	1998-99	1999-2000
U.S. imports into the region from:						
Subtotal:						
Quantity	***	***	***	24.5	28.2	-2.9
Value	***	***	***	-7.5	-5.7	-1.9
Unit value	***	***	***	-25.7	-26.4	1.0
Other sources:						
Quantity	191,622	527,844	377,045	96.8	175.5	-28.6
Value	47,315	111,780	86,875	83.6	136.2	-22.3
Unit value	$246.92	$211.77	$230.41	-6.7	-14.2	8.8
All sources:						
Quantity	***	***	***	38.3	56.2	-11.5
Value	***	***	***	8.0	18.4	-8.8
Unit value	***	***	***	-21.9	-24.2	3.1
U.S. regional producers':						
Average capacity quantity	5,198,086	5,494,904	5,612,908	8.0	5.7	2.1
Production quantity	3,910,732	4,095,918	4,236,273	8.3	4.7	3.4
Capacity utilization (1)	75.2	74.5	75.5	0.2	-0.7	0.9
U.S. shipments within the region:						
Quantity	3,524,250	3,768,882	3,842,009	9.0	6.9	1.9
Value	1,088,605	1,033,380	1,032,215	-5.2	-5.1	-0.1
Unit value	$308.89	$274.19	$268.67	-13.0	-11.2	-2.0
U.S. shipments outside the region:						
Quantity	288,606	321,192	339,879	17.8	11.3	5.8
Value	90,298	90,498	94,369	4.5	0.2	4.3
Unit value	$312.88	$281.76	$277.65	-11.3	-9.9	-1.5
Export shipments:						
Quantity	22,204	14,186	36,567	64.7	-36.1	157.8
Value	6,738	3,743	8,493	26.0	-44.4	126.9
Unit value	$303.46	$263.85	$232.26	-23.5	-13.1	-12.0
Ending inventory quantity	408,929	402,168	420,309	2.8	-1.7	4.5
Inventories/total shipments (1)	10.7	9.8	10.0	-0.7	-0.9	0.2
Production workers	2,649	2,706	2,771	4.6	2.2	2.4
Hours worked (1,000s)	5,537	5,684	5,716	3.2	2.7	0.6
Wages paid ($1,000s)	114,445	123,264	127,747	11.6	7.7	3.6
Hourly wages	$20.67	$21.69	$22.35	8.1	4.9	3.1
Productivity (tons per 1,000 hours)	673.2	684.5	706.5	4.9	1.7	3.2
Unit labor costs	$30.70	$31.68	$31.64	3.0	3.2	-0.1
Net sales:						
Quantity	3,846,322	4,162,424	4,251,627	10.5	8.2	2.1
Value	1,189,115	1,143,322	1,144,546	-3.7	-3.9	0.1
Unit value	$309.16	$274.68	$269.20	-12.9	-11.2	-2.0
Cost of goods sold (COGS)	1,055,997	1,017,965	1,064,507	0.8	-3.6	4.6
Gross profit or (loss)	133,118	125,357	80,039	-39.9	-5.8	-36.2
SG&A expenses	57,296	69,723	68,468	19.5	21.7	-1.8
Operating income or (loss)	75,822	55,634	11,571	-84.7	-26.6	-79.2
Capital expenditures	125,169	99,084	47,040	-62.4	-20.8	-52.5
Unit COGS	$274.55	$244.56	$250.38	-8.8	-10.9	2.4
Unit SG&A expenses	$14.90	$16.75	$16.10	8.1	12.4	-3.9
Unit operating income or (loss)	$19.71	$13.37	$2.72	-86.2	-32.2	-79.6
COGS/sales (1)	88.8	89.0	93.0	4.2	0.2	4.0
Operating income or (loss)/ sales (1)	6.4	4.9	1.0	-5.4	-1.5	-3.9
U.S. shipments into the region by outside U.S. producers:						
Quantity	160,857	194,992	153,149	-4.8	21.2	-21.5
Value	50,118	54,270	41,836	-16.5	8.3	-22.9
Unit value	$311.57	$278.32	$273.17	-12.3	-10.7	-1.8

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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Table C-2
Rebar: Summary data concerning the United States outside the 30-state region, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
(period changes=percent, except where noted)

Item	Reported data 1998	1999	2000	Period changes 1998-2000	1998-99	1999-2000
Outside region consumption quantity:						
Amount	2,233,052	***	2,482,011	11.1	10.1	0.9
U.S. producers' share (1):						
Regional producers	12.9	***	13.7	0.8	0.1	0.6
Outside producers	79.7	***	79.5	-0.2	-2.5	2.4
Importers' share (1):						
Belarus	0.0	***	0.0	0.0	***	***
China	0.0	***	1.6	1.6	0.0	1.6
Indonesia	0.0	***	0.0	0.0	0.2	-0.2
Korea	5.5	***	2.3	-3.1	-0.1	-3.1
Latvia	0.0	***	0.0	0.0	0.0	0.0
Moldova	0.0	***	0.0	-0.0	-0.0	0.0
Poland	0.0	***	0.0	0.0	0.0	0.0
Ukraine	0.0	***	0.0	0.0	0.0	0.0
Subtotal	5.5	***	3.9	-1.5	0.3	-1.8
Other sources	1.9	***	2.9	0.9	2.1	-1.2
Total imports	7.4	***	6.8	-0.6	2.4	-3.0
Outside region consumption value:						
Amount	664,969	***	672,206	1.1	0.6	0.5
U.S. producers' share (1):						
Regional producers	13.6	***	14.0	0.5	-0.0	0.5
Outside producers	80.0	***	80.0	-0.0	-1.7	1.7
Importers' share (1):						
Belarus	0.0	***	0.0	0.0	***	***
China	0.0	***	1.3	1.3	0.0	1.3
Indonesia	0.0	***	0.0	0.0	0.2	-0.2
Korea	4.7	***	2.0	-2.7	-0.4	-2.4
Latvia	0.0	***	0.0	0.0	0.0	0.0
Moldova	0.0	***	0.0	-0.0	-0.0	0.0
Poland	0.0	***	0.0	0.0	0.0	0.0
Ukraine	0.0	***	0.0	0.0	0.0	0.0
Subtotal	4.7	***	3.3	-1.4	-0.0	-1.4
Other sources	1.7	***	2.7	1.0	1.8	-0.8
Total imports	6.4	***	6.0	-0.5	1.7	-2.2
U.S. imports outside the region from:						
Belarus:						
Quantity	0	***	0	(2)	(2)	-100.0
Value	0	***	0	(2)	(2)	-100.0
Unit value	(2)	***	(2)	(2)	(2)	(2)
China:						
Quantity	0	131	39,907	(2)	(2)	30,477.0
Value	0	30	8,818	(2)	(2)	29,735.0
Unit value	(2)	$226.45	$220.96	(2)	(2)	-2.4
Indonesia:						
Quantity	0	5,512	0	(2)	(2)	-100.0
Value	0	1,225	0	(2)	(2)	-100.0
Unit value	(2)	$222.28	(2)	(2)	(2)	(2)
Korea:						
Quantity	121,826	132,618	57,760	-52.6	8.9	-56.4
Value	31,351	29,183	13,409	-57.2	-6.9	-54.1
Unit value	$257.35	$220.05	$232.15	-9.8	-14.5	5.5
Latvia:						
Quantity	0	0	0	(2)	(2)	(2)
Value	0	0	0	(2)	(2)	(2)
Unit value	(2)	(2)	(2)	(2)	(2)	(2)
Moldova:						
Quantity	21	0	0	-100.0	-100.0	(2)
Value	14	0	0	-100.0	-100.0	(2)
Unit value	$669.37	(2)	(2)	(2)	(2)	(2)
Poland:						
Quantity	0	0	15	(2)	(2)	(2)
Value	0	0	6	(2)	(2)	(2)
Unit value	(2)	(2)	$429.38	(2)	(2)	(2)
Ukraine:						
Quantity	0	0	0	(2)	(2)	(2)
Value	0	0	0	(2)	(2)	(2)
Unit value	(2)	(2)	(2)	(2)	(2)	(2)

