

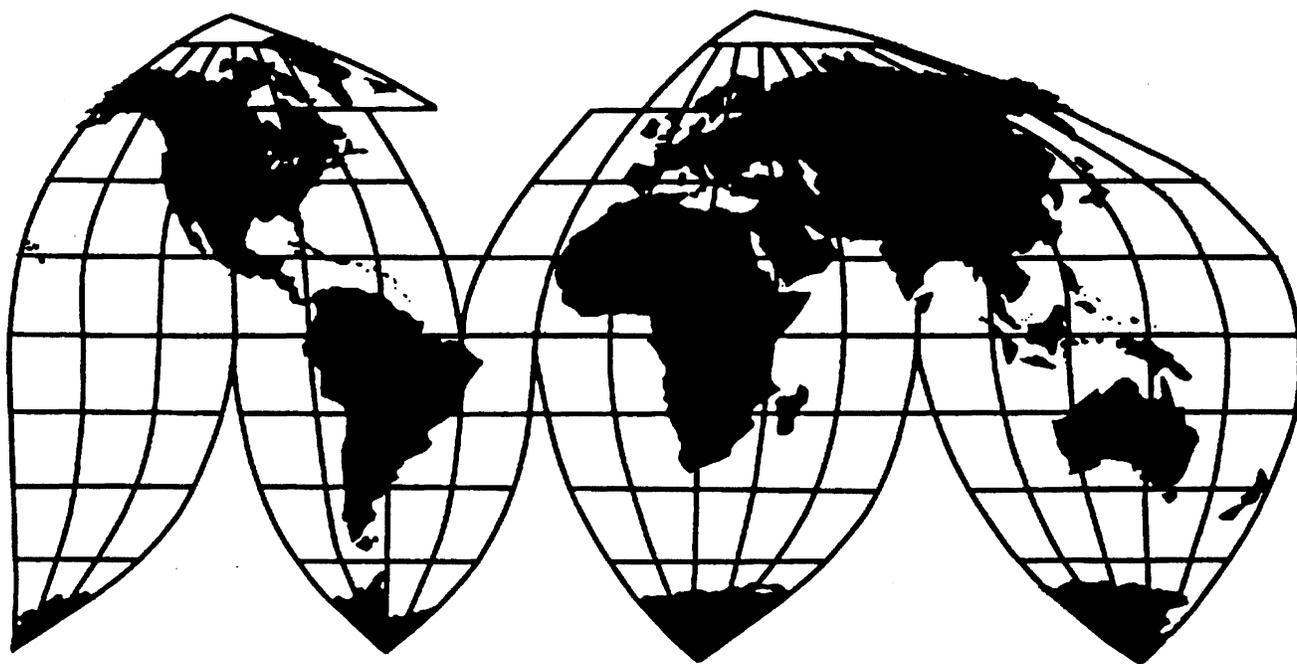
# Steel Concrete Reinforcing Bar From Turkey

Investigation No. 731-TA-745 (Review)

Publication 3577

February 2003

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-745 (Review)

## STEEL CONCRETE REINFORCING BAR FROM TURKEY

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on steel concrete reinforcing bar from Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

### BACKGROUND

The Commission instituted this review on March 1, 2002 (67 F.R. 9465) and determined on June 4, 2002, that it would conduct a full review (67 F.R. 40965, June 14, 2002). Notice of the scheduling of the Commission's review 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* on September 11, 2002 (67 F.R. 57628). The hearing was held in Washington, DC, on December 12, 2002, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> Chairman Deanna Tanner Okun and Commissioner Lynn M. Bragg dissenting.



## VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order concerning steel concrete reinforcing bar (“rebar”) from Turkey would be likely to lead to continuation or recurrence of material injury to a regional industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

In April 1997, the Commission determined that an industry in the United States was being materially injured by reason of imports of rebar from Turkey that were being sold at less than fair value.<sup>2</sup> In making its determination, the Commission concluded that appropriate circumstances existed for a regional industry analysis with the region consisting of the U.S. producers in the “Eastern-Tier region.”<sup>3</sup> On April 17, 1997, the Department of Commerce (“Commerce”) issued an antidumping duty order on subject imports from Turkey.<sup>4</sup>

On March 1, 2002, the Commission instituted the present review pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty order on rebar from Turkey would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>5</sup>

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review. In order to make this decision, the Commission first determines whether individual responses to the notice of institution are adequate. Next, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties – domestic interested parties (such as producers, unions, trade associations, or worker groups) and respondent interested parties (such as importers, exporters, foreign producers, trade associations, or subject country governments) – demonstrate a sufficient willingness among each group to participate and provide information requested in a full review. If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it will determine to conduct a full review.<sup>6</sup>

The Commission received individual responses from four domestic producers (representing a majority of total domestic rebar production in the Eastern-Tier region in 2001) and a joint response, which contained company specific information, on behalf of five Turkish producers (accounting for the majority of rebar production in Turkey in 2001). On June 4, 2002, the Commission determined that both

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<sup>1</sup> Chairman Deanna Tanner Okun and Commissioner Lynn M. Bragg dissenting. Chairman Okun and Commissioner Bragg join sections I-III.B. of these views.

<sup>2</sup> Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 (Final) USITC Pub. 3034 (April 1997) (“USITC Pub. 3034”).

<sup>3</sup> The “Eastern-Tier” region consists of 22 contiguous states: Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia, plus Puerto Rico and the District of Columbia. USITC Pub. 3034 at 9.

<sup>4</sup> 62 Fed. Reg. 18748.

<sup>5</sup> 67 Fed. Reg. 9465 (March 1, 2002).

<sup>6</sup> See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

the domestic and respondent interested party group responses were adequate and determined that it should proceed to a full review pursuant to section 751(c)(5) of the Act.<sup>7</sup>

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>8</sup> The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>9</sup>

In its five-year review determination, Commerce defined the imported product covered by the existing antidumping duty order as all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes

all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes: (i) plain round rebar; (ii) rebar that a processor has further worked or fabricated; and (iii) all coated rebar. Deformed rebar is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) under subheadings 7213.10.00 and 7214.20.00.<sup>10</sup>

The subject merchandise is hot-rolled deformed rebar, designed specifically to enhance the tensile and shear-stress strength of concrete structures.<sup>11</sup> Rebar is sold to customers in various forms or stages of fabrication, but only stock deformed rebar, which is not further processed, is subject to the antidumping order.<sup>12</sup>

The starting point of the Commission’s like product analysis in a five-year review is the Commission’s like product determination in the original investigation.<sup>13</sup> In the original investigation, the Commission determined that the domestic like product consisted of steel concrete reinforcing bars

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<sup>7</sup> 19 U.S.C. § 1675(c)(5); See 67 Fed. Reg. 40965 (June 14, 2002) and Explanation of Commission Determination on Adequacy contained in Appendix A of the Confidential Staff Report, as revised by memoranda INV-AA-008 (Jan. 29, 2003) and INV-AA-013 (Feb. 11, 2003), (“CR”) and Public Report (“PR”).

<sup>8</sup> 19 U.S.C. § 1677(4)(A).

<sup>9</sup> 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>10</sup> See 67 Fed. Reg. 45457 (July 9, 2002).

<sup>11</sup> CR at I-14; PR at I-10.

<sup>12</sup> CR at I-13; PR at I-10.

<sup>13</sup> In its like product determination, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price. See Timken, 913 F. Supp. at 584. No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, e.g., S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

coextensive with Commerce's scope.<sup>14</sup> Petitioners agree with the Commission's definition of the like product in the original investigation.<sup>15</sup> Respondents have not raised an objection to this definition and no new facts have been presented to warrant a conclusion different from that reached by the Commission in the original investigation. We therefore find one like product consisting of rebar coextensive with Commerce's scope.

## **B. Domestic Industry**

Section 771(4)(A) of the Act defines the relevant domestic industry as the "[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."<sup>16</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.<sup>17</sup> Consistent with our definition of the domestic like product, we find that the domestic industry comprises all domestic producers of rebar.

We address below the one domestic industry issue that is raised in this review--whether appropriate circumstances exist to conduct a regional injury analysis.

### **1. Regional Industry Analysis**

#### **a. Background**

In the original investigation, the Commission found appropriate circumstances existed to conduct a regional industry analysis.<sup>18</sup> The Commission defined the region as the Eastern Tier consisting of 22 contiguous states plus the District of Columbia and Puerto Rico ("the region"). In so doing, the Commission rejected respondents' argument that Puerto Rico be excluded from the Eastern Tier. It determined that while there was no domestic producer of rebar in Puerto Rico, there had been shipments into Puerto Rico of both subject imports and rebar produced in the region. It further stressed that the record indicated that demand in Puerto Rico was not supplied by domestic producers outside the region.<sup>19</sup>

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<sup>14</sup> USITC Pub. 3034 at 3-8.

<sup>15</sup> Petitioners' Prehearing Br. at 3.

<sup>16</sup> 19 U.S.C. § 1677(4)(A).

<sup>17</sup> See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>18</sup> Specifically, the Commission found that rebar has a low value-to-weight ratio and that relatively high inland transportation costs were associated with the shipment of rebar. It also noted that shipments were concentrated within a 250 mile radius. USITC Pub. 3034 at 10-11.

<sup>19</sup> USITC Pub. 3034 at 12-13. In considering alternative regions the Commission rejected arguments for the inclusion of Texas, Ohio, Indiana and Illinois in the Eastern-Tier region. With respect to Texas, the Commission found that the Texas market appeared to be separate and isolated from the region, with only limited shipments into Texas by Eastern-Tier producers and minimal shipments by Texas producers into the Eastern-Tier region. It noted that most of the imports from Turkey shipped to Texas remained in Texas. With respect to Ohio and Illinois, the Commission found that, although there were two domestic producers in Ohio and Illinois, there were limited shipments into the Eastern-Tier from these states. With respect to Indiana, the Commission found that there was

(continued...)

**b. General Considerations**

Section 752(a)(8) of the Act pertains specifically to a regional industry analysis in five-year reviews. The statute states that in a five-year review involving a regional industry:

the Commission may base its determination on the regional industry defined in the original investigation under this subtitle, another region that satisfies the criteria established in section 1677(4)(C) of this title, or the United States as a whole. In determining if a regional industry analysis is appropriate for the determination in review, the Commission shall consider whether the criteria established in section 1677(4)(C) of this title are likely to be satisfied if the order is revoked or the suspended investigation is terminated.<sup>20</sup>

The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) clarifies that “the Commission is not bound by any determination it may have made in the original investigation regarding the existence of a regional industry.”<sup>21</sup> However, the SAA also states that the Commission needs “sufficient evidence” to warrant revisiting its original regional industry determination.<sup>22</sup>

The Commission takes into account any effect that the order or suspension agreement may have had on the marketing and distribution patterns for the subject product in analyzing whether the market isolation and import concentration criteria are likely to be satisfied in the event of revocation or termination.<sup>23</sup> The Commission also takes into account any prior regional industry definition, any product characteristics that lend themselves to a regional market, and whether any changes in the

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<sup>19</sup> (...continued)

no production of rebar in that state. Finally, it found that there were limited shipments of subject imports into Ohio, Illinois, and Indiana. USITC Pub. 3034 at 13-14.

<sup>20</sup> 19 U.S.C. § 1675a(a)(8).

<sup>21</sup> SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>22</sup> SAA at 887. Specifically, the SAA states:

If there is sufficient evidence to warrant revisiting the original regional industry determination, the Commission may base its likelihood determination on: (1) the regional industry defined by the Commission in the original investigation; (2) another regional industry satisfying the criteria of amended section 771(4)(C); or (3) the United States industry as a whole.

Id. at 887-888.

<sup>23</sup> SAA at 888. The SAA specifically states:

Given the predictive nature of a likelihood of injury analysis, the Commission’s analysis in regional industry investigations will be subject to no greater degree of certainty than in a review involving a national industry. Because the issuance of an order or the acceptance of a suspension agreement may have affected the marketing and distribution patterns of the product in question, the Commission’s analysis of a regional industry should take into account whether the market isolation and import concentration criteria in section 771(4)(C) are likely to be satisfied in the event of revocation or termination. Neither the Commission nor interested parties will be required to demonstrate that the regional industry criteria currently are satisfied.

Id.

isolation of the region or import concentration are related to the imposition of the order or acceptance of the suspension agreement.<sup>24</sup>

In considering whether appropriate circumstances exist to use a regional industry analysis in the original investigation, the statute directs the Commission to take a series of steps. The statute 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 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.<sup>25 26</sup>

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<sup>24</sup> SAA at 888. Specifically, the SAA states:

The Commission should take into account any prior regional industry definition, whether the product at issue has characteristics that naturally lead to the formation of regional markets (*e.g.*, whether it has a low value-to-weight ratio and is fungible), and whether any changes in the isolation of the region or in import concentration are related to the imposition of the order or the acceptance of a suspension agreement.

<sup>25</sup> 19 U.S.C. § 1677(4)(C). The URAA changes to the regional industry provisions were not intended to affect 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). Therefore, Commerce will "exclude from the [antidumping duty] order, to the 'maximum extent possible,' those exporters or producers that did not export for sale in the region during the period of investigation." SAA at 859 and 860.

<sup>26</sup> The Court of International Trade has described the steps taken by the Commission in a regional industry analysis as follows:

The statute sets up three prerequisites which must be satisfied before the Commission can reach an affirmative determination under a regional industry analysis. The Commission must determine that

(continued...)

### c. Analysis

According to the SAA, the Commission should take into account in five-year reviews involving regional industries any prior regional industry definition and whether the subject product has characteristics that naturally lead to the formation of regional markets (e.g., whether the product has a low value-to-weight ratio and is fungible).<sup>27</sup> For the reasons discussed below, we have taken into account the Commission's prior regional industry definition in our analysis and determine that the record in this review supports a finding of a regional industry corresponding to that defined in the original investigation.

Rebar remains a low value-to-weight product and a fungible product, as the domestically produced product and subject imports are interchangeable. The relatively low value-to-weight ratio of rebar and relatively high transportation costs appear to limit the distances to which rebar is shipped. During the period of review, as during the period of the original investigation, the majority of producer shipments within the region were shipped to customers within 250 miles of the manufacturing plant and the majority of importer shipments within the region were shipped to customers within 250 miles from the port of entry.<sup>28</sup>

U.S. producers reported inland transportation costs generally ranging from 6 to 20 percent of the delivered price for sales within the region and from 5 to 15 percent for sales outside the region.<sup>29</sup> Among importers of rebar from Turkey, the costs ranged from 2 to 18 percent of the delivered price for sales

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<sup>26</sup> (...continued)

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 move on to the next step only if each preceding step is satisfied.

Texas Crushed Stone Co. v. United States, 822 F. Supp. 773, 777 (CIT 1993), aff'd, 35 F.3d 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), aff'g 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 (CIT 1981)(court cautioned against “[a]rbitrary or free handed sculpting of regional markets.”).

<sup>27</sup> SAA at 888. 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. See, e.g., Gray Portland Cement and Cement Clinker From Japan, Mexico, and Venezuela, Invs. Nos. 303-TA-21 (Review) and 731-TA-451, 461, and 519 (Review) USITC Pub. 3361 (October 2000) at 12; See also Limestone, USITC Pub. 2533; Nepheline Syenite from Canada, Inv. No. 731-TA-525 (Final) USITC Pub. 2502 (April 1992) (“Nepheline Syenite”); Gray Portland Cement and Cement Clinker from Venezuela, Inv. No. 731-TA-519 (Preliminary) USITC Pub. 2400 (July 1991) (“Venezuela Cement”); Gray Portland Cement and Cement Clinker from Japan, Inv. No. 731-TA-461 USITC Pub. 2376 (April 1991) (“Japan Cement”); Gray Portland Cement and Cement Clinker from Mexico, Inv. No. 731-TA-451 (Final) USITC Pub. 2305 (August 1990) (“Mexico Cement”).

<sup>28</sup> USITC Pub. No. 3034 at 11 and 12, n.61; CR/PR at II-2.

<sup>29</sup> CR/PR at V-1. During the original investigation, U.S. inland transportation costs for sales of rebar within the region varied from supplier to supplier, ranging between 5 and 15 percent of the total delivered cost of rebar. Based on official import data, transportation costs for imports from Turkey were estimated to be 11.1 percent of the value of imports on a c.i.f. basis. USITC Pub. 3034 at 11.

within the region, and from 12 to 18 percent outside the region.<sup>30</sup> The practice of “freight equalization” or “freight absorption” is still performed in the industry, making transportation costs important as a component of rebar sales by domestic producers.<sup>31</sup>

Respondents argue that Puerto Rico should be excluded from the region because regional producers have no interest in that market, as demonstrated by the lack of U.S. shipments into Puerto Rico even after the antidumping duty order went into effect.<sup>32</sup> Petitioners counter that Puerto Rico should continue to be included in the region. They note that there have been both direct and indirect shipments from Eastern-Tier producers to Puerto Rico during the period of review, which included sales of rebar to export companies for delivery to the ultimate purchaser in Puerto Rico as well as some rebar directly delivered to Puerto Rico.<sup>33</sup> They further stress that regional producers have marketed their product in Puerto Rico, sending marketing teams to Puerto Rico on at least four occasions. They assert that while petitioners are very interested in making sales to Puerto Rico, they have been unsuccessful in Puerto Rico “because Turkish producers have focused dumped rebar on Puerto Rico and have foreclosed opportunities for regional producers.”<sup>34</sup>

In considering alternative regions, the Commission has looked to whether there was competition between the imports and the domestic producers in the region, and in the proposed alternatives to the region. The Commission has not required actual competition but only that there were “no current or future limitations on sales by the petitioner in these states.”<sup>35</sup>

In the original investigation, the Commission rejected respondents’ argument that Puerto Rico be excluded from the Eastern-Tier region. In so doing, it determined that while there was no domestic producer of rebar in Puerto Rico, there had been shipments into Puerto Rico of both subject imports and

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<sup>30</sup> CR/PR at V-1.

<sup>31</sup> Producer Questionnaires.

<sup>32</sup> Respondents’ Prehearing Br. at 4-6; Respondents’ Posthearing Br. at 9-13.

<sup>33</sup> Petitioners’ Posthearing Br. at 8; Ex. A at Question 2 at 2-7.

<sup>34</sup> Petitioners’ Posthearing Br. at Ex. A at Question 2 at 2-7.

<sup>35</sup> Nepheline Syenite from Canada, Inv. No. 731-TA-525 (Preliminary) USITC Pub. 2415 (August 1991) at 20-22 (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, 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) (“Round White Potatoes”); Offshore Platform Jackets and Piles from the Republic of Korea and Japan, Inv. Nos. 731-TA-259 and 260 (Final), USITC 1848 at 8-10 (May 1986) (“Offshore Platform Jackets”) (The Commission found that the Gulf Coast region should be included in a national assessment for piles because actual competition was not required, only that “[t]here were no geographical features preventing such shipments in the future; but that geographical limitations on shipment from the Gulf Coast of offshore platform jackets intended for the West Coast required a West Coast production facility and, therefore, should be assessed as a separate regional industry”).

rebar produced in the region.<sup>36</sup> It further stressed that the record indicated that demand in Puerto Rico was not supplied by domestic producers outside the region.<sup>37</sup>

Although circumstances have changed somewhat, we again define the region to include Puerto Rico. While no domestic production facility is located in Puerto Rico, and while domestic shipments from regional producers to Puerto Rico have declined since the original determination, there is evidence of other participation in the Puerto Rico market by regional producers as well as some direct shipments into Puerto Rico by domestic producers.<sup>38</sup> In particular, the record shows there have been shipments from Eastern-Tier producers to distributors in Florida which were then re-shipped to Puerto Rico,<sup>39</sup> as well as marketing efforts by some Eastern-Tier producers in Puerto Rico.<sup>40</sup> Finally, domestic producers outside the region currently do not supply significant demand for rebar in Puerto Rico. Although U.S. producers outside the region shipped \*\*\* short tons directly to Puerto Rico in 1998-2000, they reported \*\*\* shipments to Puerto Rico in 2001 and hence demand in that market is not supplied “to any substantial degree” by producers outside the region.<sup>41</sup> Therefore, based on the record in this review, we do not find “sufficient evidence” to revise the original regional industry determination.

For the above reasons, we determine that Puerto Rico should be included in the Eastern-Tier region.

## 2. Market Isolation Criteria

### a. Sales Of "All or Almost All" Within The Region

Producers in the Eastern-Tier region shipped between \*\*\* and \*\*\* percent of their U.S. shipments of rebar within the region during 1997-2001.<sup>42</sup> While the regional producers’ percentage of shipments within the region has declined somewhat since the original investigation,<sup>43</sup> we find this percentage satisfies the statutory market isolation criterion that “producers within such market sell all or

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<sup>36</sup> Regional producers’ shipments to Puerto Rico as a share of their total U.S. shipments in the region were \*\*\* in 1996. Regional producers that provided shipments by state shipped \*\*\* short tons of rebar to Puerto Rico in 1996. Apparent consumption of rebar in Puerto Rico was estimated by Petitioners to be about 110,000-130,000 tons annually, and by a Puerto Rican importer to be about 100,000-150,000 tons per year. Confidential Version of Original Views at n.62.

<sup>37</sup> USITC Pub. 3034 at 12-13.

<sup>38</sup> Regional producers’ shipments into Puerto Rico were \*\*\* short tons in 1997, \*\*\* short tons in 1998, \*\*\* short tons in 1999, \*\*\* short tons in 2000 and \*\*\* short tons in 2001. CR/PR at Table E-9. Regional producers’ shipments to Puerto Rico as a share of their total U.S. shipments in the region were \*\*\* in 1999-2001.

<sup>39</sup> At the hearing, a representative of Gerdau AmeriSteel testified that his firm had shipments in 2001 and 2002, of 15,000 and 13,000 net tons, respectively, that were delivered to ports in Florida and then were re-shipped to the ultimate buyer in Puerto Rico. Hearing Transcript (Tr.) at 18-19. In their posthearing brief, petitioners stated that \*\*\* shipped \*\*\* for ultimate delivery to the buyer in Puerto Rico. Petitioners’ Posthearing Br. at Ex. A, Question 8 at 21-22.

<sup>40</sup> At least one producer continued to market rebar in Puerto Rico during the period of review and has indicated that it continues to monitor the Puerto Rico market. Tr. at 71-72. Also, the Gerdau AmeriSteel Corporation, Jacksonville mill has been described in statements to its stockholders as serving “Florida, the nearby Gulf States, and Puerto Rico.” See Petitioners Posthearing Br. at Ex. D.

<sup>41</sup> CR/PR at Table E-10.

<sup>42</sup> CR at I-32; PR at I-24.

<sup>43</sup> During the original investigation, regional producers shipped about 90 percent of rebar production within the region. USITC Pub. 3034 at 14.

almost all of their production of the domestic like product in question in that market” and that this criterion is likely to be satisfied if the order is revoked.<sup>44</sup>

**b. Demand In Region Supplied By U.S. Producers Outside The Region**

The percentage of consumption in the Eastern-Tier region which was supplied by U.S. producers outside the region was less than 5 percent in 2001.<sup>45</sup> This percentage is the same as the percentage of regional demand supplied by producers outside the region during the original investigation.<sup>46</sup> The share of regional consumption supplied by U.S. producers outside the Eastern-Tier region during the entire review period was 8.9 percent in 1997, 6.8 percent in 1998, 6.2 percent in 1999, 5.9 percent in 2000, 4.7 percent in 2001, and 5.1 percent in January-September 2002.<sup>47</sup> We find that these percentages satisfy the statutory criterion 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,” and that this criterion is likely to be satisfied if the order is revoked.<sup>48</sup>

**3. Concentration of Imports**

In the second step of the regional industry analysis, we determine whether the statutory requirement of concentration of imports within the pertinent region is likely to be satisfied. The statute does not define import concentration. The legislative history to the URAA indicates that “no precise mathematical formula is reliable in determining the minimum percentage which constitutes sufficient

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<sup>44</sup> See Gray Portland Cement and Cement Clinker From Japan, Mexico, and Venezuela, Invs. Nos. 303-TA-21 (Review) and 731-TA-45, 461, and 519 (Review) USITC Pub. 3361 (October 2000) at 12-14 (finding percentages of 80-85 percent to be sufficient in Japanese and Mexican Reviews); Texas Crushed Stone, 822 F. Supp. 773, aff'd, 35 F.3d 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)(In reviewing the regional industry analysis, the CIT held that “there is nothing in the statute, case law, or administrative practice to indicate Congressional intent to bind the ITC to a precise numerical percentage.” However, the Court added that “the analysis required by the regional market provision is more readily quantifiable than the analysis under the regional injury provision.”) See, e.g., Rebar from Turkey, USITC Pub. 3034 at 14 (April 1997)(about 90 percent found to be sufficient); Venezuela Cement, USITC Pub. 2400 at 7 and 27 (July 1991)(over 95 percent found to be sufficient); Japan Cement, USITC Pub. 2376 at 18, 44 (April 1991)(82.6 percent found to be sufficient); Operators for Jalousie and Awning Windows from El Salvador, Inv. Nos. 701-TA-272 and 731-TA-319 (Final), USITC Pub. 1934 at 9 (January 1987) (over 80 percent found to be sufficient); Fall Harvested Round White Potatoes, Inv. No. 731-TA-124 (Final), USITC Pub. 1463 (“Round White Potatoes”) at 7 (December 1983)(84 percent found to be sufficient); Portland Hydraulic Cement from Australia and Japan, Inv. Nos. 731-TA-108 and 109 (Final), USITC Pub. 1310 (“Portland Hydraulic Cement”) at 5 (October 1983) (92 percent found to be sufficient); Frozen French Fried Potatoes, Inv. No. 731-TA-93 (Preliminary), USITC Pub. 1259 at 7 (June 1982)(66 percent found not to be sufficient).

<sup>45</sup> CR at I-32; PR at I-24.

<sup>46</sup> USITC Pub. 3034 at 14.

<sup>47</sup> CR at I-32; PR at 24; CR/PR at Table C-2.

<sup>48</sup> 19 U.S.C. § 1677(4)(C)(i). This level is within the range the Commission previously considered sufficient to satisfy this criterion. See Texas Crushed Stone, 822 F. Supp. 773, aff'd, 35 F.3d 1235 (Fed. Cir. 1994); Cemex, S.A. v. United States, 790 F. Supp. 290, 292-294 (CIT 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

concentration.”<sup>49</sup> The SAA 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 entering the United States.”<sup>50 51</sup> 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.<sup>52</sup> The courts have affirmed the Commission’s case-by-case approach to applying the statute.<sup>53</sup>

During the period of review, the ratio of subject imports within the region to total subject imports was 84.6 percent in 1997, 99.7 percent in 1998, 76.4 percent in 1999, 77.9 percent in 2000, and 67.8 percent in 2001. The ratio of subject imports from Turkey to consumption within the Eastern-Tier region was 2.7 percent in 1997, 0.3 percent in 1998, 0.9 percent in 1999, 4.2 percent in 2000, and 4.1 percent in 2001 and was much higher than the same ratio outside the region. The ratio of subject imports from Turkey to consumption outside the Eastern-Tier region was 0.3 percent in 1997, less than 0.05 percent in 1998, 0.2 percent in 1999, 1.0 percent in 2000, and 1.5 percent in 2001.<sup>54</sup>

Based on a comparison of the market share of subject imports from Turkey inside the region to the market share of subject imports from Turkey outside the region, and consideration of the proportion of total subject imports from Turkey that enter the Eastern-Tier region, we find that subject imports from Turkey would likely be sufficiently concentrated in the Eastern-Tier region. The pattern of these imports during the original investigation further indicates that such a concentration is likely if the order is revoked.<sup>55</sup> In particular, the evidence does not indicate that Turkish producers’ shipping patterns are

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<sup>49</sup> SAA at 860. The Commission historically has found concentration percentages higher than 80 percent of total imports subject to investigation to be sufficient. See, e.g., Portland Hydraulic Cement, USITC Pub. 1310 at 10; Offshore Platform Jackets, USITC Pub. 1848 at 10; Sugars and Syrups from Canada, Inv. No. 731-TA-3 (Final), USITC Pub. 1047 (March 1980). While the requisite concentration has also been found at levels as low as 43 percent, the Commission has questioned whether concentration levels of 60-80 percent are sufficient. See, e.g., Round White Potatoes, USITC Pub. 1463 at 7; Certain Steel Wire Nails from the Republic of Korea, Inv. No. 731-TA-26 (Final), USITC Pub. 1088 at 11 and 12 (August 1980); Japan Cement, USITC Pub. 2376 at 20 and 21, 48-50, aff’d although remanded on other grounds, Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 615 (CIT 1993); Venezuela Cement, USITC Pub. 2400 at 10 and 11. Compare Certain Welded Carbon Steel Pipes and Tubes from Taiwan, Inv. No. 731-TA-349 (Final), USITC Pub. 1994 (July 1987) and Certain Welded Carbon Steel Pipes and Tubes from the Philippines and Singapore, Inv. Nos. 731-TA-293, 294, 296 (Final), USITC Pub. 1907 at 6 and 7, n.19 (November 1986).

<sup>50</sup> SAA at 860.

<sup>51</sup> Prior to the URAA, the Commission considered the import penetration ratio only 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.3d 1535 (Fed. Cir. 1994). See also Japan Cement, Inv. 731-TA-461 (Final), USITC Pub. 2376 (April 1991) at 21, n.47 (the Commission “would not consider it of much weight if Southern California represented but a very small share of overall U.S. consumption”).

<sup>52</sup> SAA at 860. See also Mitsubishi Materials, 820 F. Supp. at 614-615 (CIT 1993).

<sup>53</sup> Texas Crushed Stone, 35 F.3d 1535 (Fed. Cir. 1994); Cemex, 790 F. Supp. at 292-294 (CIT 1992), aff’d, 989 F.2d 1202 (Fed. Cir. 1993).

<sup>54</sup> CR at I-32; PR at I-24.

<sup>55</sup> In the original investigation, the Commission found that the percentage of subject imports from Turkey into the United States entering the Eastern-Tier region was 78 percent in 1994, 68.4 percent in 1995, and 80.1 percent in 1996. It also found that the ratio of subject imports from Turkey to consumption in the Eastern-Tier region was 7.9

(continued...)

likely to shift upon revocation to concentration levels that are not sufficient to meet this criterion. Therefore, we proceed on a regional industry basis to the issue of whether there is a likelihood of continuation or recurrence of material injury if the antidumping duty order on subject imports from Turkey is revoked.

### III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER ON REBAR FROM TURKEY IS REVOKED

#### A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>56</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>57</sup> Thus, the likelihood standard is prospective in nature.<sup>58 59 60</sup> The statute states

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<sup>55</sup> (...continued)

percent in 1994, 8.4 percent in 1995, and 5.2 percent in 1996. The Commission noted that the ratio of Turkish imports to consumption outside the Eastern-Tier region, was 1.8 percent in 1994, 2.9 percent in 1995, and 1.0 percent in 1996. Based on a comparison of the market share of subject imports in the region to the market share of subject imports outside the region, as well as consideration of the proportion of total subject imports that entered the region, the Commission found that rebar from Turkey was concentrated in the region. USITC Pub. 3034 at 16.

<sup>56</sup> 19 U.S.C. § 1675a(a).

<sup>57</sup> SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

<sup>58</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>59</sup> We are cognizant of the recent decisions in the Court of International Trade which define the term “likely” in five-year reviews. Usinor Industeel, S.A. v. United States, Slip Op. 02-39 at 25 (Ct. Int’l Trade April 29, 2002) (remanding review determination to Commission) & Slip Op. 02-75 (July 30, 2002) (denying Commission motion to amend and order for interlocutory appeal and for stay of proceeding pending appeal) & Slip Op. 02-152 at (December 20, 2002) (Restani, J.) (Usinor Industeel); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (remanding Review determination to Commission) (Wallach, J.) (Usinor); and Nippon Steel Corp., et al. v. United States, Slip Op. 02-153 (December 24, 2002) (“Nippon”)(remanding determination to Commission).

<sup>60</sup> In reaching their determination, Vice Chairman Hillman, Commissioner Miller, and Commissioner Koplan apply the “likely” standard as not meaning “possible” consistent with the recent decisions in the Court of International Trade cited in footnote 59.

that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>61</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”<sup>62 63</sup>

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated.”<sup>64</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>65</sup>

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.<sup>66</sup> We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties’ suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most

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<sup>61</sup> 19 U.S.C. § 1675a(a)(5).

<sup>62</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>63</sup> In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplán examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

<sup>64</sup> 19 U.S.C. § 1675a(a)(1).

<sup>65</sup> 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. Commerce has made no duty absorption findings.

<sup>66</sup> 19 U.S.C. § 1675(e).

persuasive.”<sup>67</sup> In this case, a few respondent interested parties did not provide questionnaire responses and/or participate in this review. Accordingly, we have relied on the facts available in this review, which consist primarily of the information collected by the Commission since the institution of this review, and information submitted by the domestic producers and respondent parties in this review.

For the reasons stated below, we determine that revocation of the antidumping duty order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury to the Eastern-Tier regional industry within a reasonably foreseeable time.<sup>68</sup>

## **B. All or Almost All Standard in 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 or threatened with material injury by reason of the subject imports.<sup>69</sup> There is no specification in the statute or prior Commission determinations as to what percentage of domestic production constitutes “all or almost all” in the context of a regional injury analysis. The Court of International Trade has held that, for determining the “all” criterion, “a numerical analysis would not be appropriate under the regional injury provision . . . [because] numerous factors must be considered and a quantitative analysis is inappropriate.”<sup>70</sup> The Court of International Trade has held that the “Commission did not err in failing to apply a fixed percentage test of eighty to eighty-five percent” in determining whether a regional industry was injured.<sup>71</sup>

Generally, after determining whether the aggregate regional data show material injury, the Commission next examines individual producer data “as appropriate to determine whether anomalies exist that an aggregate analysis would disguise.”<sup>72</sup> 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.”<sup>73</sup>

While neither the statute nor the legislative history provides specific guidance on how the “all or almost all” requirement should be applied to the prospective likelihood of continuation or recurrence of material injury analysis in a five-year review, the CIT has approved the Commission’s application of this

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<sup>67</sup> SAA at 869.

<sup>68</sup> Chairman Deanna Tanner Okun and Commissioner Lynn M. Bragg dissenting.

<sup>69</sup> 19 U.S.C. § 1677(4)(C).

<sup>70</sup> Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 616 and 617 (CIT 1993); Cemex, S.A. v. United States, 790 F. Supp. 290, 294 (CIT 1992), aff’d, 989 F.2d 1202 (Fed. Cir. 1993).

<sup>71</sup> Mitsubishi Materials, 820 F. Supp. at 616 and 617 (CIT 1993); Cemex, 790 F. Supp. at 294 (CIT 1992), aff’d, 989 F.2d 1202 (Fed. Cir. 1993).

<sup>72</sup> Rebar from Turkey, USITC Pub. 3034 at 23 and nn.141-142. Accord Mitsubishi Materials, 820 F. Supp. at 617 and 618 (CIT 1993); compare, Mitsubishi Materials Corp. v. United States, 918 F. Supp. 422, 427 (CIT 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 F. Supp. at 294-296 (“to the extent that some safeguard is required to assure that the ‘all or almost all’ standard is met, it was satisfied by examination of data regarding individual plants.”) (CIT 1992), aff’d, 989 F.2d 1202 (Fed. Cir. 1993).

<sup>73</sup> Mitsubishi Materials, 820 F. Supp. at 618 (CIT 1993); Cemex, 790 F. Supp. at 294 and 296 (CIT 1992), aff’d, 989 F.2d 1202 (Fed. Cir. 1993).

standard in an affirmative threat determination.<sup>74</sup> For purposes of our regional industry analysis in this review, we consider the performance of individual regional producers as well as the performance of the regional industry in the aggregate.

### C. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>75</sup> The following conditions of competition in the rebar industry are relevant to our determination.

Rebar is a highly fungible, commodity product, and rebar of the same grade and dimensions is generally interchangeable regardless of origin. 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 and processes, and rebar is sold in common sizes and lengths.<sup>76</sup> The majority of both domestic producers and importers reported that domestic rebar and imported rebar from Turkey are always used interchangeably.<sup>77</sup>

Differing rebar sizes and lengths tend to predominate in different uses. A considerable portion of small rebar (sizes 3-5) is applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). Heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) utilize all sizes and lengths, but the larger sizes (sizes 6 and above) and longer (e.g., 60 foot) lengths are exclusively used in heavy construction applications.<sup>78</sup> Rebar is thus sold in a continuum of sizes, and there is overlap in the sizes generally sold of subject imports and the domestic product.<sup>79</sup> There are no broadly accepted substitutes for rebar in its intended application.<sup>80</sup>

Since all rebar is used in concrete reinforcement, demand for rebar is closely tied to the level of construction activity.<sup>81</sup> While opinions among questionnaire responses differ on whether the market is cyclical, it is generally agreed that construction in the United States and the overall demand for rebar

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<sup>74</sup> In affirming the Commission’s affirmative threat determination on remand in Japanese Cement, the Mitsubishi Materials court stated:

This Court does not need to determine, however, whether the Commissioners’ analysis in this regard was sufficient to satisfy the all or almost standard because their use of aggregate data in this case was appropriate. The factors supporting imminent threat to all or almost all of the industry are based on industry conditions common to each and every domestic producer in the Southern California market.

918 F. Supp. at 427 (CIT 1996).

<sup>75</sup> 19 U.S.C. § 1675a(a)(4).

<sup>76</sup> CR at I-18; PR at I-13.

<sup>77</sup> CR at II-12; PR at II-7.

<sup>78</sup> CR at I-19; PR at I-13.

<sup>79</sup> In 2001, rebar from Turkey was concentrated in size Nos. 3, 4, and 5 \*\*\*, while U.S. product was concentrated in size Nos. 4, 5, and 6 \*\*\*. CR/PR at Tables III-2, IV-2.

<sup>80</sup> CR at II-8-9; PR at II-5.

<sup>81</sup> Major end-use products requiring rebar include bridges, parking structures, highways, retaining walls, culverts, slabs, foundations, airport runways, and grain silos. CR at II-7; PR at II-4.

depends upon the aggregate economy.<sup>82</sup> During the period of review, the overall demand for rebar generally increased within the Eastern-Tier region.<sup>83</sup> Apparent consumption of rebar within the region rose by 36 percent, from 2.6 million tons in 1997 to 3.6 million tons in 2001.<sup>84</sup> During January-September 2002, apparent consumption within the region was 4 percent lower than in the same period in 2001.

Since the original investigation, there has been some consolidation of the producers comprising the regional industry into 6 firms operating 12 plants.<sup>85</sup>

As at the time of the original investigation, price is an important factor in purchasing decisions. In their questionnaire responses, price was ranked as the most important factor in purchasing decisions by 12 of 18 unrelated purchasers and one of the top three factors by all 18 purchasers.<sup>86</sup> The majority of regional producers indicated that prices are determined on a transaction-by-transaction basis.<sup>87</sup> During the period of review, regional producers' shipments were to firms that were either end-users exclusively or end-users that also distribute, as well as to distributors.<sup>88</sup> The majority of importers' shipments of the subject product were to distributors.<sup>89</sup>

Rebar imports are generally excluded from federal and state projects subject to "Buy American" laws. The record does not establish what percentage of rebar is subject to "Buy American" or domestic preference policies.<sup>90</sup> However, the record indicates that domestic suppliers typically charge the same prices for all products, regardless of any "Buy American" or domestic preference policies.<sup>91</sup>

During the period of review, the regional producers' share of regional consumption declined as imports from countries other than Turkey dramatically increased their regional market share.<sup>92</sup> Regional imports from all other sources climbed sharply from 1997 to 1998, reaching a peak in 1999 before declining steadily thereafter. This decline in imports in the latter part of the period can be attributed to the filing of an antidumping petition against many of those imports from other sources in 2000, and the imposition of antidumping duty orders on imports from eight of the countries in 2001.<sup>93</sup>

During the period of review, there have been a number of antidumping and safeguard actions concerning Turkish exports of rebar to third countries. An antidumping duty order on imports of rebar from Turkey was issued by the government of Singapore in 1995. This order was terminated on January

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<sup>82</sup> CR/PR at II-1

<sup>83</sup> CR at II-8; PR at II-5.

<sup>84</sup> CR at II-8; PR at II-5. Apparent consumption in the region was 2.6 million tons in 1997, 2.9 million tons in 1998, 3.5 million tons in 1999, 3.5 million tons in 2000, and 3.6 million tons in 2001. CR/PR at Table I-8.

<sup>85</sup> CR at III-3; PR at III-2.

<sup>86</sup> CR at II-10; PR at II-6. During part of the original investigation, there were 8 firms operating 13 plants; however, AmeriSteel's Tampa, Florida plant had closed in September 1995. USITC Pub. 3034 at Table III-1.

<sup>87</sup> CR at V-4; PR at V-3.

<sup>88</sup> CR at I-19, II-1; PR at I-13, II-1.

<sup>89</sup> CR at I-19, II-1; PR at I-13, II-1.

<sup>90</sup> CR at II-11; PR at II-6-7. Petitioners estimate that rebar subject to Buy American requirements constitutes \*\*\* percent of sales. Petitioners' Prehearing Br. at 12.

<sup>91</sup> Tr. at 16; Petitioners' Prehearing Br. at 11-12.

<sup>92</sup> CR/PR at I-2 and Table C-2.

<sup>93</sup> CR/PR at IV-1.

21, 2003, following a sunset review.<sup>94</sup> The Canadian government issued an antidumping duty order on March 1, 2000, concerning imports of Turkish rebar, which is not scheduled for expiry review until January 11, 2005.<sup>95</sup> The Canadian government is also currently conducting a safeguard investigation concerning rebar from Turkey (among other countries). On August 19, 2002, the Canadian International Trade Tribunal issued its recommendation that duties be applied pursuant to Canadian safeguard provisions, specifically recommending duty rates on Turkish rebar of 15 percent for the first year, 12 percent for the second year, and 7 percent for the final year.<sup>96</sup> There was a provisional safeguard action instituted on March 28, 2002, by the European Union (“EU”) concerning rebar from Turkey resulting in a quota of 737,083 tons and a duty of 14.9 percent on imports in excess of that quota. This action was terminated on January 27, 2003, and the duties collected are to be refunded. However, the Commission of the European Communities indicated that it will continue to monitor the level of rebar imports from Turkey.<sup>97</sup> Finally, an antidumping duty order was issued by the government of Egypt on October 21, 1999. The order is the subject of an ongoing World Trade Organization dispute resolution proceeding, and a report was adopted by the dispute resolution body on October 11, 2002. The order remains in effect.<sup>98</sup>

Imports of rebar from Turkey have also been the subject of a recent section 201 safeguard action in the United States.<sup>99 100</sup> The remedy resulting from this proceeding with respect to rebar was the imposition of an additional tariff of 15 percent for the period of March 20, 2002, through March 19, 2003, an additional tariff of 12 percent for the period of March 20, 2003, through March 19, 2004, and an additional tariff of 9 percent for the period of March 20, 2004, through March 20, 2005.<sup>101</sup>

Except as otherwise noted, we find that the foregoing conditions of competition are likely to prevail for the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

#### **D. Likely Volume of Subject Imports**

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>102</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the

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<sup>94</sup> CR at IV-5; PR at IV-4.

<sup>95</sup> CR at IV-8; PR at IV-6.

<sup>96</sup> CR at IV-8; PR at IV-6.

<sup>97</sup> CR at IV-8; PR at IV-6.

<sup>98</sup> CR at IV-7; PR at IV-6.

<sup>99</sup> Steel, Inv. No. TA-201-73, USITC Pub. 3479 (December 2001); 67 Fed. Reg. 10593 (Mar. 7, 2002).

<sup>100</sup> As a developing country, Turkey would ordinarily not be subject to a section 201 remedy. However, Turkey was included for purposes of rebar. See 67 Fed. Reg. 10553, 10589 (Mar. 7, 2002).

<sup>101</sup> See 67 Fed. Reg. 10553, 10589 (Mar. 7, 2002).

<sup>102</sup> 19 U.S.C. § 1675a(a)(2).

United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>103</sup>

In the original investigation, the Commission found that both the volume of subject imports into the Eastern-Tier region and their market share were significant.<sup>104</sup> In so doing, the Commission determined that the volume of subject imports into the region increased from 1994 to 1995,<sup>105</sup> although apparent consumption in the region declined. It further found that the regional market share held by subject imports increased from 1994 to 1995 before declining in 1996.<sup>106</sup> With respect to the decline in subject imports from 1995 to 1996, the Commission found that the changes in volume and market share of subject imports were related to the pendency of the investigation and reduced the weight accorded to the data for the period after the filing of the petition in making its determination.<sup>107</sup>

Following imposition of the order, the volume of subject imports from Turkey into the region declined dramatically.<sup>108</sup> Thereafter, the volume of subject imports into the region generally climbed, and in interim 2002 was close to the annual volume level for regional shipments of imports in 1995, before the petition was filed.<sup>109</sup> The increase in subject imports in the latter part of the review period coincided with decreasing dumping margins on subject imports from Turkey.<sup>110</sup> Additionally, Turkish producers have indicated that increased subject imports in latter 2000 and 2001 occurred as a result of “the threatened and then real United States Safeguard action.”<sup>111</sup>

Several factors support the conclusion that subject import volume is likely to be significant if the order is revoked. First, there is considerable production capacity in Turkey to produce rebar, and that capacity increased over the period of review.<sup>112</sup> At the same time, there is substantial unused capacity in

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<sup>103</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>104</sup> USITC Pub. 3034 at 28-29.

<sup>105</sup> The volume of U.S. shipments of subject imports within the region based on importers' questionnaire responses was: 157,926 short tons in 1994, 159,275 short tons in 1995, and 110,867 short tons in 1996. USITC Pub. 3034 at 28 n.176. The volume of subject imports within the region based on official import statistics was: 167,277 short tons in 1994, 222,021 short tons in 1995, and 116,222 short tons in 1996. USITC Pub. 3034 at 28, n.176.

<sup>106</sup> The regional market share held by subject imports by quantity was: 7.9 percent in 1994, 8.4 percent in 1995, and 5.2 percent in 1996. Regional market share by value for subject imports was: 7.5 percent in 1994, 7.9 percent in 1995, and 5.2 percent in 1996. USITC Pub. 3034 at 28 n.178.

<sup>107</sup> USITC Pub. 3034 at 29. See 19 U.S.C. § 1677(7)(I).

<sup>108</sup> The volume of subject imports into the region fell to just 8,968 short tons in 1998, the year immediately after the imposition of the order. CR/PR at Table IV-1.

<sup>109</sup> CR/PR at IV-1, Tables I-1 and IV-1. The volume of subject imports from Turkey into the region was: 32,082 short tons in 1999, 148,477 short tons in 2000, and 145,607 short tons in 2001. The volume of subject imports from Turkey into the region was 93,807 short tons in January-September 2001 compared to 155,187 short tons for the same period in 2002. CR/PR at Table IV-1.

<sup>110</sup> Indeed, Turkish producers themselves indicated that they were able to maintain volumes into the region while at the same time maintaining “low or zero margins.” Respondents' Posthearing Br. at 8. See also Respondents' Prehearing Br. at 2-3.

<sup>111</sup> Respondents' Prehearing Br. at 7.

<sup>112</sup> Foreign producer capacity reported by the 6 responding firms was: 4.7 million short tons in 1997, 4.7 million short tons in 1998, 4.8 million short tons in 1999, 4.8 million short tons in 2000, and 5.3 million short tons in 2001. Foreign producer capacity was reported to be 3.7 million short tons in January-September 2001 compared to 4.0

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Turkey. Although Turkish producers reported relatively high capacity utilization rates during the period of review, in 2001 there were 671,304 short tons of unused capacity, which is equivalent to 18.8 percent of regional apparent consumption. In interim 2002, there were 446,215 short tons of unused capacity which is equivalent to 16.6 percent of regional apparent consumption for the same period.<sup>113 114</sup>

The Turkish industry's ability to maintain high capacity utilization rates is due in part to its heavy reliance on its export markets. As they were at the time of the original investigation,<sup>115</sup> Turkish producers continue to be significantly export-oriented. Total exports to all countries other than the United States accounted for between \*\*\* and \*\*\* percent of total shipments of Turkish production during the period of review. Moreover, there is an incentive for Turkish producers to shift their exports to the U.S. regional market if the order is revoked because the record indicates that U.S. prices for rebar are higher than third-country prices.<sup>116</sup> In addition, the average unit values ("AUVs") of Turkish exports to the United States were higher than the AUVs of their exports to third country markets in 2001 and interim 2002, a further indication that Turkish producers would have an incentive to shift exports to the U.S. market.<sup>117</sup> Moreover, the increasing imports from Turkey despite an order in place and the recent 201 safeguard action underscore the importance of the U.S. regional market to Turkish producers and indicate that revocation of the order likely would result in a further and significant increase in subject imports. Further, as we found in our description of the conditions of competition, Turkish rebar exports are subject to several antidumping and safeguard actions in third countries. We find that some Turkish exports to these countries likely would be directed to the U.S. regional market if the order was revoked.<sup>118 119</sup> In addition, while U.S. importers' inventories of rebar from Turkey were not significant during the review period, Turkish producers reported substantial end-of-period inventories: 237,446 short tons for 2001 and 225,138 short tons for interim 2002.<sup>120</sup>

Accordingly, based on the Turkish industry's substantial production capacity and unused capacity relative to regional production and apparent regional consumption, its reliance on export markets, the attractiveness and importance of the U.S. regional market to Turkish producers, the existence of barriers to the importation of the subject merchandise into countries other than the United States and Turkish

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<sup>112</sup> (...continued)

million short tons in January-September 2002. CR/PR at Table IV-5.

<sup>113</sup> CR/PR at Tables I-8 and IV-5.

<sup>114</sup> We also note that inventories of Turkish rebar are not insignificant. CR/PR at Table IV-5.

<sup>115</sup> USITC Pub. 3034 at Table VII-2.

<sup>116</sup> CR at II-6; PR at II-4.

<sup>117</sup> CR/PR at Table IV-6. While we are cautious in our use of AUVs because of the potential product mix issues, the concern is less so with respect to rebar, a highly fungible commodity product.

<sup>118</sup> We note that there is some potential for product shifting by Turkish producers but do not view this potential to product shift as critical to our affirmative determination. Foreign Producer Questionnaires; CR/PR at Table E-15.

<sup>119</sup> Respondents argue that their export markets are more attractive than the U.S. regional market, which makes it unlikely that they will increase shipments to the U.S. regional market if the order was revoked. However, as the record shows, despite the so-called attractiveness of other markets, Turkish producers have been increasing their exports to the U.S. regional market during the last several years. CR/PR at Table IV-1.

<sup>120</sup> CR/PR at Table IV-5.

subject producers' trade patterns during and after the original investigation, we find that the likely volume of subject imports would be significant absent the antidumping duty order.<sup>121</sup>

### **E. Likely Price Effects of Subject Imports**

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>122</sup>

In the original determination, the Commission found that price is a significant factor in purchasing decisions for rebar, which is a highly fungible, commodity product.<sup>123</sup> In addition, the Commission found that subject imports had a significant depressing or suppressing effect on prices for the domestic like product. Noting that the evidence of underselling was somewhat mixed, the Commission pointed out that this underselling was most significant where domestic producers competed most directly with subject imports. The Commission also found that prices for the domestic like product were significantly higher than those for the imported product during 1994 to mid-1995, before declining sharply to move roughly in tandem with import prices for the rest of the period. The Commission determined that this decline in domestic prices, exacerbated by downward pressure from the low-priced LTFV imports, supported a finding that subject imports depressed prices in the regional industry to a significant degree. It further found that there was evidence of lost sales due to the lower priced imports and that domestic prices recovered somewhat with the decline in subject imports at the end of the period of investigation.<sup>124</sup> Finally, with respect to price suppression, the Commission found that the regional industry was unable to raise prices in the face of rising costs due to the low-priced imports.<sup>125</sup>

We find that the significantly increased volumes of subject imports of rebar from Turkey that would likely enter the region would likely have significant negative price effects for the domestic like product. As discussed above, rebar is a commodity product for which price is an important purchasing factor. Moreover, price is set on a transaction by transaction basis and there is a relatively high degree of substitutability between the subject imports and the domestic like product.