See footnotes at end of table

Table C-2--Continued
Rebar: Summary data concerning the United States outside the 30-state region, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; (period changes=percent, except where noted)

Item	Reported data			Period changes		
	1998	1999	2000	1998-2000	1998-99	1999-2000
U.S. imports outside the region from:						
Subtotal:						
Quantity	121,847	***	97,682	-19.8	15.9	-30.8
Value	31,365	***	22,233	-29.1	-0.4	-28.9
Unit value	$257.42	***	$227.61	-11.6	-14.0	2.9
Other sources:						
Quantity	43,202	99,187	70,829	64.0	129.6	-28.6
Value	11,496	23,324	18,055	57.1	102.9	-22.6
Unit value	$266.09	$235.15	$254.90	-4.2	-11.6	8.4
All sources:						
Quantity	165,049	***	168,511	2.1	45.7	-29.9
Value	42,861	***	40,288	-6.0	27.3	-26.2
Unit value	$259.69	***	$239.08	-7.9	-12.6	5.3
Outside region U.S. producers':						
Average capacity quantity	2,696,400	2,816,400	2,779,800	3.1	4.5	-1.3
Production quantity	2,159,078	2,130,371	2,207,780	2.3	-1.3	3.6
Capacity utilization (1)	80.1	75.6	79.4	-0.7	-4.4	3.8
U.S. shipments into the region:						
Quantity	160,857	194,992	153,149	-4.8	21.2	-21.5
Value	50,118	54,270	41,836	-16.5	8.3	-22.9
Unit value	$311.57	$278.32	$273.17	-12.3	-10.7	-1.8
U.S. shipments outside the region:						
Quantity	1,779,397	1,897,467	1,973,621	10.9	6.6	4.0
Value	531,810	523,774	537,549	1.1	-1.5	2.6
Unit value	$298.87	$276.04	$272.37	-8.9	-7.6	-1.3
Export shipments:						
Quantity	103,782	98,322	99,123	-4.5	-5.3	0.8
Value	32,298	25,624	27,227	-15.7	-20.7	6.3
Unit value	$311.21	$260.61	$274.68	-11.7	-16.3	5.4
Ending inventory quantity	291,077	228,187	211,344	-27.4	-21.6	-7.4
Inventories/total shipments (1)	14.2	10.4	9.5	-4.7	-3.8	-0.9
Production workers	1,485	1,541	1,445	-2.7	3.8	-6.2
Hours worked (1,000s)	3,412	3,331	3,057	-10.4	-2.4	-8.2
Wages paid ($1,000s)	72,711	75,147	74,399	2.3	3.4	-1.0
Hourly wages	$21.31	$22.56	$24.34	14.2	5.9	7.9
Productivity (tons per 1,000 hours)	632.8	639.6	722.2	14.1	1.1	12.9
Unit labor costs	$33.68	$35.27	$33.70	0.1	4.7	-4.5
Net sales:						
Quantity	2,042,602	2,180,387	2,220,920	8.7	6.7	1.9
Value	613,678	600,707	605,736	-1.3	-2.1	0.8
Unit value	$300.44	$275.50	$272.74	-9.2	-8.3	-1.0
Cost of goods sold (COGS)	557,288	518,076	540,564	-3.0	-7.0	4.3
Gross profit or (loss)	56,390	82,631	65,172	15.6	46.5	-21.1
SG&A expenses	28,308	32,708	32,181	13.7	15.5	-1.6
Operating income or (loss)	28,082	49,923	32,991	17.5	77.8	-33.9
Capital expenditures	31,286	35,396	18,580	-40.6	13.1	-47.5
Unit COGS	$272.83	$237.61	$243.40	-10.8	-12.9	2.4
Unit SG&A expenses	$13.86	$15.00	$14.49	4.6	8.2	-3.4
Unit operating income or (loss)	$13.75	$22.90	$14.85	8.0	66.5	-35.1
COGS/sales (1)	90.8	86.2	89.2	-1.6	-4.6	3.0
Operating income or (loss)/ sales (1)	4.6	8.3	5.4	0.9	3.7	-2.9
U.S. shipments outside the region by regional U.S. producers:						
Quantity	288,606	321,192	339,879	17.8	11.3	5.8
Value	90,298	90,498	94,369	4.5	0.2	4.3
Unit value	$312.88	$281.76	$277.65	-11.3	-9.9	-1.5

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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Table C-3
Rebar: Summary data concerning the 33-state region (1), 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
(period changes=percent, except where noted)

Item	Reported data			Period changes		
	1998	1999	2000	1998-2000	1998-99	1999-2000
Regional consumption quantity:						
Amount	***	***	***	14.6	17.9	-2.7
U.S. producers' share (2):						
Regional producers	***	***	***	-4.0	-7.0	3.0
Outside producers	***	***	***	-0.2	0.3	-0.5
Importers' share (2):						
Belarus	***	***	***	0.5	0.8	-0.3
China	***	***	***	2.2	0.3	1.9
Indonesia	***	***	***	-0.9	0.2	-1.1
Korea	***	***	***	-4.6	-3.2	-1.4
Latvia	***	***	***	1.7	3.3	-1.6
Moldova	***	***	***	-0.6	-0.6	0.0
Poland	***	***	***	0.1	-0.9	1.1
Ukraine	***	***	***	2.9	1.6	1.3
Subtotal	***	***	***	1.4	1.5	-0.0
Other sources	***	***	***	2.8	5.3	-2.4
Total imports	***	***	***	4.2	6.7	-2.5
Regional consumption value:						
Amount	***	***	***	-2.8	0.2	-3.0
U.S. producers' share (2):						
Regional producers	***	***	***	-1.9	-3.7	1.8
Outside producers	***	***	***	-0.2	0.3	-0.5
Importers' share (2):						
Belarus	***	***	***	0.7	0.8	-0.2
China	***	***	***	1.9	0.2	1.7
Indonesia	***	***	***	-0.7	0.4	-1.1
Korea	***	***	***	-4.3	-3.3	-1.0
Latvia	***	***	***	0.6	1.8	-1.1
Moldova	***	***	***	-1.3	-1.2	-0.0
Poland	***	***	***	-0.0	-0.9	0.8
Ukraine	***	***	***	2.3	1.2	1.1
Subtotal	***	***	***	-0.8	-0.9	0.2
Other sources	***	***	***	2.9	4.4	-1.5
Total imports	***	***	***	2.1	3.4	-1.3
U.S. imports into the region from:						
Belarus:						
Quantity	***	***	***	147.2	227.9	-24.6
Value	***	***	***	141.9	190.3	-16.7
Unit value	***	***	***	-2.1	-11.5	10.5
China:						
Quantity	***	***	***	(3)	(3)	607.5
Value	***	***	***	(3)	(3)	724.3
Unit value	***	***	***	(3)	(3)	16.5
Indonesia:						
Quantity	***	***	***	-100.0	43.2	-100.0
Value	***	***	***	-100.0	66.7	-100.0
Unit value	***	***	***	(3)	16.4	(3)
Korea:						
Quantity	***	***	***	-49.2	-28.1	-29.3
Value	***	***	***	-59.9	-44.8	-27.4
Unit value	***	***	***	-21.0	-23.1	2.8
Latvia:						
Quantity	***	***	***	114.1	213.4	-31.7
Value	***	***	***	23.4	76.9	-30.2
Unit value	***	***	***	-42.4	-43.6	2.1
Moldova:						
Quantity	***	***	***	-3.1	-1.8	-1.3
Value	***	***	***	-34.2	-31.2	-4.4
Unit value	***	***	***	-32.1	-29.9	-3.1
Poland:						
Quantity	***	***	***	30.1	-79.9	548.6
Value	***	***	***	-7.2	-86.4	580.8
Unit value	***	***	***	-28.7	-32.1	5.0
Ukraine:						
Quantity	***	***	***	5,366.2	3,019.4	75.2
Value	***	***	***	3,989.1	2,128.6	83.5
Unit value	***	***	***	-25.2	-28.6	4.7