The evidence collected in this review indicates there was significant underselling of the imported product even with the order in place. According to the record, the imported product undersold the

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<sup>121</sup> Respondents argue that volumes of subject imports would not be significant given that the majority of subject imports are shipped to Puerto Rico. Contrary to the assumption underlying this argument, we do not find it likely that the increased imports would be limited to supplying Puerto Rico. The record indicates a great deal of variation in the percentages of subject imports entering Puerto Rico during the period, even with the order in place. CR/PR at Table E-12. Further, respondents' argument also ignores the likely increase in subject imports into the region outside of Puerto Rico and its likely adverse effects on the regional industry, as well as the effects on the efforts of regional producers to supply Puerto Rico itself.

<sup>122</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

<sup>123</sup> USITC Pub. 3034 at 29-30.

<sup>124</sup> USITC Pub. 3034 at 30-31.

<sup>125</sup> USITC Pub. 3034 at 31.

domestic product in 15 out of 22 regional quarterly comparisons by margins ranging from 0.6 percent to 26.6 percent.<sup>126</sup>

During the period of review, the average unit cost of goods sold (COGS) for the domestic like product also generally declined along with average unit sales revenue,<sup>127</sup> but average unit COGS generally declined at a slower rate than average unit revenue. Thus, gross profitability on a unit basis was flat or declining throughout most of the period, suggesting that prices are being suppressed relative to costs.<sup>128</sup> Increased shipments of lower-priced imports are likely to have further significant price suppressing effects.

In light of the importance of price in the rebar market, the interchangeability of subject imports and the domestic like product, the negative price effects of low-priced imports in the original investigation, the underselling by subject imports during the period of review, coupled with the incentive to enter the higher priced U.S. market and the incentive to avoid antidumping duties in other markets, we find a likelihood of negative price effects from the subject imports. We determine that, if the order was revoked, significant volumes of subject imports likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

#### F. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>129</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>130</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order is revoked.<sup>131</sup>

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<sup>126</sup> CR at V-6; PR at V-4.

<sup>127</sup> CR at III-16; PR at III-5.

<sup>128</sup> CR at III-16; PR at III-5.

<sup>129</sup> 19 U.S.C. § 1675a(a)(4).

<sup>130</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited sunset review of the antidumping duty order on rebar from Turkey, Commerce determined that revocation of the order would likely lead to a continuation or recurrence of dumping at weighted-average margins of 9.84 percent for Colakoglu, 18.68 percent for Ekinciler, 18.54 percent for Habas, 41.80 percent for Izmir Demir Celik, Sanaayi A.S., 30.16 percent for Izmir Metalurji Fabrikasi Turk A.S. and 16.06 percent for all others.” 67 Fed. Reg. 45457, 45458 (July 9, 2002).

<sup>131</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While  
(continued..)

In the original determination, the Commission found that subject imports had a significant adverse impact on the regional rebar industry. Financial information showed that the regional industry experienced declining performance over the period of investigation despite expanding regional consumption.<sup>132</sup> The Commission also found that the regional industry's financial performance substantially weakened over the period of investigation. The Commission noted that several regional producers closed regional plants, filed for bankruptcy, and/or temporarily shut plants to reduce high inventories. Moreover, the Commission determined that firms that competed most directly with subject imports experienced the most serious financial decline. In contrast, the Commission found that the financial performance of non-regional producers, which did not face the same degree of direct competition with subject imports, was significantly better than that of the Eastern-Tier producers.<sup>133</sup> Given the overall significant decline in financial performance of the regional industry, and generally of the individual regional producers, which the Commission found was largely attributable to the significant volume and adverse price effects of the subject imports, the Commission concluded that the producers of "all or almost all" of production within the region were materially injured by reason of subject imports of rebar from Turkey.<sup>134</sup>

Immediately following the filing of the petition and imposition of the order, the regional industry's condition improved. Indeed, between 1996 and 1998, operating income and operating margins increased for the regional industry overall and for all or almost all of the individual regional producers as the volume of subject imports fell.<sup>135</sup> However, further improvement in the regional industry's condition was inhibited by the increase in imports from all sources. Regional imports from all other sources climbed sharply from 1997 to 1998, reaching a peak in 1999 and declining steadily thereafter due to the filing of an antidumping petition against many of those imports from other sources in June 2000, and the imposition of the antidumping duty orders on imports from eight of the countries in May and July 2001.<sup>136</sup> As a result, regional producers lost market share and their capacity utilization rates fell from 79.4 percent in 1997 to 77.4 percent in 1999 despite increasing regional apparent consumption.<sup>137</sup> Operating income and operating margins decreased for the regional industry overall and for 7 of 12 of the individual regional producers between 1997 and 1999.<sup>138</sup> Regional producers reporting operating income losses increased from \*\*\* in 1998 to 6 in 2000 and 2001 as imports from all sources surged.<sup>139</sup>

The condition of the regional industry then again improved following the imposition of antidumping duty orders on imports from eight countries in 2001.<sup>140</sup> Capacity utilization rates increased

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<sup>131</sup> (...continued)

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

<sup>132</sup> USITC Pub. 3034 at 32.

<sup>133</sup> USITC Pub. 3034 at 32 -33.

<sup>134</sup> USITC Pub. 3034 at 33.

<sup>135</sup> CR/PR at Table III-9 and Table E-7; Original CR and USITC Pub. 3034 at Table VI-1 and Table E-8.

<sup>136</sup> CR/PR at IV-1, I-2, Table C-2.

<sup>137</sup> CR/PR at Table I-1.

<sup>138</sup> CR/PR at Table III-9 and Table E-7.

<sup>139</sup> CR/PR at Table III-9.

<sup>140</sup> See Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final) USITC Pub. 3425 (May 2001) and Certain Steel Concrete Reinforcing Bars from Belarus,

(continued...)

from 77.4 percent in 1999 to 82.7 percent in 2001.<sup>141</sup> Operating income and operating margins improved for the regional industry overall and for 7 of 12 regional producers between 2000 and 2001.<sup>142</sup> Moreover, 3 regional producers showed losses in January-September 2002 compared to 4 regional producers for the same period in 2001.<sup>143</sup> Although the profitability of the regional industry has not returned to the levels in 1997 and 1998, the condition of the regional industry has improved and as such, the regional industry is not currently in a weakened state as contemplated by the statute.<sup>144</sup> However, despite some recovery by the industry during the review period, subject imports by the end of the period had returned to pre-order volume levels at significant levels of underselling.

While we have analyzed the statutory factors regarding the aggregate data for the 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.”<sup>145</sup> Although there is some variation in the financial performance among the regional producers, there is nothing in the record to indicate that “all or almost all” of the regional producers would not be adversely affected by the significant increase in aggressively priced imports if the order was revoked.<sup>146</sup> We further note that respondents have not argued that regional producers representing “all or almost all” of the production in the region would not experience the continuation or recurrence of material injury if the order is revoked.

We have concluded that revocation of the antidumping duty order would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. We also find that the volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the regional industry. This reduction in the industry’s production, shipments, sales, market share, and revenues would have a direct adverse impact on the industry’s profitability as well as its ability to raise capital and make and maintain necessary capital investments.

Accordingly, based on the record in this review, we conclude that, if the antidumping duty order is revoked, subject imports from Turkey would be likely to have a significant adverse impact on the regional industry within a reasonably foreseeable time.

## CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping duty order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury to the U.S. regional rebar industry within a reasonably foreseeable time.

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<sup>140</sup> (...continued)

China, Korea, Latvia, and Moldova, Invs. Nos. 731-TA-873-874, 877-879 (Final) USITC Pub. 3440 (July 2001).

<sup>141</sup> CR/PR at Table III-1.

<sup>142</sup> CR/PR at Table III-9 and Table E-7.

<sup>143</sup> CR/PR at Table III-9.

<sup>144</sup> 19 U.S.C. § 1675a(1)(C). See SAA at 885. (“The term ‘vulnerable’ relates to the susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury . . . .” “If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.”)

<sup>145</sup> Cemex, 790 F.Supp. at 296. CR/PR at Tables III-11, III-12 and E-1 through 7.

<sup>146</sup> Cemex, 790 F.Supp. at 296. CR/PR at Tables III-11, III-12 and E-1 through 7.

**DISSENTING VIEWS OF  
CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONER LYNN M. BRAGG**

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on steel concrete reinforcing bars (“rebar”) from Turkey would not be likely to lead to continuation or recurrence of material injury to a regional industry in the United States within a reasonably foreseeable time. Therefore, we respectfully dissent from the Commission’s affirmative determination in this review. While we join the Commission’s discussion of, and conclusions regarding, the background, legal standards, domestic like product, and regional industry at issue in this review, we write to explain why revocation of the subject order on rebar from Turkey would not be likely to lead to continuation or recurrence of material injury to the regional industry within a reasonably foreseeable time.

**I. OVERVIEW**

Although the technical requirements for employing a regional industry analysis are met in this review, we observe that since the period examined in the original investigation, both ongoing and more recent developments in the regional market (including Puerto Rico) have increasingly limited the extent and nature of competition between rebar from Turkey and the domestic like product, diminishing any likelihood of continuation or recurrence of material injury. Specifically, the character and degree of competition between regional rebar production and imports of rebar from Turkey have been and will be influenced by geography, product mix, corporate consolidation, and “Buy American” considerations. We are satisfied that these considerations, despite any future moderate increase in subject import volume and some underselling by subject imports (both tempered by the U.S. safeguard action on rebar),<sup>1</sup> indicate that revocation of the antidumping duty order on rebar from Turkey would not be likely to have a significant impact on the regional industry.

Regional production of rebar includes a substantial volume of rebar in larger sizes, is sold throughout the Eastern Tier mainland, primarily to end users (including a large and growing customer base of related fabricators), and benefits from a substantial volume of public work sales largely under “Buy American” restrictions. Within the regional market, the domestic producers’ viability has been enhanced by a substantial degree of consolidation. Further, downstream consolidation has taken place as well, with related fabricators now accounting for an even more substantial share of regional shipments than during the original investigation, thus improving the regional industry’s ability to retain essential customers.

Rebar from Turkey is concentrated in smaller sizes and sold primarily in Puerto Rico and secondarily in Florida (and generally through distributors). Although Turkey has maintained a presence in the regional rebar market despite the existence of the antidumping duty order, it is no longer the single dominant import source; it is one of several dozen suppliers, eight of which recently became subject to antidumping duty orders to remedy practices which caused material injury. Moreover, imports of rebar from most of the largest foreign sources, Turkey included, are subject to a safeguard action, with additional duties of 15 percent in 2002-2003; 12 percent in 2003-2004; and 9 percent in 2004-2005.

While rebar producers in Turkey have some available capacity, they already are operating at high levels of capacity utilization, particularly since the closure of Turkish producer Ekinciler. Similarly, Turkish rebar inventories are non-existent in the United States and limited in Turkey. Further, while barriers to the importation of the rebar from Turkey in other markets have shifted over time, on balance

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<sup>1</sup> Commissioner Bragg did not rely on the existence of safeguard measures, or the imposition of antidumping duties as a result of previous rebar investigations, in reaching her negative determination.

they are not expected to be more significant than at the time of the original order. Finally, product shifting into low-value rebar from higher valued products, some of which enter the U.S. market on favorable terms compared to other import sources, does not appear likely. Thus, we conclude that the likely volume of subject imports within the region will not be significant.

Direct price-based competition between regional rebar production and rebar from Turkey is tempered by differences in geographical focus, product mix, and customer base, as well as “Buy American” limitations. In addition, recent regional price increases by producers and importers of rebar from Turkey suggest a reversal in the trend of low regional prices that has prevailed since 1999. The impact of the eight antidumping duty orders and the U.S. safeguard action, moreover, will continue to influence regional rebar prices for a reasonably foreseeable time. Thus, while we are mindful of underselling with the antidumping duty order in place, we find that revocation of the order is not likely to lead to significant regional price effects, in view of our conclusion that the likely volume of subject imports within the region will not be significant.

Further, the regional industry overall is performing more favorably. In the most recent periods, regional producers have increased sales, gained market share, and improved their aggregate financial performance. Regional producers have benefitted from long-term demand growth, declining costs, and consolidation and integration, in addition to antidumping duty orders on eight countries that were engaged in materially injurious dumping, and an additional global safeguard action against imports of rebar. When combined with the more recent increase in prices, it is clear that the regional industry is not vulnerable.

Finally, we have considered whether revocation of the subject order would be likely to lead to continuation or recurrence of material injury to producers of “all or almost all” of the production in the region. We have examined the performance of individual regional mills to look for anomalies, and concluded that, over the period of review, many regional producers, representing a large share of regional production, have been able to maintain a strong financial performance based on regional sales, irrespective of the overall financial performance of the regional industry. The strong performance of several of the largest mills in the region (particularly \*\*\*), suggests that revocation of the subject order would not be likely to lead to continuation or recurrence of material injury to producers of “all or almost all” of the production in the region.

## II. CONDITIONS OF COMPETITION

The following conditions of competition in the regional rebar market are relevant to our determination and develop with greater specificity points made in our overview.

Demand for rebar, which is used for reinforcing concrete, depends upon the overall level of construction activity in the United States. Major end uses include bridges, parking structures, highways, retaining walls, culverts, slabs, airport runways, and grain silos.<sup>2</sup> Larger-sized rebar (size 6 and greater) is used exclusively in heavy construction applications. In contrast, a “considerable portion” of smaller-sized rebar (sizes 3-5) is used in light construction applications (e.g., residences, swimming pools, patios, and walkways).<sup>3</sup>

Apparent consumption of rebar in both the Eastern Tier and the U.S. market as a whole has grown markedly since the mid-1990s, and most market participants feel that demand in general has

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<sup>2</sup> CR at II-7-8, PR at II-4-5.

<sup>3</sup> CR at I-19, PR at I-13.

increased, despite recent softening.<sup>4</sup> Three regional producers also provided demand forecasts indicating either flat demand in 2003 (in the case of \*\*\*) or decreasing demand (in the case of \*\*\*)<sup>5</sup>.

With respect to supply, the regional industry is undergoing significant restructuring. Since the original investigation, Nucor acquired Auburn Steel in 2001 and Birmingham Steel in 2002, while AmeriSteel's parent, Gerdau, merged with Co-Steel of Canada to create Gerdau AmeriSteel in 2002.<sup>6</sup> Overall, the number of companies producing rebar within the Eastern Tier has shrunk from eight (in addition to minor or bankrupt producers) to six, with three companies (Gerdau AmeriSteel, Nucor, and CMC) representing fully \*\*\* percent of 2001 reported regional production.<sup>7</sup> Despite increased regional capacity, capacity utilization has fluctuated in a generally upward trend between 77 percent and 84 percent for mills inside the region (compared to only 68-72 percent for mills outside the region).<sup>8</sup>

Imports of rebar from Turkey have diminished relative to the size of the regional market since the period examined in the original investigation, reflecting among other things the closure of two Turkish mills<sup>9</sup> and lower levels of unused capacity in Turkey.<sup>10</sup> Indeed, since the mid-1990s, both subject imports from Turkey and regional rebar production have supplied a reduced share of the Eastern Tier market, reaching low points in 1998 and 1999, respectively.<sup>11</sup> These trends reflect in large part the growing presence of nonsubject imports.<sup>12</sup> In mid-2001, however, the United States imposed antidumping duties on rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.<sup>13</sup> The eight antidumping duty orders cover countries that accounted for 68 percent of rebar imports into the region in 2000 (declining to 10 percent in 2001).<sup>14</sup> In March 2002, President Bush announced additional duties on rebar of 15 percent in 2002-2003; 12 percent in 2003-2004; and 9 percent in 2004-2005, as a result of a global safeguard action.<sup>15</sup> The safeguard action covers countries (including Turkey) that accounted for 70 percent of rebar imports into the region in 2001 (and 63 percent in January-September 2002).<sup>16</sup> Thus, the coverage of these two separate actions is substantial.

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<sup>4</sup> CR/PR at Tables I-1 and C-2 (Eastern Tier consumption increased by \*\*\* percent between 1996 and 2001 but was 4 percent lower in interim 2002 than in interim 2001) and Tables I-2 and C-1 (U.S. market consumption increased by 56 percent between 1996 and 2001 but was 3 percent lower in interim 2002 than in interim 2001).

<sup>5</sup> Domestic Interested Parties' Posthearing Brief at A-30.

<sup>6</sup> CR/PR at Table I-4. *See also* "Bigger bar players are leaving less pie for others," American Metal Markets, December 6, 2002.

<sup>7</sup> Gerdau AmeriSteel alone controls \*\*\* percent of regional production. CR/PR at Table I-4.

<sup>8</sup> CR/PR at Table III-1. At the Commission's hearing, one witness indicated that none of the consolidations had specifically discussed rationalization, but that some reduction in capacity was likely. Hearing transcript at 55-56 (testimony of Mr. Muhlhan).

<sup>9</sup> Respondent Interested Parties' Prehearing Brief at 2.

<sup>10</sup> Original Report (USITC Pub. 3034) at Table VII-2; CR/PR at Table IV-5.

<sup>11</sup> CR/PR at Tables I-1 and I-8. We note that recent increases in the share of the regional market accounted for by rebar from Turkey have not come at the expense of the regional industry. *Id.*

<sup>12</sup> CR/PR at Table I-8.

<sup>13</sup> CR at I-9, PR at I-7. *See also* Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final), USITC Pub. 3425, May 2001 *and* Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Invs. Nos. 731-TA-873-874, and 877-879 (Final), USITC Pub. 3440, July 2001.

<sup>14</sup> Official import statistics of the Department of Commerce.

<sup>15</sup> 67 Fed. Reg. 10553, 10589 (Mar. 7, 2002).

<sup>16</sup> Official import statistics of the Department of Commerce.

With respect to interchangeability, rebar is considered to be a commodity item. It is an unsophisticated product with limited but large volume applications, sold almost entirely to common industry specifications on the basis of price.<sup>17</sup> Nonetheless, there are both product and marketing distinctions between U.S. and Turkish rebar, as discussed below, which affect competition within the region and the likelihood of material injury within a reasonably foreseeable time.

First, Turkey continues to maintain a substantial presence in Puerto Rico, while U.S. producers (regional or otherwise) sell extremely limited volumes of rebar into Puerto Rico.<sup>18</sup> This is an important change in the competitive environment that prevailed at the time of the original investigation. During 1994-96, regional producers accounted for \*\*\* percent of the \*\*\* short tons of annual U.S. shipments to Puerto Rico.<sup>19</sup> In fact, regional producers shipped a greater volume of rebar to Puerto Rico in 1996 than they did to 15 of the 22 regional States and the District of Columbia.<sup>20</sup> The vast majority (\*\*\* percent in 1996) of U.S. shipments to the island were accounted for by \*\*\* (the rest were by \*\*\*).<sup>21</sup> In contrast, the record in this review indicates that regional producers reported \*\*\* tons of direct shipments to Puerto Rico in 1997, \*\*\* tons in 1998, and \*\*\* tons thereafter, volumes comparable only to the District of Columbia (\*\*\* tons in 1999 and \*\*\* tons in 2000).<sup>22 23</sup> The reason for this marked change is that the U.S. mill in \*\*\* no longer ships rebar to Puerto Rico.<sup>24</sup> In recent years, only \*\*\* shipped rebar from within the region directly to Puerto Rico (and not since \*\*\*).<sup>25 26</sup> Thus, while we find the technical requirements for employing a regional industry analysis are met in this review, we note that the extent of meaningful geographical overlap between subject imports and rebar produced by the regional mills has diminished even further since the original investigation, further reducing direct competition.

Second, subject imports of rebar are far more concentrated in the smaller size ranges (3-5) used for light construction applications (\*\*\* percent) than domestic rebar (just over \*\*\* percent). The difference in product mix is particularly pronounced for the smallest (size 3) rebar, a product which is

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<sup>17</sup> See, e.g., CR at I-14-15, PR at I-10-11 (ASTM standards); CR at II-10 and Table II-1, PR at II-6 and Table II-1 (most purchasers “always” or “frequently” base purchasing decisions on price; price is number one purchase factor for 12 of 18 responding purchasers); CR at I-18 generally, PR at I-13 generally.

<sup>18</sup> Compare CR/PR at Table E-9 with CR/PR at Table E-12.

<sup>19</sup> Original CR at III-19 (Table III-7).

<sup>20</sup> Original CR at III-19 (Table III-7).

<sup>21</sup> Original CR at III-18.

<sup>22</sup> CR/PR at Table E-9. Indeed, regional producers reported greater domestic shipment volumes to 19 States outside the region during 1997-2001 than to Puerto Rico. CR/PR at Table E-9.

<sup>23</sup> Moreover, unlike the 22 States and the District of Columbia, only Puerto Rico received more direct U.S. shipments from outside the region (\*\*\* tons) than from inside the region (\*\*\* tons) during 1997-2001. CR/PR at Tables E-9 and E-10.

<sup>24</sup> See, e.g., CR at D-4, PR at D-3 (describing \*\*\*’s market area as being “in the northeast.”).

<sup>25</sup> CR at III-10, PR at III-2.

<sup>26</sup> We note that CMC reported contacts in Puerto Rico, at least four marketing trips since 1997, and having arranged for the shipment of \*\*\* short tons during that time through an “export company” for Buy American jobs. Gerdau AmeriSteel submitted a spreadsheet indicating shipments of \*\*\* short tons during 2001-2002. Domestic Interested Parties’ Posthearing Brief at A-19-22, exhibits C and D. Consideration of these arrangements does not alter our view that competition between regional rebar and rebar from Turkey in Puerto Rico is highly attenuated and will continue to be so. See, e.g., Hearing transcript at 72 (“And we continue to keep track of the Puerto Rican market. It’s just the price level is so low that it -- you know, to put -- we’re always saying, if you want to put a \$40 bill on a ton of steel and ship it over there and sell it, you can do that; but, it doesn’t make economic sense, because it’s below our cost of production.”) (Testimony of Mr. Fritsch).

conservatively estimated to constitute \*\*\* percent of rebar imports from Turkey.<sup>27</sup> In contrast, size 3 rebar constitutes only \*\*\* percent of regional production, and most regional producers do not even produce the product.<sup>28</sup>

Third, approximately \*\*\* of domestic regional shipments are to end users, while more than \*\*\* of importers' regional sales of rebar from Turkey are to distributors.<sup>29</sup> Moreover, internal consumption and transfers to related firms (mostly fabricators) by regional producers are significant – in 2001, they were more than \*\*\* short tons (\*\*\* percent of regional mills' regional shipments), while their commercial sales within the region were just under \*\*\* short tons.<sup>30</sup> This is proportionately higher than during the original investigation, when only \*\*\* percent of U.S. producers' U.S. shipments within the region were internally consumed or transferred.<sup>31</sup> Although the nature and extent of the benefits of such relationships are not undisputed, we find on balance that the increasing degree of integration between major regional producers and regional fabricators (as opposed to sales, such as most Turkish imports, that reach fabricators indirectly through distributors) has established a more reliable and durable customer base for regional producers and diminishes the likely future level of subject imports, as well as the impact of direct competition between subject imports and the domestic like product sold within the region.<sup>32</sup>

Finally, "Buy American" provisions and related domestic sourcing requirements by customers are widespread in the regional market. Twenty-one of 25 purchasers reported that they buy domestic rebar as a result of legal or nonlegal domestic preferences, with 17 indicating that formal "Buy American" provisions apply to at least some of their purchases (for four of these companies, 65 percent or more of their purchases were covered by "Buy American" provisions).<sup>33</sup> We note that Domestic Interested Parties assert that "Buy American" provisions do not insulate domestic regional producers from price-based competition.<sup>34</sup> We agree that, when considered in isolation, the overall impact of such

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<sup>27</sup> Compare CR/PR at Table III-2 with CR/PR at Table IV-2. We consider the figure of \*\*\* percent to represent a conservative estimate because the reported data are understated, primarily with respect to imports into Puerto Rico. Compare Table E-11 to Table E-12. We note that smaller size rebar is prevalent in Puerto Rico. Hearing transcript at 95, 108, and 125 (testimony of Mr. Dalbeler).

<sup>28</sup> CR/PR at Table E-13. Seven of twelve responding regional mills manufacture no size 3 rebar, two produce only coiled size 3 rebar, and three produce straight size 3 rebar. Based on regional shipments by regional producers, the five regional producers whose product range includes straight or coiled size 3 rebar accounted for \*\*\* percent of within-region shipments in 2001. Compare CR/PR at Table E-2 with CR/PR at Table E-13.

<sup>29</sup> CR at II-1, PR at II-1.

<sup>30</sup> CR/PR at Table III-3.

<sup>31</sup> Original CR at II-1 n.1.

<sup>32</sup> According hearing testimony, "The Commercial Metals Group, our company, and Gerdau AmeriSteel are the only producers that have significant fabrication operations. Owning a fabrication operation does not insulate us from injury caused by dumped imports. Our rebar fabricating plants are independent profit centers. They pay the same price for their reinforcing bar as do (un)affiliated companies." (Hearing transcript at 15, testimony of Mr. Fritsch). Upon further questioning, it was determined that both CMC and Gerdau AmeriSteel's downstream fabricating operations can purchase from other suppliers. However, while CMC's fabricating divisions "do purchase foreign bar where it is necessary," Gerdau AmeriSteel's fabrication division does not. (Hearing transcript at 80-81, testimony of Mr. Fritsch and Mr. Muhlan).

<sup>33</sup> CR at II-11, PR at II-7.

<sup>34</sup> They contend that rebar from Turkey is concentrated in small sizes used for pool and patio applications, not government infrastructure projects; customers do not inform producers about the ultimate use of the purchased rebar; there are cost and public interest exemptions to "Buy American" transactions; and "Buy American" sales only  
(continued...)

restrictions is less certain, however, we find that such restrictions nonetheless likely will operate to diminish direct competition between regional production of rebar and rebar from Turkey.

We find that the foregoing conditions of competition provide an adequate basis upon which to assess the likely effects of revocation within a reasonably foreseeable time.

### **III. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON REBAR FROM TURKEY IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME**

For the reasons stated below, and in light of the preceding discussion regarding the conditions of competition in the regional market, we determine that revocation of the antidumping duty order on rebar from Turkey would not be likely to lead to continuation or recurrence of material injury to the regional industry within a reasonably foreseeable time.

#### **1. Likely Volume**

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>35</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>36</sup>

In the original determination, the Commission majority found the volume of subject imports to be significant, observing that the volume and market share of subject imports increased between 1994 and 1995, before declining in 1996 (virtually ceasing after August of that year). The regional market share of rebar from Turkey was 7.9 percent in 1994; 8.4 percent in 1995; and 5.2 percent in 1996, while regional U.S. producers held 85.5 percent; 85.9 percent; and 84.1 percent, respectively. The Commission majority reduced the weight it accorded to the period after the filing of the petition, and pointedly did not cite as significant the increase in the volume of subject imports.<sup>37</sup>

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<sup>34</sup> (...continued)

constitute a small portion of total sales. Domestic Interested Parties' Prehearing Brief at 9-12; hearing transcript at 16 (testimony of Mr. Fritsch). In response to a question posed at the hearing, however, the Domestic Interested Parties reported that 61.5 percent of U.S. rebar consumption in 1998 (the last year for which data are available) was for public works. Domestic Interested Parties' Posthearing Brief at A-31 citing the Concrete Reinforcing Steel Institute. Compare to the original investigation (64 percent of rebar sales were for use in “public works” (typically governed by “Buy American” provisions); purchasers prefer not to hold two separate sets of inventory). Original Report (USITC Pub. 3034) at II-1.

<sup>35</sup> 19 U.S.C. § 1675a(a)(2).

<sup>36</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>37</sup> Original Views (USITC Pub. 3034) at 28-29 and nn.178 and 181. The Commission majority acknowledged that market penetration by the subject imports was concentrated in smaller sizes and in Puerto Rico (approximately 60-80 percent of rebar imports from Turkey within the region were into Puerto Rico). *Id.* at 28 n.179.

The record indicates that since 1996 the volume of U.S. imports of rebar from Turkey into the Eastern Tier region has fluctuated, falling to 70,792 short tons in 1997; and to 8,968 and 32,082 short tons in 1998 and 1999, respectively. In 2000 and 2001, however, the regional volumes of U.S. imports of rebar from Turkey were 148,477 and 145,607 short tons, respectively.<sup>38</sup> Between 1997 and 1999, rebar from Turkey accounted for 2.7 percent, 0.3 percent, and 0.9 percent of regional consumption, respectively, then increased to 4.2 percent in 2000 and 4.1 percent in 2001.<sup>39</sup> In January-September 2002, regional rebar imports from Turkey reached 155,187 short tons, or 5.8 percent of the regional market.<sup>40</sup> For the reasons discussed below, we find that if the antidumping duty order on rebar from Turkey were revoked, any increase in the volume of such imports entering the Eastern Tier region likely would be moderate, but would not reach significant levels.

First, a substantial share of any increased exports from Turkey to the United States is likely to enter outside the Eastern Tier region. Between 1997 and 2001, U.S. imports of rebar from Turkey entering outside the Eastern Tier (almost exclusively through Houston/Galveston, Texas), grew far more rapidly than such imports entering within the Eastern Tier,<sup>41</sup> even though all such imports were subject to the subject antidumping duty order.<sup>42</sup>

Second, within the Eastern Tier, a substantial volume of rebar from Turkey is imported into Puerto Rico. Between 1997 and 2001, 44.3 percent of such within-region imports were into Puerto Rico, compared to 27.4 percent into the State of Florida and 28.3 percent into the remaining 21 States and the District of Columbia.<sup>43</sup> There is no indication that the concentration of subject imports into Puerto Rico will shift markedly, while the volume of shipments by regional mills into Puerto Rico has remained highly restricted. Despite the inclusion of Puerto Rico as part of the Eastern Tier region, competition between regional rebar production and rebar from Turkey is and likely will remain highly attenuated.

Third, regional mills benefit from both substantial sales to related fabricators and “Buy American” preferences, thus reducing to an extent the likely degree of direct competition between rebar from Turkey and regional rebar production. At the same time, subject imports from Turkey are likely to compete against imports of rebar from nonsubject countries. Indeed, we note that the increase in regional market share held by rebar from Turkey since 1999 has been entirely at the expense of imports from other sources, rather than the regional industry.<sup>44</sup> While such imports from other sources accounted for less than 4 percent of the regional market in 1994-95, they increased to 27.6 percent of the regional market in 1999 and still held 17.6 percent of the regional market as of January-September 2002.<sup>45</sup>

Our analysis of the rebar industry in Turkey also leads us to conclude that if the antidumping duty order on rebar from Turkey were revoked, any increase in the volume of such imports entering the Eastern Tier region likely would be moderate, but would not reach significant levels. The Turkish industry is operating at historically high levels of capacity utilization. Despite increasing capacity to 5.3 million short tons in 2001 from 4.7 million short tons in 1997, capacity utilization levels have fluctuated in a generally-upward trend between 78 percent and 89 percent.<sup>46</sup> In 2001 and January-September 2002,

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<sup>38</sup> CR/PR at Table I-1.

<sup>39</sup> CR/PR at Table I-1.

<sup>40</sup> CR/PR at Table C-2.

<sup>41</sup> CR/PR at Table E-12.

<sup>42</sup> Respondent Interested Parties’ Posthearing Brief at 10.

<sup>43</sup> CR/PR at Table E-12.

<sup>44</sup> CR/PR at Table C-2.

<sup>45</sup> CR/PR at Table C-2; Original Report (USITC Pub. 3034) at Table C-3.

<sup>46</sup> CR/PR at Table IV-5.

capacity utilization levels were 87.4 percent and 88.8 percent, respectively - markedly higher than during the period examined during the original investigation (75.7 - 82.3 percent).<sup>47</sup> Moreover, we note that the apparent increase in Turkish capacity does not reflect the reduction in capacity related to the relatively recent closure in 2000 of Ekinciler, which removed an estimated 700,000 tons of rebar capacity from the Turkish industry.<sup>48</sup> Based on the record in the original investigation, Ekinciler was one of the Turkish mills \*\*\*. In 1996, rebar accounted for \*\*\* percent of the Ekinciler's sales - \*\*\* among Turkish producers - and exports to the United States accounted for \*\*\* percent of the Ekinciler's total exports - \*\*\* among Turkish producers.<sup>49</sup> Finally, \*\*\* of the producers in Turkey reported plans for a permanent future expansion in capacity.<sup>50</sup> In light of the Turkish industry's high levels of capacity utilization, particularly following the closure of Ekinciler, we do not view apparent increases in capacity or existing unused capacity as likely to lead to a significant increase in subject imports into the U.S. regional market within a reasonably foreseeable time.

Inventories of rebar in Turkey have fluctuated markedly since 1997, from a low of 84,297 short tons in 1998 to more than 200,000 short tons in 1999, 2001, and January-September 2002.<sup>51</sup> As a ratio to production, inventories of rebar in Turkey peaked in 1999 at 5.4 percent and have fluctuated thereafter.<sup>52</sup> Relative to U.S. regional producers, Turkish producers maintained a lower ratio of inventories to production throughout 1997-2001 and in January-September 2002.<sup>53</sup> Moreover, in the United States, reported importer inventories of rebar from Turkey have been \*\*\* since 1997.<sup>54</sup> On balance, we view existing inventories in Turkey, including recent increases in the absolute level of such inventories, as generally consistent with overall production and sales levels, and not as an indicator of any likely significant increase in regional imports within a reasonably foreseeable time.

The existence of barriers to the importation of rebar from Turkey into countries other than the United States is an important consideration, since the Turkish rebar industry is export-oriented.<sup>55</sup> In late 1999, Egypt imposed an antidumping duty order on rebar from Turkey; Turkish volume, more than 240,000 metric tons in 1998, has since declined to zero. In March 2000, Canada imposed an antidumping duty order on rebar from Turkey; Turkish volume declined from 106,664 metric tons in 1998 to 73,505 metric tons in 2001, but then increased to 156,608 metric tons in 2002 (partial).<sup>56</sup> In 2003, however, Singapore revoked an antidumping duty order that had been in place since 1995. The volumes of Turkish

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<sup>47</sup> Compare CR/PR at Table IV-5 with Original Report (USITC Pub. 3034) at Table VII-2.

<sup>48</sup> See CR at IV-5, PR at IV-4, and hearing transcript at 113 (testimony of Mr. Dalbeler). In addition, we note that since the period examined in the original investigation, Izmir Metalurji Fabrikasi Turk A.S. has ceased all steel production. Respondent Interested Parties' Prehearing Brief at 2.

<sup>49</sup> CR at IV-5, PR at IV-4. Original CR at Table VII-1.

<sup>50</sup> CR at II-5, PR at II-3.

<sup>51</sup> CR/PR at Table IV-5.

<sup>52</sup> CR/PR at Table IV-5.

<sup>53</sup> U.S. regional mills held inventories equivalent to 7.8 - 9.2 percent of their production in 1997-2001, and 7.4 percent in January-September 2002. CR/PR at Table III-7. Turkish mills held inventories equivalent to 2.3 - 5.4 percent of their production in 1997-2001, and 4.8 percent in January-September 2002. CR/PR at Table IV-5.

<sup>54</sup> CR/PR at Table IV-4.

<sup>55</sup> See CR/PR at Table IV-5 (exports accounted for \*\*\* percent of total shipments by the Turkish rebar industry between 1997 and 2001). Exports to the United States are a relatively small share of the Turkish industry's total shipments, however, ranging from \*\*\* percent to \*\*\* percent between 1997 and 2001. CR/PR at Table IV-5.

<sup>56</sup> Canada currently is considering, but has not enacted, a safeguard measure on rebar similar to that of the United States. Because the Government of Canada has not taken any final action on this matter, we cannot consider the proposed safeguard measure as an import barrier.

rebar exported to Singapore (430,236 metric tons in 1994, and as much as 852,497 metric tons in 1997) were substantially greater than those exported to Egypt or Canada.<sup>57 58</sup> Thus, while barriers to the importation of the rebar from Turkey in other markets have shifted over time, on balance they are no more significant than at the time of the original order, and do lead us to conclude that a significant increase in imports into the region is likely.

Finally, we do not find there to be a significant potential for product shifting by the subject producers in favor of increased production of rebar. First, only two Turkish producers reported producing products other than rebar.<sup>59</sup> Second, there is no clear incentive to shift production into rebar from other products, since as noted above rebar is a low value product.<sup>60</sup>

Based on the record in this review, we conclude that any increase in the volume of subject imports likely would be moderate if the antidumping duty order on rebar from Turkey were revoked. On balance, we find that, in the absence of the antidumping duty order, the likely volume of rebar from Turkey, both in absolute terms and relative to production and consumption in the United States, would not be significant.

## 2. Likely Price Effects

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>61</sup>

In its original determination, the Commission majority found that imports of rebar from Turkey suppressed and depressed prices in the domestic regional market to a significant degree. They reasoned that price was an important factor in purchasing decisions for this commodity. They noted declining U.S. prices, mixed underselling (more pronounced for smaller sizes and in Puerto Rico), and late period price

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<sup>57</sup> Respondent Interested Parties' Posthearing Brief at Exhibit A; Domestic Interested Parties' Posthearing Brief at Exhibits A (pp. 9-15), L, and M; and Sailer letters of January 6, 2003, and February 5, 2003.

<sup>58</sup> We note that the EU instituted a provisional safeguard action effective March 28, 2002, on rebar, including such product from Turkey, imposing a duty of 14.9 percent on imports in excess of the established quota. The provisional action was terminated with respect to rebar, however, on January 27, 2003. Duties collected under the provisional safeguard are to be refunded, although monitoring is to continue. Memorandum INV-AA-013 (February 11, 2003).

<sup>59</sup> CR/PR at Table E-15.

<sup>60</sup> Domestic Interested Parties stress the potential for product shifting. Domestic Interested Parties' Posthearing Brief at A-28 (noting that rebar producers switch to wire rod with little re-tooling, and that the rebar market would become relatively more attractive in the absence of an antidumping duty order). The Domestic Interested Parties do not address adequately questions raised at the hearing about Turkey's relatively favorable position in U.S. wire rod and bar markets following recent trade actions, or the Turkish argument that there is no revenue incentive to switch from wire rod production to rebar. *See, e.g.*, hearing transcript at 90, 101-102, 131-132 (testimony of Mr. Sailer and Mr. Dalbeler).

<sup>61</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

increases that were insufficient to cover rising costs (prices increased in 1996 and further increases were announced in 1997).<sup>62</sup>

The record in this review indicates that domestic mills' regional rebar prices remained reasonably strong until late 1998.<sup>63</sup> Regional rebar prices then generally declined through the first quarter of 2001, stabilized at lower levels for several quarters, then dipped again in January-March 2002.<sup>64</sup> Over this time period, however, raw material costs also dropped substantially.<sup>65</sup> Since March 2002, however, domestic mills' regional rebar prices have risen markedly.<sup>66</sup> Regional price comparisons with Turkish rebar are sporadic, but with the order in place, within-region sales of rebar from Turkey were priced lower than within-region domestic sales in 15 of 22 quarterly comparisons.<sup>67</sup> Like domestic regional prices, Turkish regional prices generally have risen in 2002 and are significantly higher than at the end of 2001.<sup>68</sup>

We considered whether there is likely to be significant underselling by rebar from Turkey and whether such imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the regional price of rebar. As noted in the discussion of the market, rebar is, in general, an unspecialized commodity product, and price is an important consideration for purchasers. Further, in the regional market rebar from Turkey has been priced lower than domestic rebar, even with the antidumping duty order in place. In light of our conclusion that any increase in subject imports into the region likely would be moderate, we find that revocation of the antidumping duty order on rebar from Turkey likely would have some effect on the regional price of rebar, but that any effect would be limited, not only in the absence of a significant increase in subject import volume, but also for the reasons discussed below.

As noted in our discussion of the conditions of competition and the character of the subject import volume, rebar from Turkey traditionally has been most focused on smaller (including size 3) rebar and on sales to Puerto Rico. Indeed, we note that the prevalence of sales of rebar from Turkey into Puerto Rico is important, given the different pricing dynamic on the island. According to witness testimony, clients compare the price of Turkish rebar with the price of domestic rebar for mainland sales, but this is not the case for sales in Puerto Rico.<sup>69</sup> In contrast to U.S. importers of rebar from Turkey, regional rebar producers focus on sales of larger product - many do not even produce size 3 rebar - to mainland customers, a significant portion of which are related fabricators. Moreover, significant within-

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<sup>62</sup> Original Views (USITC Pub. 3034) at 29-32.

<sup>63</sup> CR/PR at Tables V-1, V-3, and V-5.

<sup>64</sup> CR/PR at Tables V-1, V-3, and V-5.

<sup>65</sup> CR/PR at Table III-10. Raw material costs for regional producers decreased from \$150/ton in 1997 to \$109/ton in 2001, and were \$115/ton in January-September 2002.

<sup>66</sup> For size 3 rebar, within-region domestic prices increased from \$263.03 per short ton in January-March 2002 to \$286.34 per short ton in July-September 2002. CR/PR at Table V-1. For size 4 rebar, within-region domestic prices increased from \$248.61 per short ton in January-March 2002 to \$267.38 per short ton in July-September 2002. CR/PR at Table V-3. For size 5 rebar, within-region domestic prices increased from \$243.68 per short ton in January-March 2002 to \$259.96 per short ton in July-September 2002. CR/PR at Table V-5.

<sup>67</sup> CR at V-6, PR at V-4.

<sup>68</sup> CR/PR at Tables V-1, V-3, and V-5.

<sup>69</sup> See hearing transcript at 118 (observing that in Puerto Rico Turkish rebar prices are not compared to prices from U.S. mills, rather they are compared to prices of rebar from Brazil or the Dominican Republic). (Testimony of Mr. Dalbeler).

region sales that are made by regional producers benefit from Buy American or other domestic sourcing preferences.<sup>70</sup>

Finally, as noted previously, in March 2002, President Bush announced a safeguard action on rebar, including rebar from Turkey.<sup>71</sup> This action, which followed the imposition of antidumping duty orders against unfairly traded rebar imports from eight countries, already has served to firm up prices in the regional rebar market and will continue to influence prices of rebar from Turkey for a reasonably foreseeable time.

Therefore, on the basis of the record in this review, we find that revocation of the antidumping duty order on rebar from Turkey would not be likely to lead to significant underselling by the subject imports or to significant price depression or suppression within a reasonably foreseeable time.

### 3. Likely Impact

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>72</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.<sup>73</sup> As instructed by the statute, we also have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order is revoked.<sup>74</sup>

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<sup>70</sup> CR/PR at Table III-2 (substantial shipments of larger-size rebar); CR/PR at Table E-13 (7 of 12 regional mills do not even produce size 3 rebar); CR/PR at Table E-9 (regional mills concentrate on the mainland, with substantial shipments not only to Florida but also to Alabama, Georgia, Massachusetts, Mississippi, North Carolina, Pennsylvania, Tennessee, and Virginia); CR/PR at Table III-3 (internal consumption and transfers to related firms constitute a significant portion of regional mills' Eastern Tier shipments); and CR at II-11, PR at II-7 (21 of 25 purchasers report that their purchasing decisions reflect "Buy American" or other domestic sourcing considerations). *See also* Original Report (USITC Pub. 3034) at II-1, II-4, and nn.16 and 17.

<sup>71</sup> 67 Fed. Reg. 10553, 10589 (Mar. 7, 2002). The safeguard action has resulted in additional duties on rebar of 15 percent in 2002-2003; 12 percent in 2003-2004; and 9 percent in 2004-2005.

<sup>72</sup> 19 U.S.C. § 1675a(a)(4).

<sup>73</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887. In the final results of its expedited sunset review of the antidumping duty order on rebar from Turkey, Commerce determined that revocation of the order would likely lead to a continuation or recurrence of dumping at weighted-average margins of 9.84 percent for Colakoglu, 18.68 percent for Ekinciler, 18.54 percent for Habas, 41.80 percent for Izmir Demir Celik Sanayi A.S., 30.16 percent for Izmir Metalurji Fabrikasi Turk A.S. and 16.06 percent for "all others." 67 Fed. Reg. 45457, 45458 (July 9, 2002). We note that both Ekinciler and Izmir Metalurji Fabrikasi Turk A.S. have ceased all steel production. Respondent Interested Parties' Prehearing Brief at 2.

<sup>74</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While

(continued...)

In the original determination, the Commission majority focused on the declining financial performance of the domestic regional industry in the face of expanding regional consumption. Regional producers' operating margins decreased from 3.9 percent in 1994 to 0.3 percent in 1996 (compared to nonregional producers which experienced an increase in operating margins from 6.3 percent to 8.9 percent). Regional producers closed regional rebar plants, filed for bankruptcy, and temporarily shut plants to work down high inventories.<sup>75</sup>

Since 1996, the end of the period examined in the original investigation, the regional industry's performance generally has improved, although irregularly. In terms of market share, regional mills continued to hold a substantial share of the regional market in 1997, but saw their market share fall from 78.9 percent in 1997 to 65.3 percent in 1999, before recovering to 67.0 percent in 2000, 70.0 percent in 2001, and to 71.5 percent in January-September 2002. Regional mills' capacity increased from \*\*\* million short tons in 1996 to 3.6 million short tons in 2001, an increase of \*\*\* percent. Regional mills' production and regional shipments likewise increased by \*\*\* percent and by \*\*\* percent, respectively, between 1996 and 2001. Capacity utilization declined between 1996 and 1999, but by 2000 had surpassed pre-investigation levels. Overall employment levels have declined, but productivity rates have soared. Average unit values for regional shipments were higher in 1997 and 1998 than in 1996, but decreased during 1999-2001 and into 2002. Unit costs, however, also declined markedly after 1996. Regional producers saw their operating margins increase in 1997 and 1998 to 8.9 percent and 10.2 percent, up from 0.3 percent in 1996, then decrease to 2.4 percent by 2000, before recovering to 5.2 percent in 2001 and 3.8 percent in interim 2002. Thus, regional operating margins were comparable to or higher than those throughout the period 1994-1996 for every period except the year 2000.<sup>76</sup> Based on the regional industry's recent overall performance, we do not find the regional industry to be vulnerable.<sup>77 78</sup>

As discussed in detail above, both ongoing and more recent developments in the regional market (including Puerto Rico) have increasingly limited the extent and nature of competition between rebar from Turkey and the domestic like product. In view of the combined effects of differences in product mix, geographical concentration, customer base, and "Buy American" restrictions, we do not view the likely volume of subject imports from Turkey into the Eastern Tier region or their likely price effects to be significant.

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<sup>74</sup> (...continued)

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

<sup>75</sup> Original Views (USITC Pub. 3034) at 32-33 and n.210.

<sup>76</sup> CR/PR at Tables I-1 and C-2.

<sup>77</sup> 19 U.S.C. § 1675a(a)(1)(C). See SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury and threat of material injury . . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

<sup>78</sup> We have taken into account whether any improvement in the state of the regional industry is related to the order. While the regional industry experienced some improvement, the record suggests that many factors influenced the state of the industry. Increasing demand (as measured by apparent regional consumption) and declining costs initially helped the regional industry's financial performance in 1997 and 1998. The regional industry's market share declined in 1998, while capacity utilization and unit sales values followed in 1999 and operating income margins in 1999-2000, as import volume from sources other than Turkey increased markedly. These trends have stabilized or reversed in recent years, however, reflecting generally lower costs and higher demand levels, the regional industry's own efforts to adjust through restructuring, the application of antidumping duty orders on rebar from eight countries, and the subsequent U.S. safeguard action on rebar.

Further, we have considered whether revocation of the subject order would be likely to lead to continuation or recurrence of material injury to producers of “all or almost all” of the production in the region. We have examined the performance of individual regional mills to look for anomalies, and concluded that, over the period of review, many regional producers, representing a large share of regional production, have been able to maintain a strong financial performance, based on sales within the region, irrespective of the overall financial performance of the regional industry. In 1997, seven of 11 regional mills, representing \*\*\* percent of regional mill sales, generated operating income margins in excess of 3.9 percent (the highest average operating income margin for the regional industry during the period examined in the original investigation).<sup>79</sup> In 1998, this figure was 9 mills representing \*\*\* percent regional mills sales; in 1999, 8 mills representing \*\*\* percent; in 2000, 4 mills representing \*\*\* percent; in 2001, 5 mills representing \*\*\* percent; and in January-September 2002, 5 mills representing \*\*\* percent.<sup>80</sup>

Our analysis of these data do not reveal anomalies; rather, we observe that the strongest performers within the region and the least strong performers have been fairly consistent (large producers \*\*\* fall into the former category, smaller producers \*\*\* fall into the latter category).<sup>81</sup> We note, however, that \*\*\*.<sup>82</sup>

Further, the performance of \*\*\* facility is particularly relevant because of its \*\*\* and because it is one of only five regional mills that actually produce the size 3 rebar that is so prevalent among imports of rebar from Turkey.<sup>83</sup> As discussed, imports of rebar into the Eastern Tier region are concentrated in Puerto Rico and, to a lesser extent, Florida.<sup>84</sup> There are no U.S. mills in Puerto Rico and only one U.S. mill in Florida – Gerdau AmeriSteel’s Jacksonville facility.<sup>85</sup> Since 1997, Gerdau AmeriSteel’s Jacksonville facility has not operated below \*\*\* percent capacity utilization.<sup>86</sup> Since 1997 Gerdau AmeriSteel’s Jacksonville facility has not reported operating margins below \*\*\* percent, ranking \*\*\* in the region in each year or partial year.<sup>87</sup>

In light of the continued strong performance of many regional mills, (particularly \*\*\*), our consideration of the issue of whether revocation of the order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury to “all or almost all” of the producers in the region supports our conclusions regarding likely volume, likely price effects, and likely impact.

Therefore, based on the record in this review, we conclude that revocation of the subject order would not likely lead to a significant increase in the volume of subject imports that would undersell

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<sup>79</sup> CR/PR at Table III-11 (individual mill performance) and CR/PR at Table I-1 (regional industry performance in 1994-96).

<sup>80</sup> CR/PR at Table III-11.

<sup>81</sup> CR/PR at Table III-11.

<sup>82</sup> CR at III-24 n.12, PR at III-5 n.12.

<sup>83</sup> CR/PR at Table E-13.

<sup>84</sup> Since 1994, regional imports of rebar from Turkey have been concentrated in Puerto Rico and Florida (\*\*\*) percent of reported regional shipments during 1994-96 and 71.7 percent of regional imports by port during 1997-2001). Original CR at IV-5 (Table IV-2) and CR/PR at Table E-12; *see also* Original Report (USITC Pub. 3034) at IV-3-4.

<sup>85</sup> CR/PR at Table I-4. This mill accounted for \*\*\* percent of regional production in 2001. CR at Table I-4. The State of Florida accounted for \*\*\* percent of regional mills’ within region shipments in 2001 and Puerto Rico for \*\*\*. CR/PR at Table E-9.

<sup>86</sup> CR/PR at Table E-1. The mill attained \*\*\* capacity utilization in three of the review years. CR/PR at Table E-1.