See footnotes at end of table

Table C-3--Continued
Rebar: Summary data concerning the 33-state region (1), 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; (period changes=percent, except where noted)

Item	Reported data 1998	1999	2000	Period changes 1998-2000	1998-99	1999-2000
U.S. imports into the region from:						
Subtotal:						
Quantity	***	***	***	24.5	28.2	-2.9
Value	***	***	***	-7.5	-5.7	-1.9
Unit value	***	***	***	-25.7	-26.4	1.0
Other sources:						
Quantity	***	***	***	96.8	175.5	-28.6
Value	***	***	***	83.6	136.2	-22.3
Unit value	***	***	***	-6.7	-14.2	8.8
All sources:						
Quantity	***	***	***	38.3	56.2	-11.5
Value	***	***	***	8.0	18.4	-8.8
Unit value	***	***	***	-21.9	-24.2	3.1
U.S. regional producers':						
Average capacity quantity	***	***	***	8.0	5.9	2.0
Production quantity	***	***	***	7.0	4.5	2.4
Capacity utilization (2)	***	***	***	-0.7	-1.0	0.3
U.S. shipments within the region:						
Quantity	***	***	***	8.8	7.4	1.3
Value	***	***	***	-5.0	-4.4	-0.7
Unit value	***	***	***	-12.7	-11.0	-2.0
U.S. shipments outside the region:						
Quantity	***	***	***	9.1	15.4	-5.5
Value	***	***	***	-2.7	3.6	-6.1
Unit value	***	***	***	-10.8	-10.2	-0.7
Export shipments:						
Quantity	***	***	***	60.7	-37.6	157.4
Value	***	***	***	23.1	-45.7	126.5
Unit value	***	***	***	-23.4	-13.0	-12.0
Ending inventory quantity	***	***	***	1.0	-4.5	5.8
Inventories/total shipments (2)	***	***	***	-0.8	-1.3	0.4
Production workers	***	***	***	4.8	4.6	0.2
Hours worked (1,000s)	***	***	***	3.0	4.6	-1.6
Wages paid ($1,000s)	***	***	***	10.8	9.5	1.1
Hourly wages	***	***	***	7.6	4.7	2.7
Productivity (tons per 1,000 hours)	***	***	***	3.9	-0.4	4.3
Unit labor costs	***	***	***	3.6	5.1	-1.5
Net sales:						
Quantity	***	***	***	9.6	8.8	0.7
Value	***	***	***	-4.3	-3.1	-1.2
Unit value	***	***	***	-12.7	-10.9	-1.9
Cost of goods sold (COGS)	***	***	***	0.3	-3.0	3.4
Gross profit or (loss)	***	***	***	-40.7	-3.5	-38.6
SG&A expenses	***	***	***	16.3	19.0	-2.3
Operating income or (loss)	***	***	***	-89.9	-22.9	-86.8
Capital expenditures	***	***	***	-60.2	-21.8	-49.1
Unit COGS	***	***	***	-8.5	-10.9	2.7
Unit SG&A expenses	***	***	***	6.1	9.4	-3.0
Unit operating income or (loss)	***	***	***	-90.7	-29.2	-86.9
COGS/sales (2)	***	***	***	4.2	0.0	4.2
Operating income or (loss)/ sales (2)	***	***	***	-5.3	-1.2	-4.1
U.S. shipments into the region by outside U.S. producers:						
Quantity	***	***	***	-22.7	56.9	-50.7
Value	***	***	***	-31.3	36.1	-49.5
Unit value	***	***	***	-11.1	-13.2	2.5

(1) Includes Iowa, Minnesota, and Oklahoma (3 additional U.S. producers) in addition to the 30-state region. Adjustments made for U.S. shipments by U.S. producers into these states; comparable data for U.S. importers not available by country.
(2) "Reported data" are in percent and "period changes" are in percentage points.
(3) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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Table C-4
Rebar: Summary data concerning the total U.S. market, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton;
(period changes=percent, except where noted)

	Reported data			Period changes		
Item	1998	1999	2000	1998-2000	1998-99	1999-2000
U.S. consumption quantity:						
Amount	***	***	***	13.6	15.5	-1.6
U.S. producers' share (1)	***	***	***	-2.9	-5.8	2.8
Importers' share (1):						
Belarus	***	***	***	***	***	***
China	***	***	***	2.1	0.2	1.9
Indonesia	***	***	***	-0.6	0.2	-0.9
Korea	***	***	***	-4.3	-2.3	-2.0
Latvia	***	***	***	1.2	2.4	-1.2
Moldova	***	***	***	-0.4	-0.4	0.0
Poland	***	***	***	0.1	-0.6	0.7
Ukraine	***	***	***	2.1	1.2	0.9
Subtotal	***	***	***	0.6	1.3	-0.7
Other sources	***	***	***	2.3	4.5	-2.2
Total imports	***	***	***	2.9	5.8	-2.8
U.S. consumption value:						
Amount	***	***	***	-1.7	0.2	-1.9
U.S. producers' share (1)	***	***	***	-1.2	-3.0	1.8
Importers' share (1):						
Belarus	***	***	***	***	***	***
China	***	***	***	1.8	0.2	1.6
Indonesia	***	***	***	-0.5	0.4	-0.8
Korea	***	***	***	-3.9	-2.4	-1.5
Latvia	***	***	***	0.4	1.2	-0.8
Moldova	***	***	***	-0.9	-0.9	-0.0
Poland	***	***	***	-0.0	-0.6	0.6
Ukraine	***	***	***	1.6	0.8	0.8
Subtotal	***	***	***	-1.1	-0.7	-0.4
Other sources	***	***	***	2.3	3.7	-1.3
Total imports	***	***	***	1.2	3.0	-1.8
U.S. imports from:						
Belarus:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
China:						
Quantity	0	17,547	163,124	(2)	(2)	829.6
Value	0	3,360	36,268	(2)	(2)	979.5
Unit value	(2)	$191.47	$222.34	(2)	(2)	16.1
Ending inventory quantity	***	***	***	***	***	***
Indonesia:						
Quantity	44,504	69,261	0	-100.0	55.6	-100.0
Value	9,708	17,411	0	-100.0	79.3	-100.0
Unit value	$218.14	$251.38	(2)	(2)	15.2	(2)
Ending inventory quantity	***	***	***	***	***	***
Korea:						
Quantity	527,080	423,893	263,601	-50.0	-19.6	-37.8
Value	138,508	88,385	56,402	-59.3	-36.2	-36.2
Unit value	$262.78	$208.51	$213.97	-18.6	-20.7	2.6
Ending inventory quantity	***	***	***	***	***	***
Latvia:						
Quantity	97,002	303,997	207,705	114.1	213.4	-31.7
Value	34,013	60,153	41,965	23.4	76.9	-30.2
Unit value	$350.65	$197.87	$202.04	-42.4	-43.6	2.1
Ending inventory quantity	***	***	***	***	***	***
Moldova:						
Quantity	187,271	183,803	181,492	-3.1	-1.9	-1.3
Value	58,477	40,228	38,473	-34.2	-31.2	-4.4
Unit value	$312.26	$218.87	$211.98	-32.1	-29.9	-3.1
Ending inventory quantity	***	***	***	***	***	***
Poland:						
Quantity	53,231	10,681	69,292	30.2	-79.9	548.8
Value	15,034	2,049	13,959	-7.2	-86.4	581.1
Unit value	$282.43	$191.88	$201.45	-28.7	-32.1	5.0
Ending inventory quantity	***	***	***	***	***	***
Ukraine:						
Quantity	3,074	95,904	168,054	5,366.2	3,019.4	75.2
Value	826	18,412	33,783	3,989.1	2,128.6	83.5
Unit value	$268.73	$191.98	$201.03	-25.2	-28.6	4.7
Ending inventory quantity	***	***	***	***	***	***

See footnotes at end of table

Table C-4--Continued
Rebar: Summary data concerning the total U.S. market, 1998-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; (period changes=percent, except where noted)

Item	Reported data 1998	1999	2000	Period changes 1998-2000	1998-99	1999-2000
U.S. imports from:						
Subtotal:						
Quantity	***	***	***	18.7	26.6	-6.2
Value	***	***	***	-10.0	-5.0	-5.3
Unit value	***	***	***	-24.2	-25.0	1.0
Ending inventory quantity	***	***	***	-56.4	2.0	-57.2
Other sources:						
Quantity	234,824	627,031	447,875	90.7	167.0	-28.6
Value	58,811	135,104	104,930	78.4	129.7	-22.3
Unit value	$250.44	$215.47	$234.28	-6.5	-14.0	8.7
Ending inventory quantity	6,411	27,335	8,235	28.5	326.4	-69.9
All sources:						
Quantity	***	***	***	33.2	54.8	-13.9
Value	***	***	***	6.1	19.6	-11.3
Unit value	***	***	***	-20.3	-22.7	3.1
Ending inventory quantity	***	***	***	-35.9	80.1	-64.4
U.S. producers':						
Average capacity quantity	7,894,486	8,311,304	8,392,708	6.3	5.3	1.0
Production quantity	6,069,810	6,226,289	6,444,053	6.2	2.6	3.5
Capacity utilization (1)	76.9	74.9	76.8	-0.1	-2.0	1.9
U.S. shipments:						
Quantity	5,753,110	6,182,533	6,308,658	9.7	7.5	2.0
Value	1,760,831	1,701,922	1,705,969	-3.1	-3.3	0.2
Unit value	$306.07	$275.28	$270.42	-11.6	-10.1	-1.8
Export shipments:						
Quantity	125,986	112,508	135,690	7.7	-10.7	20.6
Value	39,036	29,367	35,720	-8.5	-24.8	21.6
Unit value	$309.84	$261.02	$263.25	-15.0	-15.8	0.9
Ending inventory quantity	700,006	630,355	631,653	-9.8	-10.0	0.2
Inventories/total shipments (1)	11.9	10.0	9.8	-2.1	-1.9	-0.2
Production workers	4,134	4,247	4,216	2.0	2.7	-0.7
Hours worked (1,000s)	8,949	9,015	8,773	-2.0	0.7	-2.7
Wages paid ($1,000s)	187,156	198,411	202,146	8.0	6.0	1.9
Hourly wages	$20.91	$22.01	$23.04	10.2	5.2	4.7
Productivity (tons per 1,000 hours)	657.8	667.9	711.9	8.2	1.5	6.6
Unit labor costs	$31.79	$32.95	$32.36	1.8	3.6	-1.8
Net sales:						
Quantity	5,888,924	6,342,811	6,472,547	9.9	7.7	2.0
Value	1,802,793	1,744,029	1,750,282	-2.9	-3.3	0.4
Unit value	$306.13	$274.96	$270.42	-11.7	-10.2	-1.7
Cost of goods sold (COGS)	1,613,285	1,536,041	1,605,071	-0.5	-4.8	4.5
Gross profit or (loss)	189,508	207,988	145,211	-23.4	9.8	-30.2
SG&A expenses	85,604	102,431	100,649	17.6	19.7	-1.7
Operating income or (loss)	103,904	105,557	44,562	-57.1	1.6	-57.8
Capital expenditures	156,455	134,480	65,620	-58.1	-14.0	-51.2
Unit COGS	$273.95	$242.17	$247.98	-9.5	-11.6	2.4
Unit SG&A expenses	$14.54	$16.15	$15.55	7.0	11.1	-3.7
Unit operating income or (loss)	$17.64	$16.64	$6.88	-61.0	-5.7	-58.6
COGS/sales (1)	89.5	88.1	91.7	2.2	-1.4	3.6
Operating income or (loss)/ sales (1)	5.8	6.1	2.5	-3.2	0.3	-3.5

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

MODEL RESULTS

Table D-1
COMPAS model inputs and results - All subject countries

*   *   *   *   *   *   *

Table D-2
COMPAS model inputs and results - Belarus

*   *   *   *   *   *   *

Table D-3
COMPAS model inputs and results - China

*   *   *   *   *   *   *

Table D-4
COMPAS model inputs and results - Indonesia

*   *   *   *   *   *   *

Table D-5
COMPAS model inputs and results - Korea

*   *   *   *   *   *   *

Table D-6
COMPAS model inputs and results - Latvia

*   *   *   *   *   *   *

Table D-7
COMPAS model inputs and results - Moldova

*   *   *   *   *   *   *

Table D-8
COMPAS model inputs and results - Poland

*   *   *   *   *   *   *

Table D-9
COMPAS model inputs and results - Ukraine

*   *   *   *   *   *   *

APPENDIX E

SELECTED U.S. PRODUCERS' PRODUCTION, SHIPMENT, AND EMPLOYMENT DATA ON A MILL-BY-MILL BASIS

Table E-1
Rebar: U.S. producers' capacity, production, and capacity utilization, by firms inside the 30-state region and outside the region, 1998-2000

* * * * * * *

Table E-2
Rebar: U.S. shipments inside the 30-state region, by firms inside the region and outside the region, 1998-2000

* * * * * * *

Table E-3
Rebar: Total U.S. shipments, by firms inside the 30-state region and outside the region, 1998-2000

* * * * * * *

Table E-4
Rebar: U.S. producers' end-of-period inventories, by firms inside of the 30-state region and outside the region, 1998-2000

* * * * * * *

Table E-5
Rebar: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, by firms inside the 30-state region and outside the region, 1998-2000

* * * * * * *

APPENDIX F

CHANGES IN THE CHARACTER OF U.S. PRODUCERS' OPERATIONS OR ORGANIZATION RELATING TO THE PRODUCTION OF REBAR AND CONSTRAINTS ON PRODUCTION CAPABILITY[1]

[1] "Region" in this appendix means the 30-state region.