<sup>87</sup> CR/PR at Table III-11.

significantly the domestic like product or significantly suppress or depress U.S. prices. We also find that any volume and price effects of the subject imports would not likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. Any minimal effect on the industry's production, shipments, sales, market share, and revenues would not adversely impact the industry's profitability and ability to raise capital and maintain necessary capital investments.

Accordingly, based on the record in this review, we conclude that, if the subject order were revoked, subject imports would not be likely to have a significant adverse impact on the regional industry within a reasonably foreseeable time.

#### **IV. CONCLUSION**

For the foregoing reasons, we determine that revocation of the antidumping duty order on rebar from Turkey would not be likely to lead to continuation or recurrence of material injury to the regional industry within a reasonably foreseeable time.

## PART I: INTRODUCTION AND OVERVIEW

### BACKGROUND

On March 1, 2002, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted a review to determine whether revocation of the antidumping duty order on concrete reinforcing bar (rebar) from Turkey would likely lead to the continuation or recurrence of material injury to a domestic regional industry.<sup>1</sup> Effective June 12, 2002, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the review is provided in the following tabulation.<sup>2</sup>

Effective date	Action
April 17, 1997	Commerce's antidumping duty order (62 FR 18748)
March 1, 2002	Commission's institution of review (67 FR 9465)
June 4, 2002	Commission's decision to conduct a full review (67 FR 40965, June 14, 2002)
July 9, 2002	Commerce's final results of expedited review (67 FR 45457) <sup>1</sup>
September 3, 2002	Commission's scheduling of the review (67 FR 57628, September 11, 2002)
December 12, 2002	Commission's hearing <sup>2</sup>
February 12, 2003	Commission's vote
February 24, 2003	Commission's determination sent to Commerce

<sup>1</sup> Commerce's final results are presented in app. A.  
<sup>2</sup> App. B is a list of witnesses who appeared at the hearing.

### The Original Investigation

On March 8, 1996, a petition was filed with Commerce and the Commission alleging that a regional industry in the United States was materially injured by reason of dumped imports of rebar from Turkey.<sup>3</sup> On February 24, 1997, Commerce made a final affirmative dumping determination. Commerce's final revised weighted-average dumping margins (in percent) were: 9.84 percent for Colakoglu Metalurji A.S. (Colakoglu); 18.68 percent for Ekinciler Demir Celik A.S. (Ekinciler); 18.54 percent for Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas); 41.80 percent for Izmir Demir Celik Sanayi A.S. (IDC); 30.16 percent for Izmir Metalurji Fabrikasi Turk A.S. (Metas); and 16.06

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<sup>1</sup> For purposes of this review, and consistent with the Commission's findings in the original investigation, data are presented for an Eastern-tier region which comprises Puerto Rico, the District of Columbia, and 22 states: Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

<sup>2</sup> The Commission's notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address [www.usitc.gov](http://www.usitc.gov)). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site.

<sup>3</sup> The petition was filed by AmeriSteel Corp., Tampa, FL, and New Jersey Steel Corp., Sayreville, NJ.

percent for all other Turkish exporters/manufacturers.<sup>4</sup> The Commission made its final affirmative injury determination on April 9, 1997, and Commerce issued an antidumping duty order on April 17, 1997.

Tables I-1 and I-2 present a summary of data from the original investigation and from this review. Since the original investigation, the regional producers' share of regional consumption has declined as imports from countries other than Turkey have dramatically increased market share, surpassing the somewhat temporary decline in market share by imports from Turkey. U.S. regional producers' capacity utilization levels after 2000 exceeded levels reported during the original investigation.

**Table I-1**  
**Rebar: Eastern-tier region summary data from the original investigation and current review, 1994-2001**

(Quantity=1,000 short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year <sup>1</sup>							
	1994	1995	1996	1997	1998	1999	2000	2001
Eastern-tier U.S. consumption quantity: Amount	1,999,353	***	***	2,630,926	2,915,304	3,466,753	3,530,696	3,572,053
Producers' share: <sup>2</sup>	88.9	***	***	87.8	77.6	71.4	72.9	74.7
Importers' share: Turkey <sup>2</sup>	7.9	***	***	2.7	0.3	0.9	4.2	4.1
All other countries <sup>2</sup>	3.2	***	***	9.5	22.1	27.6	22.9	21.2
Total imports <sup>2</sup>	11.1	***	***	12.2	22.4	28.6	27.1	25.3
Eastern-tier U.S. consumption value: Amount	597,086	***	***	802,915	859,245	870,124	888,900	913,328
Producers' share: <sup>2</sup>	89.3	***	***	88.4	79.9	76.4	77.0	77.8
Importers' share: Turkey <sup>2</sup>	7.5	***	***	2.4	0.2	0.7	3.6	3.2
All other countries <sup>2</sup>	3.1	***	***	9.3	19.8	22.9	19.3	19.0
Total imports <sup>2</sup>	10.7	***	***	11.6	20.1	23.6	23.0	22.2
Eastern-tier U.S. imports from-- Turkey: <sup>3</sup>								
Quantity	157,926	159,275	110,867	70,792	8,968	32,082	148,477	145,607
Value	44,935	44,891	32,548	18,934	2,129	6,152	32,378	29,646
Unit value	\$288	\$282	\$294	\$267	\$237	\$192	\$218	\$204
All other countries: Quantity	64,721	51,355	147,972	251,166	645,444	958,440	808,234	756,796
Value	18,794	14,102	40,039	74,503	170,174	199,038	171,930	173,460
Unit value	\$290	\$275	\$271	\$297	\$264	\$208	\$213	\$229

See footnotes at end of the table.

<sup>4</sup> Commerce published revised final dumping margins for Habas (reduced from 19.15 to 18.54 percent) and "all others" (reduced from 16.25 to 16.06 percent) on April 7, 1997 (62 FR 16543).

Table I-1--Continued

Rebar: Eastern-tier region summary data from the original investigation and current review, 1994-2001

(Quantity=1,000 short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year <sup>1</sup>							
	1994	1995	1996	1997	1998	1999	2000	2001
Eastern-Tier U.S. imports from--(Cont.) All countries: Quantity	222,647	210,630	258,839	321,958	654,412	990,522	956,712	902,403
Value	63,729	58,993	72,587	93,437	172,304	205,190	204,308	203,107
Unit value	\$288	\$280	\$280	\$290	\$263	\$207	\$214	\$225
Non-Eastern-tier U.S. producers'-- U.S. shipments to region: Quantity	***	***	***	234,413	197,708	213,294	209,404	169,647
Value	***	***	***	70,471	56,918	52,404	54,117	43,644
Unit value	\$***	\$***	\$***	\$301	\$288	\$246	\$258	\$257
Eastern-tier U.S. producers'-- Capacity quantity	2,407,400	***	***	2,990,722	2,963,002	3,293,167	3,463,393	3,588,707
Production quantity	1,894,293	***	***	2,374,649	2,351,538	2,547,511	2,890,304	2,966,324
Capacity utilization <sup>2</sup>	78.7	***	***	79.4	79.4	77.4	83.5	82.7
U.S. shipments within the region: Quantity	***	***	***	2,074,555	2,063,184	2,262,937	2,364,580	2,500,002
Value	***	***	***	639,007	630,023	612,530	630,476	666,578
Unit value	\$***	\$***	\$***	\$308	\$305	\$271	\$267	\$267
U.S. shipments outside the region: Quantity	***	***	***	***	***	***	***	460,776
Value	***	***	***	***	***	***	***	123,892
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$269
Exports: Quantity	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity	121,650	***	***	184,685	215,027	206,811	265,900	222,014
Inventories/ U.S. shipments <sup>2</sup>	6.4	***	***	***	***	***	***	7.5

See footnotes at end of table.

Table I-1--Continued

Rebar: Eastern-tier region summary data from the original investigation and current review, 1994-2001

(Quantity=1,000 short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year <sup>1</sup>							
	1994	1995	1996	1997	1998	1999	2000	2001
Eastern-tier U.S. producers'--(Cont.)								
Production workers	1,809	***	***	1,579	1,600	1,686	1,748	1,757
Hours worked (1,000 hours)	3,725	***	***	3,601	3,696	4,082	4,140	4,158
Wages paid (1,000 dollars)	83,569	***	***	74,531	80,527	91,817	95,004	97,267
Hourly wages	\$22.43	\$***	\$***	\$20.69	\$21.79	\$22.49	\$22.95	\$23.39
Productivity (short tons per 1,000 hours)	388.1	***	***	659.4	636.2	624.1	698.2	713.5
Net sales:								
Quantity	1,826,022	1,774,715	1,930,083	2,321,665	2,327,716	2,534,663	2,704,623	2,970,228
Value	542,317	540,428	562,840	704,361	686,477	679,303	698,830	769,499
Unit value	\$297	\$305	\$292	\$303	\$295	\$268	\$258	\$259
Cost of goods sold (COGS)	500,651	498,379	536,735	607,870	587,817	601,235	650,064	690,835
Gross profit	41,666	42,049	26,105	96,491	98,660	78,068	48,766	78,664
Operating income	20,920	19,619	1,758	62,521	69,829	47,786	16,479	40,079
Unit COGS	\$274	\$281	\$278	\$262	\$253	\$237	\$240	\$233
Unit operating income	\$11	\$13	\$13	\$27	\$30	\$19	\$6	\$13
COGS/sales <sup>2</sup>	92.3	92.2	95.4	86.3	85.6	88.5	93.0	89.8
Operating income/sales <sup>2</sup>	3.9	3.6	0.3	8.9	10.2	7.0	2.4	5.2

<sup>1</sup> Financial data are on a fiscal-year basis.<sup>2</sup> In percent.<sup>3</sup> Data for Turkey for 1994-96 are for shipments of imports rather than imports, per se. All other import data presented are from official Commerce statistics.<sup>4</sup> Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Calculated data are based on unrounded numbers. Data for 1994-96 are derived from information presented in tables C-1, E-2, III-5, and III-6 of the staff report from the original investigation. Employment data for 1994-96 are incomplete because \*\*\* did not provide data. Also, SMI Steel (SC) acquired Owen Steel Co. in November 1994 and was unable to provide producer data for 1994; the firm was unable to provide financial data for 1994-96. As a result, apparent consumption, market penetration, and Eastern-tier producers' data (except financial) for 1994 are not comparable with such data for 1995 and 1996. Table C-3 of the original report (see revisions to staff report in original investigation contained in Memorandum INV-Y-028, March 26, 1997) contains summary data for the Eastern-tier region excluding SMI Steel (SC). Ratios for 1994-96 data are calculated using data from firms providing both the numerator and denominator. Accordingly, some ratios cannot be calculated from the total figures provided in this table.

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

Table I-2

Rebar: Summary data for the total U.S. market from the original investigation and current review, 1994-2001

(Quantity=1,000 short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year <sup>1</sup>							
	1994	1995	1996	1997	1998	1999	2000	2001
U.S. consumption quantity:								
Amount	4,466,561	4,553,657	5,253,361	6,395,588	6,778,126	7,788,993	7,835,091	8,189,780
Producers' share: <sup>2</sup>	92.6	89.5	88.8	89.0	81.9	76.5	78.7	78.5
Importer's share:								
Turkey <sup>2</sup>	4.5	5.1	2.6	1.3	0.1	0.5	2.4	2.6
All other countries <sup>2</sup>	2.8	5.4	8.6	9.7	18.0	23.0	18.9	18.8
Total imports <sup>2</sup>	7.4	10.5	11.2	11.0	18.1	23.5	21.3	21.5
U.S. consumption value:								
Amount	1,346,563	1,398,569	1,572,762	1,903,595	2,041,153	2,011,575	2,026,938	2,136,787
Producers' share: <sup>2</sup>	93.1	90.2	89.9	90.0	83.4	80.8	82.1	81.5
Importer's share:								
Turkey <sup>2</sup>	4.1	4.7	2.6	1.2	0.1	0.4	2.0	2.0
All other countries <sup>2</sup>	2.8	5.1	7.5	8.8	16.5	18.8	15.8	16.4
Total imports <sup>2</sup>	6.9	9.8	10.1	10.0	16.6	19.2	17.9	18.5
U.S. imports from--								
Turkey: <sup>3</sup>								
Quantity	202,463	232,779	138,445	83,699	8,993	41,969	190,687	214,688
Value	55,745	66,242	40,797	22,389	2,140	8,006	41,111	43,539
Unit value	\$289	\$285	\$295	\$267	\$238	\$191	\$216	\$203
All other countries:								
Quantity	126,468	246,685	450,800	617,604	1,220,201	1,790,639	1,479,142	1,543,521
Value	37,321	71,057	117,595	167,187	336,449	377,897	321,120	350,901
Unit value	\$295	\$288	\$261	\$271	\$276	\$211	\$217	\$227
All countries:								
Quantity	328,931	479,464	589,245	701,303	1,229,195	1,832,608	1,669,829	1,758,208
Value	93,066	137,299	158,392	189,576	338,589	385,903	362,231	394,440
Unit value	\$292	\$286	\$269	\$270	\$275	\$211	\$217	\$224
U.S. producers'--								
Production quantity	4,099,042	4,203,753	4,543,739	5,812,071	5,841,818	5,980,948	6,377,625	6,580,793
U.S. shipments:								
Quantity	4,137,630	4,074,193	4,664,116	5,694,285	5,548,932	5,956,385	6,165,262	6,431,571
Value	1,253,497	1,261,270	1,414,370	1,714,019	1,702,564	1,625,672	1,664,707	1,742,347
Unit value	\$303	\$310	\$303	\$301	\$307	\$273	\$270	\$271
Exports:								
Quantity	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***

See footnotes at end of table.

Table I-2--Continued

Rebar: Summary data for the total U.S. market from the original investigation and current review, 1994-2001

(Quantity=1,000 short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year <sup>1</sup>							
	1994	1995	1996	1997	1998	1999	2000	2001
U.S. producers'-- Ending inventory quantity	257,904	456,583	358,791	475,512	672,015	585,295	635,284	652,210
Inventories/U.S. shipments <sup>2</sup>	6.4	11.3	7.7	8.4	12.1	9.8	10.3	10.1
Production workers	2,813	3,034	3,182	5,081	5,066	5,153	5,178	4,916
Hours worked (1,000 hours)	5,913	5,658	6,502	11,014	11,144	11,233	11,362	10,713
Wages paid (\$1,000)	116,271	124,626	140,827	219,093	232,678	246,093	251,265	246,959
Hourly wages	\$19.66	\$22.03	\$21.66	\$19.89	\$20.88	\$21.91	\$22.12	\$23.05
Productivity (short tons per 1,000 hours)	439.0	476.0	439.0	527.7	524.2	532.4	561.3	614.3
Net sales: Quantity	3,942,498	3,747,990	4,047,532	5,811,036	5,698,439	6,025,017	6,244,417	6,482,591
Value	1,176,636	1,167,262	1,226,633	1,745,940	1,692,380	1,651,545	1,673,610	1,708,739
Unit value	\$298	\$311	\$303	\$300	\$297	\$274	\$268	\$264
Cost of goods sold (COGS)	1,062,070	1,034,244	1,106,138	1,566,630	1,479,265	1,444,682	1,519,658	1,530,655
Gross profit or (loss)	114,566	133,018	120,495	179,310	213,115	206,864	153,952	178,084
Operating income	61,184	77,665	61,004	86,784	126,598	120,487	58,353	75,824
Unit COGS	\$269	\$276	\$273	\$270	\$260	\$240	\$243	\$236
Unit operating income	\$16	\$21	\$15	\$15	\$22	\$20	\$9	\$12
COGS/sales <sup>2</sup>	90.3	88.6	90.2	89.7	87.4	87.5	90.8	89.6
Operating income/ sales <sup>2</sup>	5.2	6.7	5.0	5.0	7.5	7.3	3.5	4.4

<sup>1</sup> Financial data are on a fiscal year basis.

<sup>2</sup> In percent.

<sup>3</sup> Data for Turkey for 1994-96 are for shipments of imports rather than imports, per se. All other import data presented are from official Commerce statistics.

Note.--Because of rounding, figures may not add to the totals shown. Data for 1994-96 are derived from information presented in table C-2 of the staff report from the original investigation. Production and inventory data for 1994-96 are understated since they do not include data of \*\*\*. Employment data for 1994-96 are incomplete because \*\*\* did not provide data. Financial data for 1994-96 are unavailable for \*\*\*. Additionally, producer data for 1994 are understated inasmuch as data were not available for SMI Steel (SC). Calculated data are based on unrounded numbers. U.S. producers' capacity data for 1994-96 are unavailable; accordingly, no capacity data are shown in this table. Ratios for 1994-96 data are calculated using data from firms providing both the numerator and denominator. Accordingly, some ratios cannot be calculated from the total figures provided in this table.

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

## RELATED INVESTIGATIONS

The Commission has conducted four other antidumping investigations concerning steel concrete reinforcing bars. In March 1964, the U.S. Tariff Commission (TC) made an affirmative determination concerning less than fair value (LTFV) imports of steel reinforcing bars from Canada (investigation No.

AA1921-33).<sup>5</sup> In February 1970, the Commission made an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).<sup>6</sup> There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Commission made a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).<sup>7</sup> Finally, in May and July 2001, the Commission made affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.<sup>8</sup> During the preliminary phase of these investigations, the Commission concurrently examined allegedly LTFV sales of rebar from Austria, Japan, Russia, and Venezuela. The Commission made a negative determination regarding allegedly LTFV sales of imports from Japan and determined that imports from Austria, Russia, and Venezuela were negligible and accordingly terminated those investigations.<sup>9</sup>

## STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

*(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*

*(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*

*(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*

*(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*

*(D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption . . . .*

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<sup>5</sup> *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.

<sup>6</sup> *Steel Bars, Reinforcing Bars, and Shapes from Australia*, TC Pub. 314, February 1970.

<sup>7</sup> *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico*, TC Pub. 605, August 1973.

<sup>8</sup> *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, Invs. Nos. 731-TA-875, 880, and 882 (Final), USITC Pub. 3425, May 2001 (*Rebar From Indonesia, Poland, and Ukraine*) and *Certain Steel Concrete Reinforcing Bars From Belarus, China, Korea, Latvia, and Moldova*, Invs. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. 3440, July 2001. In these investigations, the Commission considered rebar in coils and in straight lengths for an industry in 30 states plus Puerto Rico and the District of Columbia.

<sup>9</sup> *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, Invs. Nos. 731-TA-872-883 (Preliminary), USITC Pub. 3343, August 2000.

*(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

*(A) any likely increase in production capacity or existing unused production capacity in the exporting country,*

*(B) existing inventories of the subject merchandise, or likely increases in inventories,*

*(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*

*(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.*

*(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--*

*(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and*

*(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

*(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--*

*(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*

*(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*

*(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.*

*The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.*

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Information obtained during the course of the review that relates to the above factors is presented throughout this report. A summary of data collected in the review is presented in appendix C. U.S. industry data are based on questionnaire responses of 6 firms operating 12 mills that accounted for virtually all of U.S. production of rebar in the Eastern-tier region during 2000; \*\*\* firms operating \*\*\* mills that accounted for about \*\*\* percent of U.S. production of rebar outside the Eastern-tier region during 2000; and \*\*\* mills that accounted for about \*\*\* percent of total production of rebar in the United States. U.S. import data are based on Department of Commerce official statistics.<sup>10</sup> Responses by U.S. producers, importers, and purchasers of rebar and producers of rebar in Turkey to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation are presented in appendix D. Company by company data for the U.S. industry producing rebar collected during this review are presented in appendix E.

### COMMERCE'S RESULTS OF EXPEDITED REVIEW

On July 9, 2002, Commerce found that revocation of the antidumping duty order on rebar from China would likely lead to continuation or recurrence of weighted-average dumping margins (in percent) as follows: Colakoglu, 9.84; Ekinciler, 18.68; Habas, 18.54; IDC, 41.80; Metas, 30.16; and all others, 16.06. Commerce has not issued a duty absorption determination with respect to this order.<sup>11</sup>

### COMMERCE'S ADMINISTRATIVE REVIEWS

Commerce has conducted three administrative reviews of the antidumping duty order on rebar from Turkey as shown in the following tabulation:

Period of review	Date results published	Margin (percent)
10/10/96-03/31/98 (Ekinciler) 10/10/96-07/31/98 (ICDAS) <sup>2</sup>	September 10, 1999 (64 FR 49150)	Ekinciler . . . . . 0.30 ICDAS . . . . . 9.67
04/01/99-03/31/00	November 7, 2001 (66 FR 56274), amended December 6, 2001 (66 FR 63364)	Colakoglu . . . . . 9.51 Ekinciler . . . . . 8.41 Diler . . . . . 0.00 ICDAS . . . . . 0.00
04/01/00-03/31/01	October 30, 2002 (67 FR 66110)	Colakoglu . . . . . 5.31 Ekinciler . . . . . 0.04 Habas . . . . . 0.27
<sup>1</sup> Margins less than 0.50 percent were considered <i>de minimis</i> and liquidated without regard to antidumping duties. <sup>2</sup> ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S.		

<sup>10</sup> Importers' questionnaire responses accounted for 72 percent of imports of rebar from Turkey in 2001 and 64 percent of total imports of rebar in that year. The questionnaire coverage in 2001 was the highest level attained during the reporting period. Questionnaire coverage for imports ranged as low as zero percent for imports from Turkey and 39 percent for imports from all sources in 1997.

<sup>11</sup> Commerce states it "has not conducted any duty-absorption investigation in this proceeding." Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Concrete Reinforcing Bar from Turkey, Final Results, from Jeffrey A. May to Joseph A. Spetrini, p. 2.

## THE SUBJECT PRODUCT

### Definition of the Subject Product

The imported product subject to the antidumping order under review, as defined by Commerce, is

all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes: (i) plain round rebar; (ii) rebar that a processor has further worked or fabricated; and (iii) all coated rebar. Deformed rebar is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) under subheadings 7213.10.00 and 7214.20.00.<sup>12</sup>

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.”

### U.S. Tariff Treatment

HTS subheading 7213.10.00 covers hot-rolled concrete reinforcing bars and rods, of iron or nonalloy steel, in irregularly wound coils. HTS subheading 7214.20.00 covers other (i.e., not in irregularly wound coils) concrete reinforcing bars and rods, of iron or nonalloy steel, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling. The 2003 general rate of duty for each of these subheadings is 0.5 percent *ad valorem*. There are several subheadings, delineated by steel composition, under HTS headings 7222 (products of stainless steel) and 7228 (of alloy steel) for bars and rods, whether or 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.

### 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 sizes 3 through 18 which are specified by American Society for Testing and Materials (ASTM) standards, although a size-20 rebar is also available.<sup>13</sup> These size numbers are about

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<sup>12</sup> “Stock” rebar is unfabricated or not further processed. “Deformed” refers to the pattern of uniformly shaped surface protrusions or ribs running across, and evenly spaced along, the length of a rebar. See 67 FR 45457, July 9, 2002. Commerce stated that although the HTS subheadings are provided for convenience and customs purposes, its written description of the scope is dispositive.

<sup>13</sup> A size-20 rebar (not specified by ASTM standards) is produced by \*\*\*. Producers’ questionnaire response.

eight times the nominal diameters<sup>14</sup> in inches (e.g., 3/8-inch rebar is designated as size 3 and 1-inch rebar is designated as size 8), although this relationship diverges somewhat for rebar size 9 and larger. Rebar is also available in metric sizes, with nominal diameters from 10 millimeters (mm) to 57 mm specified by ASTM standards. Grade is indicated by a number that is one-thousandth of the yield strength in pounds per square inch (psi). For example, grade 60, the most common grade across all rebar sizes in the United States,<sup>15</sup> indicates a yield strength of 60,000 psi.

Rebar is generally manufactured to conform with standards of the ASTM<sup>16</sup> 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.<sup>17</sup> Generally, deformed rebars of these various ASTM specifications are interchangeable except for use in seismic areas.<sup>18</sup>

Deformed and plain 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 are applicable throughout the Continental United States and in Puerto Rico.<sup>19</sup>

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<sup>14</sup> Nominal diameters of deformed rebar are equivalent to those of plain round bars of the same unit weight (mass) per foot (meter).

<sup>15</sup> \*\*\*, Concrete Reinforcing Steel Institute (CRSI), Schaumburg, IL, interview with USITC staff, November 25, 2002.

<sup>16</sup> The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. There are separate standards for rebar with dimensions and designations in English units (e.g., ASTM A615) versus SI (metric) units (e.g., ASTM 615M).

<sup>17</sup> Both deformed and plain rebar are most commonly rolled from nonalloy billet steel to the requirements of ASTM A615/A615M. Rebar can also be re-rolled from the head (top) portion slit from scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M deformed rebar of either rail or axle steel, A616/A616M deformed and plain rebar of rail steel, and A617/A617M deformed and plain rebar of axle steel). For special applications (e.g., in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M 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 SI-unit standard for deformed and plain rebar of stainless steel (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. Michael C. Gabriele, "Builders Taking Shine to Stainless Rebar," *American Metal Market*, August 3, 2000, p. 3.

<sup>18</sup> *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 732-TA-745 (Final), USITC Pub. 3034, April 1997 (*Rebar from Turkey*) p. I-4.

<sup>19</sup> \*\*\*, CRSI, interview with USITC staff, December 4, 2002.

## 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, non-integrated “mini-mills” produce rebar by melting 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. 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 the strands are completely solidified when withdrawn from the bottom of the caster. Lengths of continuous-cast 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,<sup>20</sup> or scrap railroad axles are heated to rolling temperature in a reheat furnace. The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. 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.<sup>21</sup> After the rolling process, rebar is cut to length, before being sent to the cooling bed. Coiled rebar is produced by steel mills with laying heads (coilers), which most mills producing straight-length rebar lack. Mills with laying heads usually also produce steel wire rod.

Most U.S. producers of rebar produce additional products using the same equipment, machinery, and production workers that are used to produce rebar. Some of the products other than rebar are wire rod, merchant or special quality (SBQ) bars (e.g., with round, square, rectangular, flat, or hexagonal cross sections), fence and sign posts, and bar-size (3 inches or less in diameter) steel sections (e.g., channels and angles) and shapes.