The Commission requested U.S. producers to supply details as to the time, nature, and significance of any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials; or any other changes in the character of their operations or organization relating to the production of rebar which they have experienced since January 1, 1998. The Commission also asked firms to describe the constraints that set the limits on their production capabilities. Their responses are presented below.

CHANGES IN THE CHARACTER OF OPERATIONS OR ORGANIZATION

Responses of Mills Located Inside the Region

*** "Furnace outage: ***, *** hours; ***, *** hours; ***, *** hours."

*** "Reheat furnace collapsed, ***, down *** hours; equipment installation, ***, down *** hours; conductor failure, ***, down *** hours."

*** "A-615 rebar is produced by continuously cast billets, which are a more expensive raw material than A-617 rebar produced by rolling axles. Therefore, we reduced production of A-617 rebar by ***% and shifted production to A-617 to maintain inventory and avoid having to lower prices to the same levels as imported A-615 rebar. Despite an ability to reduce prices on A-617 rebar, *** because we are matching import prices for A-615 rebar."

*** "Furnace reheat, ***, down *** hours; lost knuckle in reheat furnace, ***, down *** hours; furnace explosion, ***, down *** hours; equipment outage, *** and ***, down *** hours and *** hours, respectively."

*** "The surge of subject rebar imports decimated ***. This division ***.

Between *** and ***, we made substantial investments in our mill. We based our decision upon the anticipated increased demand in the construction industry as well as indications of a healthy economy and lower interest rates."

*** "Production curtailment, ***, down *** hours; reheat furnace outage ***, down *** hours; installation new shop, ***, down *** hours; equipment failure, ***, down *** hours; maintenance - reline furnace, ***, down *** hours; equipment failure, ***, down *** hours; natural gas curtailment, ***, down *** hours."

"***."

*** "In an effort to compete with the unprecedented import surge of rebar, *** made internal improvements to increase efficiency within the mill. *** increased efficiency resulted in increased production capacity. However, even with these capacity increases and with the record demand for rebar in the United States, *** financial results deteriorated because we have been forced to sell at prevailing market prices driven down by the relentless import surge of low priced rebar."

***	"The only significant influence on our production of rebar has been caused by the market impact of the flood of low-priced imports which reduced our volumes and swelled our inventories and the inventories of our customers and of import distributors. As a result, production curtailments have occurred during *** to reflect adverse market conditions and cash flow constraints. Also, our *** (part of ***) operations continues to be shut down, as a result of the adverse market conditions caused by the flood of low-priced imports and whether it will reopen or not depends in substantial part on the outcome of this case."
***	"The only significant influence on our production of rebar has been caused by the market impact of the flood of low-priced imports which reduced our volumes and swelled our inventories and the inventories of our customers and of import distributors. As a result, production curtailments have occurred during *** to reflect adverse market conditions and cash flow constraints. Also, our *** (part of ***) operations continues to be shut down, as a result of the adverse market conditions caused by the flood of low-priced imports and whether it will reopen or not depends in substantial part on the outcome of this case."
***	"Because we lost sales due to imports, we had unused capacity. In order to fill some of this capacity, ***."
***	"The only significant influence on our production of rebar has been caused by the market impact of the flood of low-priced imports which reduced our volumes and swelled our inventories and the inventories of our customers and of import distributors. As a result, production curtailments have occurred during *** to reflect adverse market conditions and cash flow constraints. Also, our *** (part of ***) operations continues to be shut down, as a result of the adverse market conditions caused by the flood of low-priced imports and whether it will reopen or not depends in substantial part on the outcome of this case."
***	"*** - *** hours - core clamp replacement in arc furnace transformer; *** - *** hours loss of hydraulics to tundish system; *** - *** hours flood damage due to ***."
***	"Due to the lack of margins and the current market conditions, *** is moving out of the rebar business. *** plans to stop rebar production in 2001 because the flood of imports have made it more profitable to produce other products."
***	"We added two production crews in the rolling mills in *** which gave us additional production time for all products, not just rebar. We had a healthy demand for rebar in 2000, but lost money because we had to lower our prices to compete with dumped imports."
***	No changes
***	"Imports have steadily taken business away from us, so that we are producing less and spreading our fixed cost over fewer tons. We have reduced our production of rebar in order to reduce our high inventory levels."

*** No changes

*** "We started up a new rolling mill in ***. This required a large capital investment. At the time there was a clear need for additional rebar capacity in the region. Low-priced imports have severely undercut the start-up. We have been losing money, and can't even get to a break-even level because rebar imports from the named countries have severely undercut the market."

*** "Our *** mill took a two-week shutdown in ***, as well as a week each month in *** and ***, to reduce levels of finished goods inventory, including rebar. Market oversupply, brought about by floods of imported rebar, necessitated these shutdowns."

*** No changes

Responses of Mills Outside the Region

*** No changes

*** "We had serious *** that continued through ***, and hurt our financial performance."

*** No changes

*** "From *** to ***, a cutback in production occurred due to poor market conditions. We reduced production from *** turns per week to *** turns per week."

*** "The only significant influence on our production of rebar has been caused by the market impact of the flood of low-priced imports which reduced our volumes and swelled our inventories and the inventories of our customers and of import distributors. As a result, production curtailments have occurred during the *** to reflect adverse market conditions and cash flow constraints. Also, our *** operations continues to be shut down, as a result of the adverse market conditions caused by the flood of low-priced imports and whether it will reopen or not depends in substantial part on the outcome of this case."

*** No changes

*** "(1) Planned outages for the Melt Shop and Rolling Mill, normally *** (***) each for annual maintenance outages; (2) We extended our *** outage over Thanksgiving *** due to high inventories and a slowdown in orders (extra *** days); (3) ***-*** Had *** an unplanned failure (Utility Co.) which took the Melt Shop down for *** days and the Rolling Mill down for *** days; (4) Reduced Melt Shop from *** crew working *** days per week to *** crews working *** days per week starting ***; (5) *** mill outage in *** to make final installation of new reheat furnace, project started 18 months ago before steel problem."

*** "We are currently in the process of replacing old capital equipment with new, i.e., new transformer, rebuild of caster, new caster turret, reheat furnace upgrade, new conveyors."

CONSTRAINTS ON PRODUCTION CAPABILITIES

Responses of Mills Inside the Region

*** "Billet heating capacity, line speed, and product mix."

*** "Limits to production include market demand and product mix."

*** "Billet heating capacity, line speed, and product mix."

*** "(1) The availability of scrapped railroad car axles at a price level that can remain competitive; (2) production has been reduced to avoid having to lower prices further. If we were to increase production to capacity, the low prices required to sell the products competitively with imports would increase the losses we are already suffering."

*** "Billet heating capacity, line speed, and product mix."

*** "Limit levels are basically driven by market demands. Rolling schedule is monitored to maintain monthly cycle."

*** "Billet heating capacity, line speed, and product mix."

*** "Limits to production include market demand and product mix."

*** "Product mix, maintenance program, and market conditions."

*** "Product mix, maintenance program, and market conditions."

*** "Product mix, maintenance program, and market conditions."

*** "Mechanical/equipment constraints limit our production capabilities."

*** "Roll and pass life and straightening limitations. We could produce more rebar if market conditions were better. We have shifted production to other products due to decline in rebar prices and profitability."

*** "The margins in the current rebar market are not sufficient to justify continued rebar production."

*** "Primarily machine capabilities, along with appropriate time for changeovers and maintenance."

*** "Mill size, mill motor capacity (H.P.)"

*** "Product mix as determined by market conditions; normal maintenace"

*** "Product mix as determined by market conditions; normal maintenance."

*** "Product mix as determined by market conditions; normal maintenance."

*** "Market pricing/low-priced imports; market demand; equipment and maintenance; rolling mill capacity."

Responses of Mills Outside the Region

*** "Product mix, maintenance program, and market conditions."

*** "Demand for our products, cost of the products produced, and market prices."

*** "This mill was constructed in *** and was in a startup mode ***; therefore, for these time periods, capabilities have been constrained by the learning curve of the entire operation."

*** "Equipment capacity and production demand by customers."

*** "The capacity of our caster limits the amount of tons we can produce."

*** "Market conditions and production capacity."

*** "Market demand, equipment capacity, maintenance and unplanned outages."

*** "Capacity of the billet reheat furnace."

APPENDIX G

NATIONAL PRICE DATA

Table G-1
Product 1 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$352.87	31,247	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	363.38	29,231	---	---	---	---	---	---	***	***	***	253.58	24,124	30.2
July-September	360.49	29,525	$***	***	***	---	---	---	***	***	***	252.33	12,958	30.0
October-December	346.53	25,391	***	***	***	---	---	---	***	***	***	246.82	13,271	28.8
1999:														
January-March	332.91	29,487	***	***	***	---	---	---	***	***	***	203.21	5,175	39.0
April-June	328.20	31,756	***	***	***	---	---	---	***	***	***	***	***	***
July-September	324.65	28,270	***	***	***	---	---	---	***	***	***	222.64	6,913	31.4
October-December	321.00	26,167	***	***	***	$***	***	***	***	***	***	231.67	3,706	27.8
2000:														
January-March	325.75	26,838	***	***	***	***	***	***	---	---	---	222.78	11,030	31.6
April-June	320.67	26,978	---	---	---	***	***	***	---	---	---	***	***	***
July-September	322.74	27,656	***	***	***	235.81	5,287	26.9	---	---	---	***	***	***
October-December	322.64	21,204	---	---	---	***	***	***	---	---	---	***	***	***

Continued on next page.

Table G-1 - Continued
Product 1 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	---	---	---	$***	***	***	$***	***	***	---	---	---
April-June	---	---	---	***	***	***	***	***	***	---	---	---
July-September	$272.30	7,848	24.5	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	213.53	5,417	35.9	---	---	---	***	***	***	---	---	---
April-June	215.57	16,923	34.3	---	---	---	***	***	***	---	---	---
July-September	218.73	15,138	32.6	***	***	***	***	***	***	$***	***	***
October-December	215.41	7,761	32.9	***	***	***	***	***	***	***	***	***
2000:												
January-March	211.94	11,200	34.9	---	---	---	***	***	***	***	***	***
April-June	217.14	3,701	32.3	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	226.8	11,234	29.7
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table G-2

Product 2 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$315.10	201,132	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	309.21	233,675	---	---	---	---	---	---	***	***	***	252.67	28,471	18.3
July-September	315.68	225,463	$***	***	***	---	---	---	***	***	***	251.00	12,833	20.5
October-December	301.83	202,500	***	***	***	---	---	---	***	***	***	245.74	13,049	18.6
1999:														
January-March	284.23	216,504	***	***	***	---	---	---	***	***	***	208.03	7,848	26.8
April-June	278.82	256,251	***	***	***	---	---	---	***	***	***	***	***	***
July-September	282.30	259,750	***	***	***	---	---	---	***	***	***	220.24	10,736	22.0
October-December	277.28	218,042	***	***	***	$***	***	***	***	***	***	227.90	14,566	17.8
2000:														
January-March	279.16	221,643	***	***	***	***	***	***	---	---	---	224.52	22,096	19.6
April-June	282.25	246,133	---	---	---	***	***	***	---	---	---	***	***	***
July-September	277.29	260,004	***	***	***	224.92	23,076	18.9	---	---	---	***	***	***
October-December	274.63	243,842	---	---	---	***	***	***	---	---	---	***	***	***

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Table G-2 - Continued
Product 2 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	267.14	9,987	15.4	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	216.75	16,944	23.7	---	---	---	***	***	***	---	---	---
April-June	212.88	20,093	23.6	---	---	---	***	***	***	---	---	---
July-September	219.84	23,067	22.1	***	***	***	***	***	***	$***	***	***
October-December	217.45	15,325	21.6	***	***	***	***	***	***	***	***	***
2000:												
January-March	212.13	18,126	24.0	---	---	---	***	***	***	***	***	***
April-June	222.28	12,761	21.2	***	***	***	***	***	***	***	***	***
July-September	224.28	14,728	19.1	***	***	***	***	***	***	225.49	20,558	18.7
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table G-3
Product 3 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$308.99	235,650	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	308.46	287,040	---	---	---	---	---	---	***	***	***	255.14	25,697	17.3
July-September	308.15	286,476	$***	***	***	---	---	---	***	***	***	257.55	30,532	16.4
October-December	295.98	267,718	***	***	***	---	---	---	***	***	***	244.77	26,661	17.3
1999:														
January-March	276.89	268,396	***	***	***	---	---	---	***	***	***	207.73	10,993	25.0
April-June	271.67	336,666	***	***	***	---	---	---	***	***	***	***	***	***
July-September	277.44	330,476	***	***	***	---	---	---	***	***	***	219.58	11,537	20.9
October-December	274.13	283,917	***	***	***	$***	***	***	***	***	***	225.23	13,136	17.8
2000:														
January-March	273.27	300,007	***	***	***	***	***	***	---	---	---	227.84	11,059	16.6
April-June	275.79	331,021	---	---	---	***	***	***	---	---	---	***	***	***
July-September	271.53	341,884	***	***	***	225.13	19,314	17.1	---	---	---	***	***	***
October-December	267.82	311,606	---	---	---	***	***	***	---	---	---	***	***	***