### 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.<sup>22</sup> Coiled

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<sup>20</sup> For re-rolling rebar (or other bars or shapes) from scrapped nonalloy steel rails, the head (top) portion is slit from the web (middle) and foot (bottom) portions of the reheated rail. The slit head portion is used for rebar production whereas the web and foot portions can be re-rolled into other steel mill products including channels, angles, and flats.

<sup>21</sup> When rolling plain-round rebar, with uniformly smooth surfaces rather than with deformations, smooth-grooved rolls are substituted in the final finishing stand.

<sup>22</sup> 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.

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 manually bent 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.<sup>23</sup> Welded wire reinforcement (e.g., wire mesh, mat, or fabric) is substitutable for deformed rebar in certain applications, such as structural reinforcement of 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-strength deformed steel bars are prepared specifically for pre-stressing concrete rather than structural reinforcement. Substitute products for rebar are also discussed in Part II of this report.

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.<sup>24</sup> The extent of interchangeability between domestic products, subject imports, and nonsubject imports are examined further in Part II of this report.

A particular size or length may be generally recognized as most economically and technically efficient for a particular application. However, from a strictly technical standpoint, a certain degree of flexibility is 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.<sup>25</sup>

Differing rebar sizes and lengths tend to predominate in different end uses. A considerable portion of small rebar (sizes 3-5) is applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). Heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) utilize all sizes and lengths, but the larger sizes (sizes 6 and above) and longer (e.g., 60 foot) lengths are exclusively used in heavy construction applications.<sup>26</sup>

### Channels of Distribution

Table I-3 presents data on channels of distribution for U.S. producers' and importers' shipments of rebar collected during this review. Most producers' shipments (about two-thirds) were to firms that were either exclusively end users or end users that also distribute, whereas about one-third of producers' shipments went to firms that were exclusively distributors. However, most importers' shipments were to distributors (generally \*\*\* percent or more for imports from Turkey and about \*\*\* percent or more for

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<sup>23</sup> Coiled rebar with nominal diameters up to 7/8 inch is produced by \*\*\*. Producers' questionnaire response. However, it is generally 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. *Rebar from Indonesia, Poland, and Ukraine*, p. I-9.

<sup>24</sup> Producers', importers', and foreign producers'/exporters' questionnaire responses; and *Rebar from Indonesia, Poland, and Ukraine*, p. I-10.

<sup>25</sup> Producers' and importers' questionnaire responses; and *Rebar from Indonesia, Poland, and Ukraine*, p. I-10.

<sup>26</sup> Producers' and importers' questionnaire responses.

**Table I-3**

**Rebar: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments of rebar, 1997-2001**

\* \* \* \* \*

imports from other sources). Channels of distribution for domestic producers' and importers' shipments are also discussed in Part II of this report.

### **Customer and Producer Perceptions**

Rebar is highly fungible because it virtually always meets common ASTM product-quality standards and specifications. Consideration of "Buy American"-type provisions on sales and purchases of domestic versus imported rebar are presented in Part II of this report.

### **Price**

Rebar is traditionally priced in dollars per hundredweight (dollars per 100 pounds) or dollars per net (short) ton. Pricing practices and prices received for three specific rebar products in response to Commission questionnaires are presented in Part V of this report.

## **DOMESTIC LIKE PRODUCT ISSUES**

In both its preliminary and final determinations in the original investigation, the Commission found that there was one domestic like product, coextensive with the scope of the investigation defined by Commerce as: "all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all coated rebar."<sup>27</sup> In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of this review, only counsel for respondents provided comments: "Respondents agree with the definitions of domestic like product and domestic industry contained in the March 1, 2002, *Federal Register* notice."<sup>28</sup> There were no comments at the hearing or in the prehearing or posthearing briefs in this review on the issue of domestic like product.

## **U.S. MARKET PARTICIPANTS**

### **U.S. Producers**

Tables I-4 and I-5 present information on the producers inside and outside the Eastern-tier region, respectively. \*\*\*.

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<sup>27</sup> In the final phase of the original investigation, petitioners proposed finding two domestic like product categories based on size, stating that "the domestic product category most 'like' the imported subject merchandise is small bar," while respondents continued to support the Commission's definition in the preliminary investigation of one like product. *Rebar from Turkey*, pp. 4-6.

<sup>28</sup> Written submission of counsel for respondents, April 22, 2002.

Table I-4

Rebar: U.S. producers with mills inside the Eastern-tier region, their position on continuing the antidumping duty order, their shares of regional and national U.S. production reported in 2001, by mill, their U.S. production locations inside the region, and their parent companies

Firm	Position on continuing the antidumping duty order	Production location(s)	Share of regional/national production (percent)	Parent company and country
CMC (SMI)-Steel Group	Party to review	Cayce, SC	***	Commercial Metals Co. (U.S.)
Connecticut Steel Corp.	***	Wallingford, CT	***	Connecticut Steel Corp. (U.S.)
Gerdau AmeriSteel Corp. (AmeriSteel <sup>1</sup> )	Party to review	Charlotte, NC Jackson, TN Jacksonville, FL Knoxville, TN	*** *** *** ***	Gerdau S.A. (Brazil)
Gerdau AmeriSteel Corp. (Co-Steel <sup>1</sup> )	Party to review	Perth Amboy (Raritan), NJ Sayreville, NJ	*** ***	
Istil USA Milton, Inc. <sup>2</sup>	***	Milton, PA	***	International Steel & Tube Industries, Ltd. (UK)
Nucor Corp.	Party to review	Auburn, NY <sup>3</sup> Darlington, SC	*** ***	Nucor Corp. (U.S.)
Nucor Corp. (Birmingham <sup>4</sup> )	Party to review	Birmingham, AL Jackson, MS	*** ***	
Riverview Steel Corp. <sup>5</sup>	***	Glassport, PA	***	Riverview Steel Corp. (U.S.)
Universal Stainless and Alloy Products	***	Bridgeville, PA Dunkirk, NY <sup>6</sup>	***	Universal Stainless & Alloy Products Inc. (U.S.)

<sup>1</sup> Co-Steel, Inc. and Gerdau S.A. announced completion of their merger as Gerdau AmeriSteel on October 23, 2002. "Co-Steel and Gerdau Close Merger Transaction," AISE Steel News Headlines, October 23, 2002, found at Internet site [http://www.steelnews.com/north\\_american/oct02/oct63.htm](http://www.steelnews.com/north_american/oct02/oct63.htm), retrieved October 24, 2002. Ownership of AmeriSteel and Co-Steel mills confirmed by counsel for petitioners, written correspondence from \*\*\*.

<sup>2</sup> Istil USA Milton's mill, previously not operating since December 1998 and acquired in July 2000 by International Steel & Tube Industries, is currently in a pre-startup phase. "Rebar Rolling Mill ISTIL (USA) Milton, Inc.," found at Internet site <http://www.istil.com.ua/istilusa.html>, retrieved January 31, 2003.

<sup>3</sup> Nucor Corp. acquired Auburn Steel Co's. Auburn division in April 2001. "Nucor Steel Auburn, Inc.," found at Internet site <http://www.austeel.com/NUCOR.WEB/main.htm>, retrieved October 24, 2002.

<sup>4</sup> Nucor Corp. announced completing its acquisition of Birmingham Steel Corp. on December 9, 2002. "Nucor Rolls Birmingham Into Fold with Purchase," *American Metal Market*, December 10, 2002, found at Internet site <http://www.amm.com/subscribe/2002/dec/week2/1210st03.htm>, retrieved December 11, 2002.

<sup>5</sup> Riverview Steel Corp. has been shut down since August 2000. "Rep. Doyle and the Steel Caucus Call for Steel Dumping Relief," press release, Rep. Michael Doyle (PA-18), found at Internet site <http://www.house.gov/doyle/newsrel/pr010525a.htm>, retrieved January 31, 2003.

<sup>6</sup> The former Empire Specialty Steel mill, closed June 29, 2001, was reopened following the February 16, 2002, announcement of its sale to an affiliate of Universal Stainless. "Governor: Steel Plant in Dunkirk to Reopen Immediately, Plant to Reopen as Dunkirk Specialty Steel; 100 workers to be Hired, More Jobs to Come," press release, found at Internet site [http://www.empire.state.ny.us/press/press\\_display.asp?id=160](http://www.empire.state.ny.us/press/press_display.asp?id=160), retrieved January 31, 2003; and "Universal Stainless Acquires Empire Specialty Assets" AISE Steelnews.com, found at Internet site [http://www.steelnews.org/north\\_america/feb02/universal.htm](http://www.steelnews.org/north_america/feb02/universal.htm), retrieved January 31, 2003. \*\*\*. Email from \*\*\*.

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

Table I-5

Rebar: U.S. producers with mills outside the Eastern-tier region, their position on continuing the antidumping duty order, their shares of reported outside-of-region and national U.S. production in 2001, by mill, their U.S. production locations outside the region, and their parent companies

Firm	Position on continuing the antidumping duty order	Production location(s)	Share of outside-of-region/national production (percent)	Parent company and country
AB Steel Mill, Inc.	***	Cincinnati, OH	***	AB Steel Mill, Inc. (U.S.)
Border Steel, Inc. <sup>1</sup>	***	El Paso, TX	***	BSRM Holdings, Inc. (U.S.)
Cascade Steel Rolling Mill, Inc.	***	McMinnville, OR	***	Schnitzer Steel Industries, Inc. (U.S.)
CMC (SMI)-Steel Group	Party to review	Magnolia, AR Seguin, TX	*** ***	Commercial Metals Co. (U.S.)
Marion Steel Co.	***	Marion, OH	***	Marion Steel Co. (U.S.)
North Star Steel, Inc.	***	Kingman, AZ St. Paul, MN Vidor, TX Wilton, IA	*** *** *** ***	Cargill, Inc. (U.S.)
Nucor Corp.	Party to review	Jewett, TX Plymouth, UT	*** ***	Nucor Corp. (U.S.)
Nucor Corp. (Birmingham <sup>2</sup> )	Party to review	Kankakee, IL Seattle, WA	*** ***	
Oregon Steel Mills, Inc.	***	Pueblo, CO	***	Oregon Steel Mills, Inc. (U.S.)
Sheffield Steel Corp.	***	Sand Springs, OK	***	Sheffield Steel Corp. (U.S.)
Slater Steel Corp.	***	Fort Wayne, IN Lemont, IL <sup>3</sup>	***	***
TAMCO	***	Rancho Cucamonga, CA	***	Ameron International, Corp. (U.S.): ***%; Tokyo Steel Mfg. Co. Ltd. (Japan): ***%; Mitsui & Co. USA, Inc. (U.S.): ***%; Mitsui & Co., Ltd. (Japan): ***%
TXI-Chaparral Steel Co.	***	Midlothian, TX	***	Texas Industries, Inc. (U.S.)

<sup>1</sup> Border Steel, a small producer of rebar, \*\*\*.

<sup>2</sup> Nucor Corp. announced completing its acquisition of Birmingham Steel Corp. on December 9, 2002. "Nucor Rolls Birmingham Into Fold with Purchase," *American Metal Market*, December 10, 2002, found at Internet site <http://www.amm.com/subscrib/2002/dec/week2/1210st03.htm>, retrieved December 11, 2002.

<sup>3</sup> Slater Steel has recommissioned the Lemont rolling mill, acquired from the former Auburn Steel Co. and idled since February 2001, with plans to launch rolling trials on various sizes and shapes of specialty steel products beginning in early 2003. "Slater Steel Starting Up Lemont Rolling Mill," *American Metal Market*, December 23, 2002, found at Internet site <http://www.amm.com/subscrib/2002/dec/week4/1223st07.htm>, retrieved December 27, 2002. \*\*\*.

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

## U.S. Importers

Twenty-one U.S. importers provided data in response to the Commission's questionnaires. Two major importers, \*\*\*, accounted for \*\*\* percent of reported imports of rebar from Turkey in 2001. Three major importers, \*\*\*, accounted for \*\*\* percent of total reported imports of rebar in 2001. Another \*\*\* percent each were accounted for by \*\*\*.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Tables I-6 and I-7 present apparent U.S. consumption for the review period and tables I-8 through I-10 present U.S. market shares. Regional apparent consumption climbed steadily during 1997-2001, then declined between the interim periods. Regional producers' share of regional consumption declined to a low of 65 percent in 1999, then increased steadily throughout the review period. The share of imports from Turkey reached a low in 1998, then increased steadily for the rest of the period. The share of imports from other sources doubled from 1997 to 1998, reaching a peak in 1999, then declining steadily with the filing of a petition against such imports in 2000.

Table I-6

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
Quantity ( <i>short tons</i> )							
Inside the region:							
Shipments by regional producers within the region	2,074,555	2,063,184	2,262,937	2,364,580	2,500,002	1,990,300	1,917,532
Shipments by non-regional producers into the region	234,413	197,708	213,294	209,404	169,647	124,557	136,335
U.S. imports into the region from--							
Turkey	70,792	8,968	32,082	148,477	145,607	93,807	155,187
All other	251,166	645,444	958,440	808,234	756,796	569,927	471,137
Total U.S. imports	321,958	654,412	990,522	956,712	902,403	663,733	626,324
Apparent consumption	2,630,926	2,915,304	3,466,753	3,530,696	3,572,053	2,778,590	2,680,191
Outside the region:							
Shipments by regional producers outside the region	***	***	***	***	460,776	335,491	368,867
Shipments by non-regional producers outside the region	***	***	***	***	3,301,146	2,528,167	2,634,548
U.S. imports outside the region from--							
Turkey	12,908	25	9,887	42,210	69,080	58,819	56,922
All other	366,438	574,757	832,199	670,908	786,725	654,747	455,873
Total U.S. imports	379,346	574,782	842,086	713,117	855,805	713,565	512,795
Apparent consumption	3,764,663	3,862,822	4,322,240	4,304,396	4,617,727	3,577,224	3,516,210

Continued on next page.

Table I-6--Continued

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Value (\$1,000)</b>							
Inside the region:							
Shipments by regional producers within the region	639,007	630,023	612,530	630,476	666,578	517,995	493,216
Shipments by non-regional producers into the region	70,471	56,918	52,404	54,117	43,644	32,489	32,010
U.S. imports into the region from--							
Turkey	18,934	2,129	6,152	32,378	29,646	19,390	33,684
All other	74,503	170,174	199,038	171,930	173,460	132,544	103,371
Total U.S. imports	93,437	172,304	205,190	204,308	203,107	151,933	137,055
Apparent consumption	802,915	859,245	870,124	888,900	913,328	702,417	662,281
Outside the region:							
Shipments by regional producers outside the region	***	***	***	***	123,892	90,458	96,338
Shipments by non-regional producers outside the region	***	***	***	***	908,233	695,988	664,697
U.S. imports outside the region from--							
Turkey	3,455	10	1,854	8,733	13,893	11,849	12,793
All other	92,685	166,274	178,859	149,190	177,440	148,294	102,216
Total U.S. imports	96,140	166,285	180,713	157,923	191,333	160,143	115,009
Apparent consumption	1,100,680	1,181,908	1,141,451	1,138,038	1,223,458	946,589	876,045
Note.--Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.							

Table I-7

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, total United States, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>						
Shipments by regional producers	***	***	***	***	2,960,778	2,325,791	2,286,399
Shipments by non-regional producers	***	***	***	***	3,470,793	2,652,724	2,770,883
U.S. imports from--							
Turkey	83,699	8,993	41,969	190,687	214,688	152,626	212,109
All other	617,604	1,220,201	1,790,639	1,479,142	1,543,521	1,224,673	927,010
Total U.S. imports	701,303	1,229,195	1,832,608	1,669,829	1,758,208	1,377,299	1,139,119
Apparent consumption	6,395,588	6,778,126	7,788,993	7,835,091	8,189,780	6,355,813	6,196,401
	<b>Value (\$1,000)</b>						
Shipments by regional producers	***	***	***	***	790,470	608,453	589,554
Shipments by non-regional producers	***	***	***	***	951,877	728,477	696,708
U.S. imports from--							
Turkey	22,389	2,140	8,006	41,111	43,539	31,239	46,477
All other	167,187	336,449	377,897	321,120	350,901	280,837	205,587
Total U.S. imports	189,576	338,589	385,903	362,231	394,440	312,076	252,064
Apparent consumption	1,903,595	2,041,153	2,011,575	2,026,938	2,136,787	1,649,006	1,538,326
Note.--Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.							

Table I-8

Rebar: Apparent consumption and market shares within the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Apparent consumption	2,630,926	2,915,304	3,466,753	3,530,696	3,572,053	2,778,590	2,680,191
<b>Value (\$1,000)</b>							
Apparent consumption	802,915	859,245	870,124	888,900	913,328	702,417	662,281
<b>Share of quantity (percent)</b>							
Shipments by regional producers within the region	78.9	70.8	65.3	67.0	70.0	71.6	71.5
Shipments by non-regional producers into the region	8.9	6.8	6.2	5.9	4.7	4.5	5.1
U.S. imports into the region from--							
Turkey	2.7	0.3	0.9	4.2	4.1	3.4	5.8
All other	9.5	22.1	27.6	22.9	21.2	20.5	17.6
Total U.S. imports	12.2	22.4	28.6	27.1	25.3	23.9	23.4
<b>Share of value (percent)</b>							
Shipments by regional producers within the region	79.6	73.3	70.4	70.9	73.0	73.7	74.5
Shipments by non-regional producers into the region	8.8	6.6	6.0	6.1	4.8	4.6	4.8
U.S. imports into the region from--							
Turkey	2.4	0.2	0.7	3.6	3.2	2.8	5.1
All other	9.3	19.8	22.9	19.3	19.0	18.9	15.6
Total U.S. imports	11.6	20.1	23.6	23.0	22.2	21.6	20.7
Note.--Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.							

Table I-9

Rebar: Apparent consumption and market shares outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Apparent consumption	3,764,663	3,862,822	4,322,240	4,304,396	4,617,727	3,577,224	3,516,210
<b>Value (\$1,000)</b>							
Apparent consumption	1,100,680	1,181,908	1,141,451	1,138,038	1,223,458	946,589	876,045
<b>Share of quantity (percent)</b>							
Shipments by regional producers outside the region	***	***	***	***	10.0	9.4	10.5
Shipments by non-regional producers outside the region	***	***	***	***	71.5	70.7	74.9
U.S. imports outside the region from--							
Turkey	0.3	( <sup>1</sup> )	0.2	1.0	1.5	1.6	1.6
All other	9.7	14.9	19.3	15.6	17.0	18.3	13.0
Total U.S. imports	10.1	14.9	19.5	16.6	18.5	19.9	14.6
<b>Share of value (percent)</b>							
Shipments by regional producers outside the region	***	***	***	***	10.1	9.6	11.0
Shipments by non-regional producers outside the region	***	***	***	***	74.2	73.5	75.9
U.S. imports outside the region from--							
Turkey	0.3	( <sup>1</sup> )	0.2	0.8	1.1	1.3	1.5
All other	8.4	14.1	15.7	13.1	14.5	15.7	11.7
Total U.S. imports	8.7	14.1	15.8	13.9	15.6	16.9	13.1
<sup>1</sup> Less than 0.05 percent.							
Note.—Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.							

Table I-10

Rebar: Apparent consumption and market shares for the total United States, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Apparent consumption	6,395,588	6,778,126	7,788,993	7,835,091	8,189,780	6,355,813	6,196,401
<b>Value (\$1,000)</b>							
Apparent consumption	1,903,595	2,041,153	2,011,575	2,026,938	2,136,787	1,649,006	1,538,326
<b>Share of quantity (percent)</b>							
Shipments by regional producers	***	***	***	***	36.2	36.6	36.9
Shipments by non-regional producers	***	***	***	***	42.4	41.7	44.7
U.S. imports from--							
Turkey	1.3	0.1	0.5	2.4	2.6	2.4	3.4
All other	9.7	18.0	23.0	18.9	18.8	19.3	15.0
Total U.S. imports	11.0	18.1	23.5	21.3	21.5	21.7	18.4
<b>Share of value (percent)</b>							
Shipments by regional producers	***	***	***	***	37.0	36.9	38.3
Shipments by non-regional producers	***	***	***	***	44.5	44.2	45.3
U.S. imports from--							
Turkey	1.2	0.1	0.4	2.0	2.0	1.9	3.0
All other	8.8	16.5	18.8	15.8	16.4	17.0	13.4
Total U.S. imports	10.0	16.6	19.2	17.9	18.5	18.9	16.4
Note.--Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.							

## REGIONAL INDUSTRY CRITERIA

The following tabulation presents data necessary for the Commission to make a determination regarding the appropriateness of a regional industry analysis in this review.

Item	1997	1998	1999	2000	2001
Percent of regional U.S. producers' U.S. shipments within the region	***	***	***	***	84.4
Percent of regional demand supplied by U.S. producers outside the region	8.9	6.8	6.2	5.9	4.7
Ratio of subject imports to consumption within the region	2.7	0.3	0.9	4.2	4.1
Ratio of subject imports to consumption outside the region	0.3	(1)	0.2	1.0	1.5
Ratio of subject imports within the region to total subject imports	84.6	99.7	76.4	77.9	67.8
<sup>1</sup> Less than 0.05 percent. Source: See tables C-1, C-2, and C-3.					

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

### **INTRODUCTION**

Since all rebar is used in concrete reinforcement, the U.S. market for this product is closely tied to the level of construction activity. While opinions among questionnaire respondents differ on whether this market is cyclical, it is generally agreed that construction in the United States and the overall demand for rebar depends upon the aggregate economy.

### **CHANNELS OF DISTRIBUTION**

U.S.-produced rebar and imports from Turkey are generally sold to the same customer categories, but in markedly different proportions.<sup>1</sup> Producers<sup>2</sup> and importers were asked to estimate the percentages of their sales that went to steel distributors, steel service centers, reinforcing steel fabricators, contractors, and other customer categories during 2001 both for the entire United States and for the specified region. The majority of producers and importers were able to make usable estimates. For the entire United States, \*\*\* percent of U.S. producer sales went to steel fabricators, \*\*\* percent went to distributors, and the rest were divided among the other customer categories during 2001. For importers of rebar from Turkey, over \*\*\* percent of sales in the entire United States went to distributors, nearly \*\*\* percent went to contractors, and the rest were divided among other groups. Within the region, \*\*\* percent of producer shipments went to steel fabricators and \*\*\* percent went to distributors, with the remainder divided among other customer groups. For importers of Turkey-produced rebar, nearly \*\*\* percent of sales within the region went to distributors, with \*\*\* amounts going to the other groups.

### **MARKET STRUCTURE**

Although certain factors, such as a high degree of industry concentration, moderately high transportation costs, and other factors such as “Buy American” provisions may limit competition as discussed later in this section, overall evidence shows that the industry is fairly competitive. While the four largest U.S. producers of rebar inside the region accounted for over \*\*\* percent of the quantity of rebar consumed inside the region during the period reviewed, and the four largest producers outside of the region accounted for nearly \*\*\* percent of rebar consumed outside of the region, rebar is also supplied by other smaller U.S. producers and importers of this product from Turkey and many other countries. In addition, responses from purchaser questionnaires show that most buyers contact two or more potential suppliers before making purchases. Purchaser questionnaires also show that price is the primary factor in purchasing decisions as discussed later in this section.

### **SHIPPING DISTANCES AND DELIVERY LEAD TIMES**

Questionnaire responses show that inland shipping distances within the United States tend to be longer for producers than for importers of rebar from Turkey. Producers and importers were asked to provide their total quantities of commercial shipments involving distances of 100 miles or less, 101 to 250 miles, 251 to 500 miles, and distances over 500 miles both within and outside of the region during

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<sup>1</sup> Although there were reported sales of U.S. rebar to each of these customer categories, there were no reported sales of Turkish rebar to \*\*\*.

<sup>2</sup> The term producer in this section refers to a separate producing facility or “mill.” Most of these producers are related by common ownership to other producers.

2001. For producer shipments within the region, about 15 percent were distances of 100 miles or less, about 36 percent were between 101 to 250 miles, about 21 percent were between 251 and 500 miles, and about 28 percent were over 500 miles. For importer shipments within the region, about 63 percent were to distances of 100 miles or less, about 19 percent were between 101 to 250 miles, about 15 percent were between 251 and 500 miles, and about 3 percent were over 500 miles. For producer shipments outside the region, about 26 percent were to distances of 100 miles or less, about 17 percent were between 101 to 250 miles, about 27 percent were between 251 and 500 miles, and about 30 percent were over 500 miles. For importer shipments outside the region nearly 55 percent of imports from Turkey were shipped 100 miles or less and nearly 45 percent of shipments were shipped between 101 and 250 miles, while less than 1 percent were shipped more than 250 miles.

The reported lead times for delivery of U.S.-produced and imported rebar from Turkey varies widely. In the case of producers they range from one day to four months. For imports from Turkey they range from three days to four months.

### **DOMESTIC PRODUCTION FOR THE U.S. MARKET**

The response of the domestic industry to increased competition resulting from the removal of the antidumping duties is likely to depend upon such factors as the level of industry capacity utilization, the level of inventories, costs of production, the availability of export markets, and the flexibility of shifting production equipment to other products.

Excess capacity has existed in the industry since 1997, and the ratio of inventories to shipments was moderate during this period both inside and outside of the region. The capacity utilization rate within the region ranged between 77 and 79 percent during 1997-99 and then rose to 83 percent in 2000, 2001, and January-September 2002. Outside of the region, the capacity utilization rate ranged between 68 and 72 percent during 1997-2001; during January-September 2002, it was 70 percent. These relatively low rates may indicate that domestic producers would suffer a loss in efficiency in their facilities if they were forced to cut back output significantly in the face of increased import competition. However, cutbacks in output could be needed to prevent the inventories that the industry currently holds from increasing. The ratio of inventories to U.S. shipments for producers located within the region ranged between \*\*\* percent and \*\*\* percent during 1997-2001; during January-September 2002, it was 7.4 percent. The ratio of inventories to U.S. shipments for producers located outside ranged between \*\*\* percent and \*\*\* percent during 1997-2001; during January-September 2002, it was 9.7 percent.