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Table G-3 - Continued

Product 3 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	267.10	4,262	13.3	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	220.03	15,030	20.5	---	---	---	***	***	***	---	---	---
April-June	215.88	12,316	20.5	---	---	---	***	***	***	---	---	---
July-September	219.91	13,334	20.7	***	***	***	***	***	***	$***	***	***
October-December	218.45	11,706	20.3	***	***	***	***	***	***	***	***	***
2000:												
January-March	217.37	22,614	20.5	---	---	---	***	***	***	***	***	***
April-June	225.89	9,322	18.1	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	227.84	10,677	16.1
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table G-4
Product 4 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	United States		Belarus			China			Indonesia			Korea		
	Price	Qty	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:														
January-March	$305.18	131,457	---	---	---	---	---	---	$***	***	***	$***	***	***
April-June	306.40	151,752	---	---	---	---	---	---	***	***	***	256.05	4,190	16.4
July-September	304.92	151,445	$***	***	***	---	---	---	***	***	***	255.96	6,840	16.1
October-December	291.12	141,803	***	***	***	---	---	---	***	***	***	245.69	5,871	15.6
1999:														
January-March	273.63	147,490	***	***	***	---	---	---	***	***	***	***	***	***
April-June	270.80	183,628	***	***	***	---	---	---	***	***	***	***	***	***
July-September	276.94	188,378	***	***	***	---	---	---	***	***	***	220.23	2,092	20.5
October-December	275.19	164,354	***	***	***	$***	***	***	***	***	***	225.10	1,656	18.2
2000:														
January-March	273.73	177,243	***	***	***	***	***	***	---	---	---	225.83	3,678	17.5
April-June	276.04	190,260	---	---	---	216.84	3,596	21.4	---	---	---	***	***	***
July-September	269.76	197,576	***	***	***	223.38	5,711	17.2	---	---	---	***	***	***
October-December	266.98	170,127	---	---	---	***	***	***	---	---	---	***	***	***

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Table G-4 - Continued
Product 4 - National: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2000

Period	Latvia			Moldova			Poland			Ukraine		
	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin	Price	Qty	Margin
	Per ton	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*	*Per ton*	*Tons*	*Pct*
1998:												
January-March	$***	***	***	$***	***	***	$***	***	***	---	---	---
April-June	***	***	***	***	***	***	***	***	***	---	---	---
July-September	***	***	***	***	***	***	***	***	***	---	---	---
October-December	***	***	***	***	***	***	***	***	***	---	---	---
1999:												
January-March	219.01	4,803	20.0	---	---	---	***	***	***	---	---	---
April-June	215.11	5,723	20.6	---	---	---	***	***	***	---	---	---
July-September	221.47	5,284	20.0	***	***	***	***	***	***	$***	***	***
October-December	219.16	3,441	20.4	***	***	***	***	***	***	***	***	***
2000:												
January-March	214.37	4,701	21.7	---	---	---	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	225.25	6,112	16.5
October-December	***	***	***	***	***	***	***	***	***	***	***	***

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

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

Table G-5
Products 1 and 2 - National: Number of quarters of under/overselling and average margins, by country

Country	Product 1				Product 2			
	Underselling		Overselling		Underselling		Overselling	
	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*
Belarus	8	***	0	---	8	***	0	---
China	5	***	0	---	5	***	0	---
Indonesia	8	***	0	---	8	***	0	---
Korea	12	31.7	0	---	12	21.3	0	---
Latvia	10	32.4	0	---	12	18.9	0	---
Moldova	9	29.2	0	---	9	17.6	0	---
Poland	12	28.4	0	---	11	20.4	1	***
Ukraine	6	29.0	0	---	6	17.0	0	---
TOTAL	70		0		71		1	

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

Table G-6
Products 3 and 4 - National: Number of quarters of under/overselling and average margins, by country

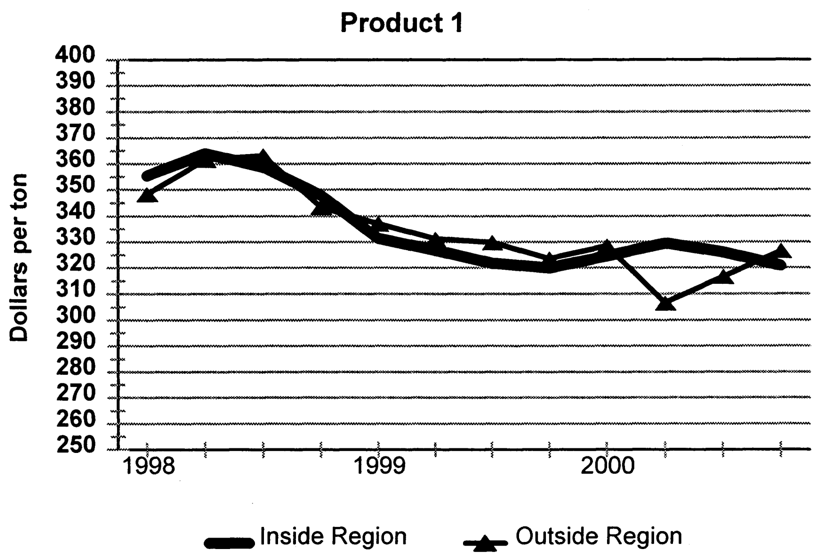
Country	Product 3				Product 4			
	Underselling		Overselling		Underselling		Overselling	
	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*	No. of quarters	Avg. margin *(percent)*
Belarus	6	***	2	***	7	***	1	***
China	5	***	0	---	5	***	0	---
Indonesia	8	***	0	---	8	***	0	---
Korea	12	19.6	0	---	12	19.9	0	---
Latvia	12	16.6	0	---	12	16.5	0	---
Moldova	9	16.5	0	---	9	15.2	0	---
Poland	11	18.2	1	***	12	17.0	0	---
Ukraine	5	16.2	1	***	6	17.6	0	---
TOTAL	68		4		71		1	

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

APPENDIX H

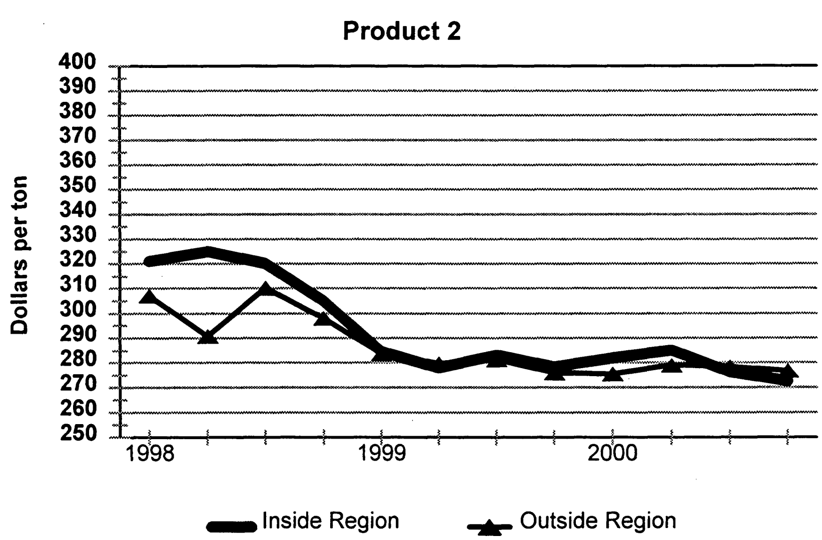
U.S. PRODUCERS' PRICES – INSIDE THE 30-STATE REGION AND OUTSIDE THE REGION

Figure H-1
Weighted-average f.o.b. prices for product 1, both inside the 30-state region and outside the region, as reported by U.S. producers, by quarters, January 1998-December 2000



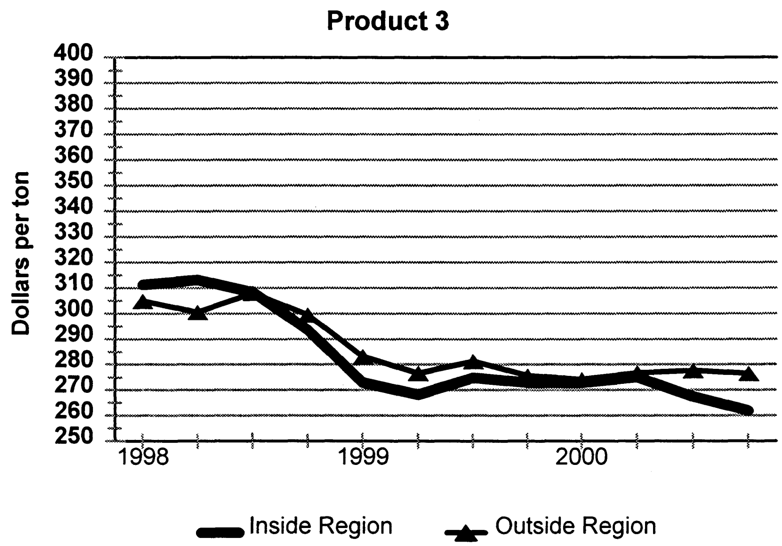
Source: Compiled from data submitted in response to Commission questionnaires.