When asked to discuss the effects of changes in raw material costs on pricing during January 1997-September 2002, most responding firms indicated that fluctuations in these costs have not affected prices during this period. These costs, which generally account for about half of the cost of goods sold for firms located inside and outside of the region, declined between 1997-2001 (see Parts III and V). Steel scrap is the primary component of raw material costs.

It is unlikely that U.S. producers would shift from domestic shipments of rebar to exports if faced with increased imports. Exports were consistently between \*\*\* and \*\*\* percent of total U.S. producer commercial shipments during 1997-2001 and the first three quarters of 2002. When asked whether they could easily shift sales from the U.S. market to exports, none of the producers reported that this would be feasible. Some firms stated that they are not geographically located in a place where they could easily export, while others stated that the strong U.S. dollar is a major barrier to exports. Others simply stated that they have never considered exports to be an option.

Most U.S. producers reported that they produce other products including hot rolled bar, wire rod, merchant bar products, T-bar, fence posts, and grape stakes at the facilities where rebar is produced, and a majority of these firms stated that as a result of changes in prices, they would be able to shift from production of rebar to these alternative products that use the same equipment and labor. Of 30 reporting producers, 20 indicated that switching between rebar and other products is feasible, often at a small cost.

However, some producers said that such a switch is more likely to result from changes in product demand rather than because of changes in relative prices.

## THE POTENTIAL OF SUBJECT IMPORTS TO SUPPLY THE U.S. MARKET

The ability of Turkish producers to increase exports of rebar to the U.S. market as a result of the elimination of dumping duties depends upon such factors as capacity utilization rates, planned expansions in capacity, current inventory levels, current levels of both home market sales and exports to markets other than the United States, and the potential for the diversion of exports from these other markets to the United States.

While six producers of rebar from Turkey submitted foreign producer questionnaires, practically all of the exports to the United States during January 1997 through September 2002 came from \*\*\*. \*\*\* supplied small quantities of exports to the United States during this period.<sup>3</sup>

The overall production capacity and capacity utilization rates for rebar in Turkey have increased since 1997. The industry capacity increased irregularly from 4.7 million tons in 1997 to 5.3 million tons in 2001. However, according to questionnaires, \*\*\* of the producers in Turkey have plans for a permanent future expansion in capacity. Industry capacity utilization rates have increased irregularly from 78.1 percent in 1997 to 87.4 percent in 2001. During the 1997-2001 period, the industry's ratio of inventories to total shipments has ranged between 2.2 percent and 5.2 percent annually. Most of the rebar produced in Turkey goes to markets other than the United States. During 1997-2001, the home market accounted for between \*\*\* and \*\*\* percent of total shipments, and export markets other than the United States including countries in the European Union, the Middle East and South America accounted for between \*\*\* and \*\*\* percent of total shipments. Exports to the United States ranged from \*\*\* to as much as \*\*\* percent of total shipments during 1997-2001.

One issue discussed at the hearing was whether dumping duties or other import restrictions on Turkish rebar that are currently in effect or pending in certain markets are likely to divert shipments from those countries to the United States. The four markets are Canada, European Union countries, Egypt, and Singapore. During 1997 through 2001, these countries accounted for a combined total of between 36 and 60 percent annually of Turkey's total exports to markets other than the United States.<sup>4</sup>

The overall effects of these trade restrictions are difficult to evaluate. In the case of Canada, an antidumping duty order was issued March 1, 2000. Since then, Canada's rebar imports from Turkey have fluctuated, reaching a level in 2002 that was higher than the annual level reached before the dumping finding. However, a safeguard action presently under consideration in Canada could eventually result in additional duties on rebar from Turkey of 15 percent for the first year, 12 percent for the second year, and 7 percent for the third year. In the European Union, a provisional safeguard action recently went into effect that imposed a tariff on imports from Turkey that exceeded a specified quota; however, that provisional safeguard was terminated on January 27, 2003. Turkey's annual exports to the European Union have fluctuated widely during the 1997-2002 period. In the case of Egypt, dumping duties were imposed in October 1999. Since then, Turkish exports to Egypt have fallen to zero. In the case of

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<sup>3</sup> \*\*\* all exported rebar to the United States during the period covered in the original antidumping investigation relating to Turkey. One company, IDC, \*\*\*. Eckinciler, \*\*\* closed its mill in 2000 and did not \*\*\* complete a questionnaire.

<sup>4</sup> This estimate was derived from information in Exhibit A of the respondent's posthearing brief and in section IV of the staff report.

Singapore, dumping duties went into effect in 1995 and have remained in effect but were terminated on January 21 2002 . In the years since 1995, Turkey's exports to Singapore have fluctuated.<sup>5</sup>

In addition to the effects of trade restrictions in foreign markets, the price of rebar in the United as compared to other markets for Turkish rebar is also likely to have an influence on future exports from Turkey to the United States. All questionnaire recipients were asked questions concerning prices of rebar in different markets.

Producers and importers were asked to compare prices in the United States with prices in other markets. Most firms indicated that they did not have the information. Just one producer and three importers responded. The U.S. producer stated that the price on the West Coast is about \$285 per ton f.o.b. destination, while offshore prices range between \$220 and \$240 per ton. Among the three importers that responded, one said that U.S. prices are about 5 percent higher than in the European Union and about 10 percent higher than in Turkey. Another also said that U.S. prices are higher than international prices, while a third said that U.S. prices are currently lower than prices in other developed country markets.

Turkish producers were also asked to compare prices in the United States with prices in Turkey and with prices in third-country markets if known. Four of the six producers responded to the question. One firm said that U.S. prices are about 10 percent higher than global prices and are also higher than prices in Turkey. Another Turkish producer provided some results of a confidential study by a consulting firm that showed the U.S. price for rebar to be consistently higher than the price in Germany, generally higher than the price in the United Kingdom, and consistently higher than the price in Russia and the Far East throughout 2001 and the first three quarters of 2002.<sup>6</sup> A third Turkish producer said that third-country market prices are generally higher than home market prices. A fourth firm said that prices are generally about the same in all markets. The combined unit values of the six Turkish producers that provided foreign producer questionnaire responses on their domestic commercial sales, exports to the United States, and exports to other markets are presented in Part IV (table IV-6).

## U.S. DEMAND

Since all rebar is used in reinforcing concrete, the demand for this product depends upon the overall level of construction activity in the United States. Major end-use products requiring rebar include bridges, parking structures, highways, retaining walls, culverts, slabs, foundations, airport runways, and grain silos.

When asked how the demand for rebar in the United States has changed since 1997, a plurality of firms said that it had increased, but opinions and responses were widely varied. Among responding producers, 12 said that demand had increased, three said that it had decreased, three said that it was unchanged, and six had other responses. Among responding importers, nine said that it had increased, two said that it had decreased, three said that it was unchanged, and four had other responses. Among purchasers, seven firms said that demand had increased, two said that it had decreased, eight said that it was unchanged, and eight had other responses. Firms stating that demand had increased frequently

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<sup>5</sup> The information presented in this paragraph is developed from material in part IV of this report, from the respondent's posthearing brief, p. 3 and exh. A, from the prehearing brief of Brickfield Burchette, exh. A, from the posthearing brief of Brickfield Burchette, exh. A pp. 10-15, and from submissions from LaFave and Sailer, January 6, 2003, and February 5, 2003.

<sup>6</sup> The representative prices for the different countries were reported by \*\*\*.

attributed the increase to a strong economy, low interest rates, and a high level of construction activity. Other firms said that demand increased from 1997 to 1999 or 2000 but has declined in more recent periods. Still other firms said that demand tends to be cyclical, fluctuating from period to period.

U.S. apparent consumption data indicate that the overall demand for rebar has generally increased during 1997-2001 both within and outside of the specified region. Apparent consumption of rebar within the region rose by about 36 percent from 2.6 million tons in 1997 to 3.6 million tons in 2001. During January-September 2002, apparent consumption within the region was 4 percent lower than in the same period in 2001. Apparent consumption outside of the region increased from 3.8 million tons in 1997 to 4.6 million tons in 2001, an increase of 23 percent. During January-September 2002, apparent consumption outside the region was 2 percent lower than in the same period in 2001. Apparent consumption for the entire United States increased by 28 percent from 6.4 million tons in 1997 to 8.2 million tons in 2001. During January-September 2002, apparent consumption for the entire United States was 2 percent lower than in the same period in 2001.

The sensitivity of the demand for rebar to changes in price depends upon the availability of substitute products and the cost share of rebar in final end-use products where it is used. Since close substitutes are not available, and rebar generally accounts for a small share of the final cost of end-use products, the demand for rebar is probably fairly insensitive to changes in price.

### **Substitute Products**

When asked whether there are other products that can be substituted for rebar, a majority of questionnaire respondents either stated that no such products exist, or said that they were not aware of any substitutes. A number of firms said that wire mesh can be used in a limited range of applications. Other substitutes mentioned included PC strand, structural steel, and composite fiberglass. When asked whether there have been any changes in the types of products that can be substituted for rebar since 1997, most producers answered no,<sup>7</sup> and all importers either answered no or indicated that they didn't know.

### **Cost Share**

Most purchasers that provided questionnaire responses were not end users, and did not provide good estimates of the cost of rebar as a percentage of final end-use products. Therefore no reliable estimates of the cost share of rebar are available, although this share is probably small.

## **SUBSTITUTABILITY ISSUES**

The extent of substitutability between domestic products and subject imports, between domestic products and nonsubject imports, and between subject and nonsubject imports is examined in this section. Much of the discussion is based on information developed from purchaser questionnaire responses.

Questionnaire responses were received from 18 unrelated purchasers and seven other purchasers that are \*\*\*.<sup>8</sup> Among the unrelated purchasers, eight function solely as reinforcing bar fabricators, two are steel distributors, two are building material dealers, two are steel service centers, one is a wholesale building materials dealer, one acts as both a steel distributor and steel service center, and two others serve as both steel distributors and reinforcing bar fabricators. All seven purchasers \*\*\* serve as reinforcing bar fabricators. Seven of the unrelated purchasers bought rebar from Turkey during the January 1997

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<sup>7</sup> \*\*\*, said that welded wire reinforcement is now available (since 2001) in 5/8 inch diameter.

<sup>8</sup> The seven purchasers are, \*\*\*.

through September 2002 period and one of the seven related purchasers bought imports from Turkey during this period. The combined value of the purchases of these 25 firms from all sources amounted to over \$446 million in 2001, an amount equal to over 20 percent of total U.S. consumption of rebar in 2001. Of these purchases, 30 percent were from U.S. producers located within the region, 39 percent were from producers outside of the region, 4 percent consisted of imports from Turkey, and 27 percent consisted of nonsubject imports.

### **Factors Affecting Purchasing Decisions**

Purchasers reported that a variety of factors are considered important in purchasing rebar. When asked to rank the three most important factors considered in purchasing decisions, price ranked highest with 12 of 18 unrelated purchasers choosing this as their number one factor, and all 18 purchasers choosing price as one of their top three factors (table II-1). Quality and availability were the next most important factors in purchasing decisions. Other factors mentioned by purchasers included traditional supplier, service, and contract or agreement terms.

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

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	1	5	6
Price	12	2	4
Quality	1	6	2
Other <sup>1</sup>	4	5	6
<sup>1</sup> Other factors include traditional supplier, service, and contract or agreement terms.			
Source: Compiled from data submitted in response to Commission questionnaires.			

In order to obtain more information on purchasing decisions, firms were asked whether these decisions are based mainly on price. Purchasers were instructed to answer always, usually, sometimes, or never. Four purchasers selected always, nine selected usually, four selected sometimes, and one selected never.

### **Comparisons of Domestic Products and Subject Imports**

While U.S. producers and importers of rebar from Turkey offer very similar products that are often sold to the same customers, some factors other than price limit the extent of competition. These factors are discussed below.

Both producers and purchasers were asked questions concerning the extent of “Buy American” considerations as a factor in their sales and purchases. When asked to report the percentage of their sales and that were subject to “Buy American” provisions in Puerto Rico, in other parts of the specified region, and outside of the region in 2001, 16 responding producers either stated that none of their sales are subject to these provisions, or said that they did not know the percentage. Of the other five responding producers, the percentages of sales that were subject to these provisions ranged from less than 1 percent to 91 percent within the region, and from 9 to 100 percent outside of the region. No producer reported any “Buy

American” provision applying to sales in Puerto Rico. However, only one producer has reported any direct sales to Puerto Rico since 1997.

Purchasers were asked to report separately the typical percentages of their purchases of domestic product that are subject by law or regulation to “Buy American” provision, those that aren’t subject to law but are required by their customers to be from domestic sources, and those that are deliberately bought from domestic sources for other reasons. Twenty-one of the 25 responding purchasers reported that they buy some rebar from domestic producers for one or more of the three reasons. In the case of domestic purchases required by law, 17 firms reported that “Buy American” provisions apply to between 1 percent and 97 percent of their purchases. Four of these 17 firms reported that 65 percent or more of their purchases were within this category, while the other 13 firms said that they accounted for 40 percent or less of total purchases. Seven firms reported that between 1 percent and 73 percent of their purchases are from domestic sources due to customer requirements.<sup>9</sup> Four purchasers stated that they buy between 30 percent and 100 percent of their rebar from domestic sources for other reasons such as freight advantages or to support domestic producers.

U.S. producers and importers were asked to determine the degree of interchangeability of U.S.-produced and imported rebar from Turkey. Questionnaire respondents were asked whether products from the two sources are always, frequently, sometimes, or never used interchangeably. Of the 27 responding producers, 23 said that imports from Turkey are always used interchangeably and four said that they are frequently used interchangeably. Among the nine responding importers that reported imports from Turkey, five answered always, two answered frequently, and two answered sometimes. The two firms that answered sometimes cited “Buy American” provisions in government-sponsored projects as a factor that limits interchangeability in some cases. Of the three responding importers that bring in all of their rebar from sources other than Turkey, two said that the U.S. and Turkish products can always be used interchangeably and one answered that they are sometimes interchangeable.

U.S. producers and importers were also asked whether differences in factors other than price between U.S.-produced rebar and imports from Turkey have a significant effect on sales of the product. Again, the firms were asked to indicate whether these differences are always, frequently, sometimes, or never significant. For the 26 responding U.S. producers, 14 said that the differences are never significant, 10 said that they are sometimes significant, and two said that they are always significant. Of the eight importers of rebar from Turkey that made the comparisons, there were three responses of frequently, two responses each of sometimes and never, and one response of always. One importer of rebar from Turkey that answered frequently said that U.S.-produced rebar is perceived to be higher in quality, and also stated that 60-foot material is usually not available from import sources. Another importer from Turkey that answered always said that the product from Turkey is superior in quality, product range, and availability. Of the three importers that don’t import from Turkey but still compared the imports from Turkey with the U.S.-produced rebar, there was one response each of frequently, sometimes, and never. The firm that answered frequently said that the domestic product arrives on time and also has less rust and damage than imports from Turkey and other foreign sources.

In addition to these questions for producers and importers, purchasers that are familiar with both U.S.-produced and imported rebar from Turkey were asked to state whether the products from the two countries were always, frequently, sometimes, or never used in the same applications. Of the ten responding unrelated purchasers, four answered always, two answered frequently, three answered sometimes, and one answered never. Two of the firms that answered sometimes and the firm that answered never said that “Buy American” provisions often prohibit the use of imported rebar in the case of highway construction and other government projects.

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<sup>9</sup> One other firm stated that some of its purchases are due to customer requirements, but it could not estimate a percentage.

Purchasers were also asked to compare U.S.-produced rebar with imported rebar from Turkey in selected characteristics, noting whether the domestic product was superior, comparable, or inferior to the imports. The characteristics chosen were availability, delivery terms, delivery time, discounts offered, minimum quantity requirements, packaging, product consistency, product quality, product range, reliability of supply, technical support/service, transportation network, U.S. transportation costs, and price (table II-2). Three unrelated purchasers provided comparisons in these categories. The U.S. product was ranked superior by all purchasers in availability, delivery terms, minimum quantity requirements, delivery time, product range, technical support/service, and reliability of supply. All or a majority of purchasers ranked the U.S. and Turkish rebar comparable in packaging, product consistency, product quality, transportation network, and U.S. transportation costs. The Turkish product was ranked superior by a majority of purchasers in discounts offered and lowest price.

**Table II-2**  
**Rebar: Comparisons between U.S.-produced products and imports from Turkey as reported by unrelated U.S. purchasers**

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	3	0	0
Delivery terms	3	0	0
Delivery time	3	0	0
Discounts offered	1	0	2
Lowest price <sup>1</sup>	0	1	2
Minimum quantity requirements	3	0	0
Packaging	0	3	0
Product consistency	0	3	0
Product quality	1	2	0
Product range	3	0	0
Reliability of supply	3	0	0
Technical support/service	3	0	0
Transportation network	1	2	0
U.S. transportation costs	1	2	0

<sup>1</sup> A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Turkish price.

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

### Comparisons of Domestic Products and Nonsubject Imports

U.S. producers and importers were also asked to determine the degree of interchangeability between U.S.-produced rebar and imports from nonsubject sources. Twenty-two of 26 responding producers said that the products are always interchangeable and four said that they are frequently

interchangeable. Nine of 18 responding importers said that they are always interchangeable, four said frequently, and four answered sometimes.

U.S. producers and importers were asked whether differences in factors other than price between U.S.-produced rebar and imports from nonsubject sources have a significant effect on sales. Among U.S. producers, two said always, 10 said sometimes, and 12 said never. Among importers, two said always, six said frequently, four said sometimes, and three said never.

Purchasers who were familiar with U.S.-produced rebar and imports from nonsubject sources were also asked if the products could be used in the same applications. Of the 11 responding unrelated purchasers, five answered always, two answered frequently, three answered sometimes, and one answered never.

In addition to these comparisons, nine unrelated purchasers compared the rebar produced in the United States with that from individual nonsubject countries, with differing combinations of nonsubject countries, or with all imports as a group in the characteristics described earlier. The countries specifically mentioned in one or more of the comparisons were Argentina, Brazil, Bulgaria, Egypt, Italy, Japan, Korea, Latvia, Mexico, Paraguay, and Venezuela. The U.S. product was consistently ranked higher than the nonsubject imports in availability, delivery terms, and delivery time, and was generally higher or comparable in most of the other characteristics. However, the nonsubject imports were generally ranked superior in price and discounts offered.

### **Comparisons of Subject Imports and Nonsubject Imports**

U.S. producers and importers were further asked to determine the degree of interchangeability between imported rebar from Turkey and imports from nonsubject sources. Twenty-two of 26 responding producers said that the products are always interchangeable and four said that they are frequently interchangeable. Six of 13 responding importers said that they are always interchangeable, four said that they are frequently interchangeable, and three said that they are sometimes interchangeable.

U.S. producers and importers were also asked whether differences in factors other than price between imports from Turkey and nonsubject sources have a significant effect on sales. Among U.S. producers, two said always, 10 said sometimes, and 13 said never. Among importers, one said always, four said frequently, four said sometimes, and two said never.

Purchasers who were familiar with imports from Turkey and nonsubject imports were also asked whether these products could be used in the same applications. Of the ten responding unrelated purchasers, five answered always, three answered frequently, and two answered sometimes.

## **ELASTICITY ESTIMATES**

### **U.S. Supply Elasticity<sup>10</sup>**

The domestic supply elasticity for rebar measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of rebar. This elasticity depends upon several factors including the level of excess capacity, the availability of alternate markets for U.S.-produced rebar, inventory levels, and the producers' ability to shift to the manufacture of other products. The earlier analysis of these factors indicates that the U.S. industry has some flexibility in adjusting supply in response to price change. Therefore, this elasticity is likely to range between 5 and 10.

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<sup>10</sup> A supply function is not defined in the case of a non-competitive market.

### **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 of rebar. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of rebar in the final cost of end-use products in which it is used. Because of a lack of close, broadly accepted substitutes, it is likely that the aggregate demand for rebar is moderately inelastic, with values ranging between -0.5 and -1.0.

### **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported rebar.<sup>11</sup> Product differentiation, in turn, depends upon such factors as quality and conditions of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products from Turkey can frequently be used interchangeably, the elasticity of substitution between U.S.-produced rebar and imported rebar is likely to be in the range of 3 to 5.

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<sup>11</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like product to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imports (or vice versa) when prices change.

## PART III: CONDITION OF THE U.S. INDUSTRY

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

The data in this section account for virtually all of the Eastern-tier regional industry,<sup>1</sup> about \*\*\* percent of the industry outside the region, and about \*\*\* percent of the national industry in 2001. Table III-1 presents data collected on capacity, production, and capacity utilization. \*\*\*<sup>2</sup>. \*\*\*<sup>3</sup> Table III-2 presents data on U.S. producers' production by size of rebar.

**Table III-1**

**Rebar: U.S. producers' production capacity, production, and capacity utilization, by mill location, 1997-2001, January-September 2001, and January-September 2002**

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
Mills inside Eastern-tier region:							
Capacity ( <i>short tons</i> )	2,990,722	2,963,002	3,293,167	3,463,393	3,588,707	2,717,143	2,728,438
Production ( <i>short tons</i> )	2,374,649	2,351,538	2,547,511	2,890,304	2,966,324	2,287,739	2,275,396
Capacity utilization ( <i>percent</i> )	79.4	79.4	77.4	83.5	82.7	84.2	83.4
Mills outside Eastern-tier region:							
Capacity ( <i>short tons</i> )	4,764,670	4,940,878	5,038,097	4,962,402	5,053,556	3,987,237	4,029,646
Production ( <i>short tons</i> )	3,437,422	3,490,280	3,433,437	3,487,320	3,614,469	2,809,090	2,821,835
Capacity utilization ( <i>percent</i> )	72.1	70.6	68.1	70.3	71.5	70.5	70.0
All U.S. producers:							
Capacity ( <i>short tons</i> )	7,755,392	7,903,880	8,331,264	8,425,795	8,642,263	6,704,380	6,758,084
Production ( <i>short tons</i> )	5,812,071	5,841,818	5,980,948	6,377,624	6,580,793	5,096,829	5,097,231
Capacity utilization ( <i>percent</i> )	74.9	73.9	71.8	75.7	76.1	76.0	75.4
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-2**

**Rebar: U.S. producers' production, by mill location and by rebar size, in 2001**

\* \* \* \* \*

### U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Tables III-3 through III-5 present U.S. producers' shipments during the review period. \*\*\*. Exports were small in relation to other types of shipments, and were accounted for mainly by \*\*\*. The

<sup>1</sup> \*\*\*.

<sup>2</sup> Staff interview with \*\*\*, January 23, 2003.

<sup>3</sup> Submission from \*\*\*.

**Table III-3**

**Rebar: U.S. regional producers' shipments, by types, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table III-4**

**Rebar: U.S. non-regional producers' shipments, by types, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table III-5**

**Rebar: U.S. producers' shipments, by types, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

regional industry's transfers to related firms were large in general, reflecting the consolidation of the industry into 6 firms operating 12 plants.<sup>4</sup> Transfers to related firms outside the region were \*\*\*.<sup>5</sup> Transfers were valued at market value.

Table III-6 presents U.S. producers' shipments by size and destination. Within the region, shipments to Puerto Rico by regional producers are not reflected in the table because only one firm, \*\*\*, shipped rebar directly to Puerto Rico during the period of review, and its shipments were \*\*\*. U.S. producers' shipments by state are shown in appendix E, tables E-8-10. At the hearing, respondents argued that "Puerto Rico, in effect, constitutes an export market...in that sales to Puerto Rico require delivery to a port for shipment that would likely be the same port for an actual export shipment."<sup>6</sup> At the hearing, a representative of Gerdau AmeriSteel testified that his firm had shipments in 2001 and 2002, of 5,000 and 13,000 net tons, respectively, that were delivered to ports in Florida.<sup>7</sup> In their posthearing brief, petitioners stated that during 1997-2002, \*\*\* shipped \*\*\* tons of rebar for ultimate delivery by the buyer to Puerto Rico from northeastern Florida ports.<sup>8</sup> According to Census data on U.S. trade with Puerto Rico, the following quantities of rebar were shipped from the United States to Puerto Rico during the review period: 1997--9,514 tons; 1998--13,216 tons; 1999--23,346 tons; 2000--8,266 tons; and 2001--8,826 tons.<sup>9</sup>

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<sup>4</sup> \*\*\*.

<sup>5</sup> \*\*\*.

<sup>6</sup> Hearing transcript, p. 89. According to \*\*\* of Census, for purposes of trade balance reporting, shipments to and from Puerto Rico are treated no differently than shipments to and from any of the 50 states. Therefore, shipments to Puerto Rico are not considered to be exports. Staff interview with \*\*\*, Census, December 18, 2002. However, there are additional forms requirements for shipments between the 50 states and Puerto Rico. (Trade information is collected on shipments between not only the 50 states and Puerto Rico but also between the 50 states and the Virgin Islands.)

<sup>7</sup> Hearing transcript, p. 19.

<sup>8</sup> Brickfield Burchette's posthearing brief, exh. A, p. 21.

<sup>9</sup> *U.S. Trade with Puerto Rico and U.S. Possessions*, U.S. Census Bureau, Foreign Trade Division, publication years 1997-2001. Obtained online at [www.census.gov](http://www.census.gov), January 27, 2003.

**Table III-6**

**Rebar: U.S. producers' U.S. commercial shipments in short tons, by mill location, by rebar size, and by destination, 2001**

\* \* \* \* \*

**U.S. PRODUCERS' INVENTORIES**

Table III-7 presents data on U.S. producers' inventories during the period of review. \*\*\*.