Figure H-2
Weighted-average f.o.b. prices for product 2, both inside the 30-state region and outside the region, as reported by U.S. producers, by quarters, January 1998-December 2000



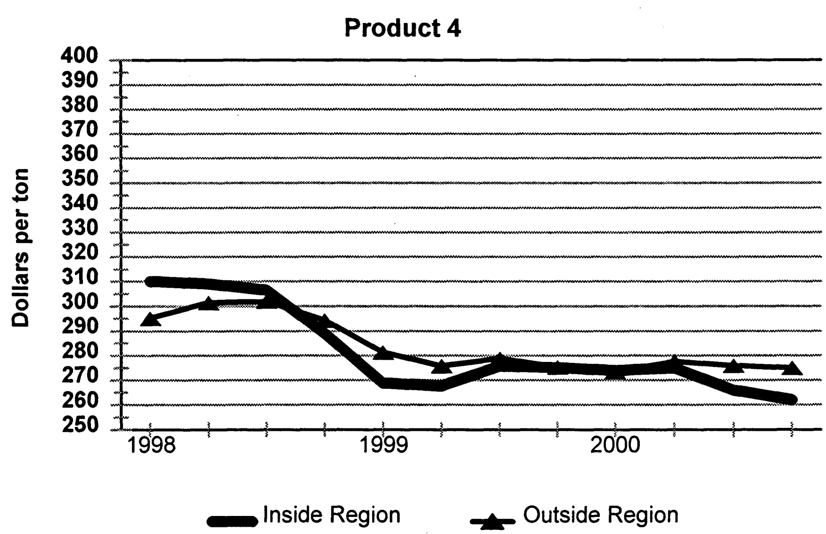
Source: Compiled from data submitted in response to Commission questionnaires.

Figure H-3
Weighted-average f.o.b. prices for product 3, both inside the 30-state region and outside the region, as reported by U.S. producers, by quarters, January 1998-December 2000



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

Figure H-4
Weighted-average f.o.b. prices for product 4, both inside the 30-state region and outside the region, as reported by U.S. producers, by quarters, January 1998-December 2000



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

APPENDIX J

LOST SALES AND REVENUES

Table J-1
Rebar: Lost sales summary

* * * * * * *

Table J-2
Rebar: Lost revenues summary

* * * * * * *

APPENDIX K

RESULTS OF OPERATIONS ON REBAR PRODUCED WITHIN THE 33-STATE REGION

Table K-1
Results of rebar operations of U.S. producers in the 33-state region, fiscal years 1998-2000

* * * * * * *

Table K-2
Per-unit values of cost of goods sold of U.S. producers of rebar in the 33-state region, fiscal years 1998- 2000

* * * * * * *

Table K-3
Raw materials, energy costs, and metal spread of U.S. producers of rebar in the 33-state region, fiscal years 1998-2000

* * * * * * *

Table K-4
Variance analysis for rebar operations of U.S. producers in the 33-state region, fiscal years 1998-2000

* * * * * * *

Table K-5
Value of assets, capital expenditures, and R&D expenses of U.S. producers of rebar in the 33-state region, fiscal years 1998-2000

* * * * * * *

APPENDIX L

U.S. PRODUCERS' SELECTED FINANCIAL DATA ON A MILL-BY-MILL BASIS

1

Table L-1
Selected financial data of U.S. mills producing rebar in the 30-state region, by mill, fiscal years 1998-2000

* * * * * * *

Table L-2
Selected financial data of U.S. mills producing rebar outside the 30-state region, by mill, fiscal years 1998-2000

* * * * * * *

Table L-3
Metal spread (net sales minus raw materials' costs), scrap spread (net sales minus scrap costs) and energy costs of U.S. mills producing rebar in the 30-state region, per short ton, by mill, fiscal years 1998-2000

* * * * * * *

Table L-4
Metal spread (net sales minus raw materials' costs), scrap spread (net sales minus scrap costs) and energy costs of U.S. mills producing rebar outside the 30-state region, by mill, fiscal years 1998-2000

* * * * * * *

APPENDIX M

ALLEGED EFFECTS OF SUBJECT IMPORTS ON PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

Responses of U.S. producers for their mills inside the 30-state region to the following question:

Since January 1, 1998, has your firm experienced any actual negative effects on its return on investment or its growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and/or Ukraine (question III-9)?

* * * * * * *

Company responses to question III-9 for their U.S. mills outside the 30-state region

* * * * * * *

Company responses for their U.S. mills inside the 30-state region to the following question:

Does your firm anticipate any negative impact of imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and/or Ukraine (question III-10)?

* * * * * * *

Company responses to this question for their U.S. mills outside the 30-state region.

* * * * * * *

APPENDIX N

AGGREGATE FOREIGN INDUSTRY DATA FOR ALL REPORTING FIRMS IN BELARUS, CHINA, KOREA, LATVIA, MOLDOVA, AND POLAND

Table N-1
Rebar: Combined reported data on the operations of firms in Belarus, China, Korea, Latvia, Moldova, and Poland, 1998-2000, and projected 2001

Item	1998	1999	2000	Projected 2001
	Quantity (*short tons*)			
Capacity	8,967,001	8,686,177	10,366,887	10,252,446
Production	7,631,666	7,548,775	925,796	9,333,981
End-of-period inventories	310,731	323,214	312,248	194,125
Shipment:				
Internal consumption/transfers	10,178	20,344	112,263	8,677
Home market	5,290,735	5,739,047	7,504,556	7,689,831
Exports to--				
United States	931,164	1,137,179	747,411	388,485
All other export markets	1,322,247	805,751	1,078,493	1,365,083
Total exports	2,253,412	1,942,930	1,825,904	1,753,568
Total shipments	7,554,325	7,702,321	9,442,723	9,452,077
	Ratios and shares (*percent*)			
Capacity utilization	85.1	86.9	90.0	91.0
Inventories/production	4.1	4.3	3.3	2.1
Inventories/total shipments	4.1	4.2	3.3	2.1
Share of total shipments:				
Internal consumption/transfers	0.1	0.3	1.2	0.1
Home market	70.0	74.5	79.5	81.4
Exports to:				
United States	12.3	14.8	7.9	4.1
All other export markets	17.5	10.5	11.4	14.4
Total exports	29.8	25.2	19.3	18.6

Note.–Because PT Master Steel Mfg. Co. (Indonesia) did not report 2000 and projected 2001 production data, it is excluded from the table. Data for Ukraine were not provided.

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