**Table III-7**

**Rebar: U.S. producers' end-of-period inventories, by mill location, 1997-2001, January-September 2001, and January-September 2002**

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
Mills inside the Eastern-tier region:							
Inventories ( <i>short tons</i> )	184,685	215,027	206,811	265,900	222,014	226,604	225,250
Ratio to production ( <i>percent</i> )	7.8	9.1	8.1	9.2	7.5	7.4	7.4
Ratio to U.S. shipments ( <i>percent</i> )	***	***	***	***	7.5	7.3	7.4
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***	***
Mills outside the Eastern-tier region:							
Inventories ( <i>short tons</i> )	290,827	456,988	378,484	369,384	430,196	437,687	356,616
Ratio to production ( <i>percent</i> )	8.5	13.1	11.0	10.6	11.9	11.7	9.5
Ratio to U.S. shipments ( <i>percent</i> )	***	***	***	***	12.4	12.4	9.7
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***	***
Total United States:							
Inventories ( <i>short tons</i> )	475,512	672,015	585,295	635,284	652,210	664,291	581,866
Ratio to production ( <i>percent</i> )	8.2	11.5	9.8	10.0	9.9	9.8	8.6
Ratio to U.S. shipments ( <i>percent</i> )	8.4	12.1	9.8	10.3	10.1	10.0	8.6
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***	***
Note.--January-September inventory ratios are annualized.							
Source: Compiled from data submitted in response to Commission questionnaires.							

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

Table III-8 presents data on U.S. producers' employment, wages, and productivity during the review period. \*\*\*.

**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, by mill location, 1997-2001, January-September 2001, and January-September 2002**

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
Mills inside the Eastern-tier region:							
PRWs ( <i>number</i> )	1,579	1,600	1,686	1,748	1,757	1,747	1,764
Hours worked ( <i>1,000</i> )	3,601	3,696	4,082	4,140	4,158	3,077	3,373
Wages paid ( <i>\$1,000</i> )	74,531	80,527	91,817	95,004	97,267	75,960	83,702
Hourly wages	\$20.69	\$21.79	\$22.49	\$22.95	\$23.39	\$24.69	\$24.82
Productivity ( <i>tons per 1,000 hours</i> )	659.4	636.2	624.1	698.2	713.5	743.6	674.6
Unit labor costs ( <i>per short ton</i> )	\$31.39	\$34.24	\$36.04	\$32.87	\$32.79	\$33.20	\$36.79
Mills outside the Eastern-tier region:							
PRWs ( <i>number</i> )	3,502	3,466	3,467	3,430	3,159	3,316	3,122
Hours worked ( <i>1,000</i> )	7,413	7,448	7,151	7,222	6,555	5,134	4,522
Wages paid ( <i>\$1,000</i> )	144,562	152,151	154,276	156,261	149,692	117,098	107,005
Hourly wages	\$19.50	\$20.43	\$21.57	\$21.64	\$22.84	\$22.81	\$23.66
Productivity ( <i>tons per 1,000 hours</i> )	463.7	468.6	480.1	482.9	551.4	547.2	624.0
Unit labor costs ( <i>per short ton</i> )	\$42.06	\$43.59	\$44.93	\$44.81	\$41.41	\$41.69	\$37.92
Total United States:							
PRWs ( <i>number</i> )	5,081	5,066	5,153	5,178	4,916	5,063	4,886
Hours worked ( <i>1,000</i> )	11,014	11,144	11,233	11,362	10,713	8,211	7,895
Wages paid ( <i>\$1,000</i> )	219,093	232,678	246,093	251,265	246,959	193,058	190,707
Hourly wages	\$19.89	\$20.88	\$21.91	\$22.12	\$23.05	\$23.51	\$24.16
Productivity ( <i>tons per 1,000 hours</i> )	527.7	524.2	532.4	561.3	614.3	620.8	645.6
Unit labor costs ( <i>per short ton</i> )	\$37.70	\$39.83	\$41.15	\$39.40	\$37.53	\$37.88	\$37.41
Note.--Because of rounding, figures may not add to totals shown.							
Source: Compiled from data submitted in response to Commission questionnaires.							

## FINANCIAL EXPERIENCE AND CONDITION OF U.S. PRODUCERS

### Background

Twelve mills in the Eastern-tier region and \*\*\* mills outside the Eastern-tier region provided usable financial data on their U.S. rebar operations.<sup>10</sup> The financial data are presented separately for operations inside the region, outside the region, and combined operations. With several exceptions, the responding mills reported their financial performance on a calendar-year basis using U.S. generally accepted accounting principles (GAAP).<sup>11 12 13 14</sup>

### Operations on Rebar Within the Eastern-Tier Region

Income-and-loss data for mills inside the region are presented in table III-9 and on an average unit basis in table III-10. For each fiscal year and interim period, mills inside the region are ranked by operating margin in table III-11. Table III-11 also presents mill-specific net sales and operating income.

Several elements characterize the overall financial performance of mills inside the region. Average unit sales revenue declined throughout most of the period of review, while annual sales volume increased. This combination resulted in only a limited decline in sales revenue from 1997 through 1999 and increases in sales revenue during the rest of the full-year periods. The interim 2002 period reflects a decline in average unit sales revenue. In conjunction with lower volume, interim 2002 sales revenue was lower compared to interim 2001.

During the period, average unit cost of goods sold (COGS) also generally declined along with average unit sales revenue. Because average unit COGS generally declined at a slower rate than average unit revenue, gross profitability on a unit basis was flat or declining throughout most of the period. The most notable deterioration occurred in 2000 as average unit revenue continued to decline and average unit COGS increased somewhat.<sup>15</sup>

SG&A expenses, as a percentage of sales and on a unit basis, remained within a relatively narrow range throughout the period. As a result, operating profitability moved in tandem with gross profitability.

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<sup>10</sup> \*\*\*.

<sup>11</sup> Selected U.S. producers from the same group of rebar manufacturers were verified in recent ITC investigations. Verification of U.S. producer questionnaire responses were therefore not conducted in this case. Commission staff also examined the foreign capacity information reported by Turkish rebar manufacturers. Because a compelling reason to further examine this information was not evident, a foreign capacity verification was not conducted.

<sup>12</sup> \*\*\*.

<sup>13</sup> For companies reporting on a calendar-year basis, shipment volume and value generally matched reported sales volume and value. A notable exception was \*\*\*. In response to a follow-up question, \*\*\* indicated that the difference between shipment and sales value was due to the deduction of shipping costs from sales revenue; i.e., instead of separately including these costs as a sales expense. Because this does not impact profitability, no changes to the company's financial data were made.

<sup>14</sup> Transfers, as presented in tables III-9, III-13, and III-17, generally reflect sales to affiliated rebar fabricators.

<sup>15</sup> This was reversed in 2001 with somewhat higher average unit revenue and lower average COGS. As shown in table III-10, the decline in overall average unit COGS during the period was generally due to lower raw material costs.

Table III-9

Results of rebar operations of U.S. producers in the Eastern-tier region, fiscal years 1997-2001, January-September 2001, and January-September 2002

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	2,321,665	2,327,716	2,534,663	2,704,623	2,970,228	2,320,012	2,304,707
<b>Value (\$1,000)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	704,361	686,477	679,303	698,830	769,499	592,349	572,215
Cost of goods sold	607,870	587,817	601,235	650,064	690,835	538,459	523,383
Gross profit	96,491	98,660	78,068	48,766	78,664	53,890	48,832
SG&A expenses	33,970	28,831	30,282	32,287	38,585	28,652	26,913
Operating income	62,521	69,829	47,786	16,479	40,079	25,238	21,919
Interest expense	6,721	6,702	12,465	17,659	23,673	12,582	13,973
Other expense	496	945	1,565	2,520	8,208	1,353	1,819
Other income items	387	2,582	243	92	184	36	51
Net income or (loss)	55,691	64,764	33,999	(3,608)	8,382	11,339	6,178
Depreciation/amortization	38,433	38,995	42,664	52,161	56,185	42,058	40,577
Estimated cash flow	94,124	103,759	76,663	48,553	64,567	53,397	46,754
<b>Ratio to net sales (percent)</b>							
Cost of goods sold	86.3	85.6	88.5	93.0	89.8	90.9	91.5
Gross profit	13.7	14.4	11.5	7.0	10.2	9.1	8.5
SG&A expenses	4.8	4.2	4.5	4.6	5.0	4.8	4.7
Operating income	8.9	10.2	7.0	2.4	5.2	4.3	3.8
Net income or (loss)	7.9	9.4	5.0	(0.5)	1.1	1.9	1.1
<b>Number of mills reporting</b>							
Operating losses	***	***	2	6	6	4	3
Data	11	11	11	12	12	12	12
Note.—***.							
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-10**

**Results of rebar operations (*per short ton*) of U.S. producers in the Eastern-tier region, fiscal years 1997-2001, January-September 2001, and January-September 2002**

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Unit value (<i>per short ton</i>)</b>							
Net sales	\$303	\$295	\$268	\$258	\$259	\$255	\$248
Cost of sales:							
Raw materials	150	136	118	122	109	107	115
Direct labor	15	15	17	18	17	16	16
Other factory costs	97	101	103	100	107	109	96
Total cost of goods sold	262	253	237	240	233	232	227
Gross profit	42	42	31	18	26	23	21
SG&A expenses	15	12	12	12	13	12	12
Operating income	27	30	19	6	13	11	10
Note.—***.							
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-11**

**Ranking of U.S. producers of rebar in the Eastern-tier region by operating income margin, by mills, fiscal years 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

Despite the decline in average unit revenue for interim 2002, unit gross profit was only somewhat lower compared to the previous interim period. This was due primarily to a reduction in average unit other factory costs, a pattern which was observed for the majority of respondents inside the region. In conjunction with reduced volume, total operating income was lower at the end of the period compared to interim 2001.

Nucor Steel, Auburn mill (NY) and Nucor Steel, Darlington mill (SC) were \*\*\*. \*\*\*.<sup>16</sup> \*\*\* for Nucor Steel, Auburn mill (NY) and Nucor Steel, Darlington mill (SC) compared to other Eastern-tier respondents.

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<sup>16</sup> Nucor acquired the assets of Auburn Steel in April 2001. \*\*\* appears to be consistent with the company's website description of improved operations after the acquisition. Retrieved on November 19, 2002, at <http://www.nucorauburn.com>.

### Capital Expenditures and Investment in Productive Facilities Inside the Eastern-Tier Region

The responding mills' data on capital expenditures and the value of their property, plant, and equipment (PP&E) are shown in table III-12 for rebar operations inside the region.<sup>17</sup>

**Table III-12**  
Mill-specific capital expenditures and overall value of property, plant, and equipment for Eastern-tier producers of rebar, fiscal years 1997-2001, January-September 2001, and January-September 2002

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Capital expenditures:</b>	<b>Value (\$1,000)</b>						
***	*	*	*	*	*	*	*
Total capital expenditures	31,903	53,528	***	51,750	33,226	28,007	14,040
<b>Property, plant, and equipment:</b>	<b>Value (\$1,000)</b>						
Original cost	676,828	725,654	842,386	907,484	961,704	951,747	977,323
Book value	414,432	429,904	498,158	495,039	491,631	483,468	469,020
Source: Compiled from data submitted in response to Commission questionnaires.							

For certain mills inside the region, capital expenditures combined for 1997-2001 significantly exceeded the amount of depreciation recognized during the period.<sup>18</sup> The remaining Eastern-tier producers reported capital expenditures which were generally in the range (or somewhat higher) than recognized depreciation.

### Operations on Rebar Outside the Eastern-Tier Region

Income-and-loss data for mills outside the region are presented in table III-13 and, on a unit basis, in table III-14. For each fiscal year and interim period, mills outside the region are ranked by operating margin in table III-15. Table III-15 also presents mill-specific net sales and operating income.

Outside the region financial performance differed in several key respects compared to that in the Eastern-tier region. Mills outside the region collectively experienced little overall volume growth, and average unit revenue also declined by a somewhat smaller amount during 1997-2001. Because larger relative declines in average raw material costs generally offset the declines in average unit revenue, unit gross profitability outside the region improved during much of the period. As a result of these factors, overall profitability outside the region increased during the first half of the period examined, peaking in 1999.<sup>19</sup> After 1999, the effect of continued lower average unit revenue and an increase in average unit COGS (2000) served to reduce profitability. SG&A expenses, similar to the experience of Eastern-tier producers, remained within a relatively narrow range.

<sup>17</sup> The majority of Eastern-tier producers reported PP&E. \*\*\*.

<sup>18</sup> \*\*\*.

<sup>19</sup> The relatively poor overall financial performance at the beginning of the period was primarily due to \*\*\*.

Table III-13

Results of rebar operations of U.S. producers outside the region, fiscal years 1997-2001, January-September 2001, and January-September 2002

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	3,489,371	3,370,723	3,490,354	3,539,794	3,512,363	2,786,299	2,802,638
<b>Value (\$1,000)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	1,041,579	1,005,903	972,242	974,780	939,240	769,049	730,702
Cost of goods sold	958,760	891,448	843,447	869,594	839,820	687,043	655,459
Gross profit	82,819	114,455	128,796	105,186	99,420	82,006	75,243
SG&A expenses	58,556	57,686	56,094	63,312	63,675	51,186	43,546
Operating income	24,263	56,769	72,701	41,874	35,745	30,820	31,697
Interest expense	17,481	22,182	24,022	30,118	34,387	21,438	22,811
Other expense	11,492	6,351	7,520	10,538	6,351	7,776	3,793
Other income items	4,525	6,367	8,642	11,352	7,326	9,783	3,747
Net income or (loss)	(185)	34,603	49,802	12,570	2,333	11,389	8,840
Depreciation/amortization	50,703	49,184	51,440	47,273	46,475	37,952	33,013
Estimated cash flow	50,518	83,787	101,241	59,843	48,808	49,341	41,853
<b>Ratio to net sales (percent)</b>							
Cost of goods sold	92.0	88.6	86.8	89.2	89.4	89.3	89.7
Gross profit	8.0	11.4	13.2	10.8	10.6	10.7	10.3
SG&A expenses	5.6	5.7	5.8	6.5	6.8	6.7	6.0
Operating income	2.3	5.6	7.5	4.3	3.8	4.0	4.3
Net income or (loss)	<sup>(1)</sup>	3.4	5.1	1.3	0.2	1.5	1.2
<b>Number of mills reporting</b>							
Operating losses	***	***	***	***	***	***	***
Data	***	***	***	***	***	***	***
<sup>1</sup> Less than (0.05) percent. Note.—***.							
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-14**

**Results of rebar operations (per short ton) of U.S. producers outside the region, fiscal years 1997-2001, January-September 2001, and January-September 2002**

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Unit value (per short ton)</b>							
Net sales	\$299	\$298	\$279	\$275	\$267	\$276	\$261
Cost of sales:							
Raw materials	154	147	122	127	104	106	101
Direct labor	23	24	24	24	24	26	22
Other factory costs	98	94	95	95	111	114	110
Total cost of goods sold	275	264	242	246	239	247	234
Gross profit	24	34	37	30	28	29	27
SG&A expenses	17	17	16	18	18	18	16
Operating income	7	17	21	12	10	11	11
Note.—***.							
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-15**

**Ranking of U.S. producers of rebar outside the region by operating income margin, by mills, fiscal years 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

Despite lower unit sales value, unit gross profit outside the region for interim 2002 was only somewhat lower compared to interim 2001 due to lower average unit raw material, direct labor, and other factory costs.<sup>20</sup> In conjunction with higher volume and modestly lower unit SG&A expenses, operating profit in interim 2002 somewhat exceeded interim 2001.

### Capital Expenditures and Investment in Productive Facilities Outside the Eastern-Tier Region

The responding mills' data on capital expenditures and the value of their property, plant, and equipment are shown in table III-16 for rebar operations outside the region.<sup>21</sup>

Several mills accounted for the majority of overall capital expenditures reported during the period.<sup>22</sup> The remaining mills were mixed in terms of either reporting total capital expenditures (1997

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<sup>20</sup> The manner in which individual cost items were reported, as well as company-specific changes in the form of raw material processed, affected the overall averages reported for raw materials and other factory costs. \*\*\*.

<sup>21</sup> \*\*\*.

<sup>22</sup> \*\*\*.

**Table III-16**

**Mill specific capital expenditures and overall value of property, plant, and equipment for rebar producers outside the region, fiscal years 1997-2001, January-September 2001, and January-September 2002**

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Capital expenditures:</b>	<b>Value (\$1,000)</b>						
***	*	*	*	*	*	*	*
Total capital expenditures	86,842	83,649	***	27,308	36,219	35,368	21,504
<b>Property, plant, and equipment:</b>							
Original cost	1,211,991	1,262,030	1,253,746	1,239,885	1,248,628	1,290,051	1,263,617
Book value	691,853	687,988	663,293	601,820	540,305	595,013	519,210
Note.—***.							
Source: Compiled from data submitted in response to Commission questionnaires.							

through 2001) above or below total recognized depreciation. The only company (outside or inside the region) to report research and development (R&D) expenses was \*\*\*.<sup>23</sup>

### U.S. Operations on Rebar

Income-and-loss data for U.S. rebar operations are presented in table III-17 and, on a unit basis, in table III-18.

### U.S. Rebar Capital Expenditures and Investment in Productive Facilities

The responding mills' combined data on capital expenditures and the value of their property, plant, and equipment are shown in table III-19.

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<sup>23</sup> \*\*\*. Because these expenses generally represent routine manufacturing support functions, the majority of other respondents likely incur similar costs, but do not consider them R&D.

Table III-17

Results of U.S. rebar operations, fiscal years 1997-2001, January-September 2001, and January-September 2002

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	5,811,036	5,698,439	6,025,017	6,244,417	6,482,591	5,106,311	5,107,345
<b>Value (\$1,000)</b>							
Trade sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total sales	1,745,940	1,692,380	1,651,545	1,673,610	1,708,739	1,361,399	1,302,917
Cost of goods sold	1,566,630	1,479,265	1,444,682	1,519,658	1,530,655	1,225,503	1,178,842
Gross profit	179,310	213,115	206,864	153,952	178,084	135,896	124,075
SG&A expenses	92,526	86,517	86,376	95,599	102,260	79,838	70,459
Operating income	86,784	126,598	120,487	58,353	75,824	56,058	53,616
Interest expense	24,202	28,884	36,487	47,777	58,060	34,020	36,784
Other expense	11,988	7,296	9,085	13,058	14,559	9,129	5,612
Other income items	4,912	8,949	8,885	11,444	7,510	9,819	3,798
Net income	55,506	99,367	83,801	8,962	10,715	22,728	15,018
Depreciation/amortization	89,136	88,179	94,104	99,434	102,660	80,010	73,589
Estimated cash flow	144,642	187,546	177,904	108,396	113,375	102,738	88,607
<b>Ratio to net sales (percent)</b>							
Cost of goods sold	89.7	87.4	87.5	90.8	89.6	90.0	90.5
Gross profit	10.3	12.6	12.5	9.2	10.4	10.0	9.5
SG&A expenses	5.3	5.1	5.2	5.7	6.0	5.9	5.4
Operating income	5.0	7.5	7.3	3.5	4.4	4.1	4.1
Net income	3.2	5.9	5.1	0.5	0.6	1.7	1.2
<b>Number of mills reporting</b>							
Operating losses	***	***	***	***	***	***	***
Data	***	***	***	***	***	***	***

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

**Table III-18**

**Results of U.S. rebar operations (*per short ton*), fiscal years 1997-2001, January-September 2001, and January-September 2002**

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Unit value (<i>per short ton</i>)</b>							
Net sales	\$300	\$297	\$274	\$268	\$264	\$267	\$255
Cost of goods sold:							
Raw materials	152	143	120	125	106	106	107
Direct labor	20	20	21	22	21	22	19
Other factory	98	97	98	97	109	112	104
Total cost of goods sold	270	260	240	243	236	240	231
Gross profit	31	37	34	25	27	27	24
SG&A expenses	16	15	14	15	16	16	14
Operating income	15	22	20	9	12	11	10
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table III-19**

**Capital expenditures and overall value of property, plant, and equipment for U.S. producers of rebar, fiscal years 1997-2001, January-September 2001, and January-September 2002**

Item	Fiscal year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Value (\$1,000)</b>							
Capital expenditures	118,745	137,177	145,845	79,058	69,445	63,375	35,544
<b>Property, plant, and equipment:</b>							
Original cost	1,888,819	1,987,684	2,096,132	2,147,369	2,210,332	2,241,798	2,240,940
Book value	1,106,285	1,117,892	1,161,451	1,096,859	1,031,936	1,078,481	988,230
Source: Compiled from data submitted in response to Commission questionnaires.							



## PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

### U.S. IMPORTS

The data in this section are from Department of Commerce official statistics and importers' questionnaires, which accounted for 72 percent of imports of rebar from Turkey and 64 percent of total imports of rebar in 2001.<sup>1</sup> Table IV-1 presents data on imports of rebar during the period of review. Table IV-2 presents data on 2001 imports by size, and table IV-3 presents data on commercial U.S. shipments of imports by size and by destination in 2001.

Regional imports from Turkey declined from 1997 to 1998, coinciding with the antidumping duty order in April 1997. Thereafter, regional imports climbed steadily, and by interim 2002 they had nearly reached the historical peak quantity of regional shipments of imports attained in 1995, before the filing of the original petition. Regional imports from all other sources climbed sharply from 1997 to 1998, reaching a peak in 1999 and declining steadily thereafter. The filing of an antidumping petition against many of those imports from other sources in 2000, which resulted in the imposition of antidumping duty orders covering imports from eight of the countries in 2001, is likely to be one reason for the steady decline.

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<sup>1</sup> The questionnaire coverage in 2001 was the highest level attained during the reporting period. Questionnaire coverage for imports ranged as low as zero percent for imports from Turkey and 39 percent for imports from all sources in 1997.

Table IV-1

Rebar: U.S. imports, by sources and destinations,<sup>1</sup> 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Imports from Turkey to destinations--							
Inside the region	70,792	8,968	32,082	148,477	145,607	93,807	155,187
Outside the region	12,908	25	9,887	42,210	69,080	58,819	56,922
Total	83,699	8,993	41,969	190,687	214,688	152,626	212,109
Imports from all other sources to destinations--							
Inside the region	251,166	645,444	958,440	808,234	756,796	569,927	471,137
Outside the region	366,438	574,757	832,199	670,908	786,725	654,747	455,873
Total	617,604	1,220,201	1,790,639	1,479,142	1,543,521	1,224,673	927,010
Total imports to destinations--							
Inside the region	321,958	654,412	990,522	956,712	902,403	663,733	626,324
Outside the region	379,346	574,782	842,086	713,117	855,805	713,565	512,795
Total	701,303	1,229,195	1,832,608	1,669,829	1,758,208	1,377,299	1,139,119
<b>Value (\$1,000)<sup>2</sup></b>							
Imports from Turkey to destinations--							
Inside the region	18,934	2,129	6,152	32,378	29,646	19,390	33,684
Outside the region	3,455	10	1,854	8,733	13,893	11,849	12,793
Total	22,389	2,140	8,006	41,111	43,539	31,239	46,477
Imports from all other sources to destinations--							
Inside the region	74,503	170,174	199,038	171,930	173,460	132,544	103,371
Outside the region	92,685	166,274	178,859	149,190	177,440	148,294	102,216
Total	167,187	336,449	377,897	321,120	350,901	280,837	205,587
Total imports to destinations--							
Inside the region	93,437	172,304	205,190	204,308	203,107	151,933	137,055
Outside the region	96,140	166,285	180,713	157,923	191,333	160,143	115,009
Total	189,576	338,589	385,903	362,231	394,440	312,076	252,064

See footnotes at end of table.

**Table IV-1--Continued**

**Rebar: U.S. imports, by sources and destinations,<sup>1</sup> 1997-2001, January-September 2001, and January-September 2002**

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Unit value (per short ton)</b>							
Imports from Turkey to destinations--							
Inside the region	\$267	\$237	\$192	\$218	\$204	\$207	\$217
Outside the region	268	410	188	207	201	201	225
Average	267	238	191	216	203	205	219
Imports from all other sources to destinations--							
Inside the region	297	264	208	213	229	233	219
Outside the region	253	289	215	222	226	226	224
Average	271	276	211	217	227	229	222
Total imports to destinations--							
Inside the region	290	263	207	214	225	229	219
Outside the region	253	289	215	221	224	224	224
Average	270	275	211	217	224	227	221
<sup>1</sup> Destinations "inside the region" refer to locations in the Eastern-tier region of the United States; destinations "outside the region" refer to locations outside the Eastern-tier region. <sup>2</sup> Landed, duty-paid.  Note.--Because of rounding, figures may not add to totals shown.  Source: Compiled from Department of Commerce official statistics.							

**Table IV-2**

**Rebar: U.S. importers' imports from Turkey, by size, in 2001**

\* \* \* \* \*

**Table IV-3**

**Rebar: U.S. importers' commercial U.S. shipments of imports from Turkey, by size and by region, in short tons, in 2001**

\* \* \* \* \*

## U.S. IMPORTERS' INVENTORIES

Table IV-4 presents data on U.S. importers' inventories collected during the period of review.

**Table IV-4**

**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, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

### **SUBJECT COUNTRY CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES**

Foreign producer questionnaires were sent to 20 firms identified during the course of this review. Thirteen Turkish producers are known to have been active in the industry during the period. Six responded to the Commission's questionnaire, accounting for about \*\*\* percent of total rebar production in Turkey in 2001, and their data are presented in tables IV-5 and IV-6.<sup>2</sup> A seventh firm, Ekinciler, which was active during the original investigation and during the first few years of this review period, closed its mill in 2000.<sup>3</sup> Six firms that did not respond to the Commission's questionnaire accounted for approximately \*\*\* percent of total Turkish rebar production during 2001.<sup>4</sup> Only \*\*\* reported exports of rebar to the United States during 2001; these firms accounted for the majority of rebar imported from Turkey into the United States during the review period, according to official import statistics.<sup>5</sup> \*\*\*.

### **TRADE BARRIERS IN THIRD COUNTRY MARKETS**

There are a number of existing antidumping duty orders and safeguard duties in place concerning Turkish exports of rebar to third country markets. The following summarizes those remedies.

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<sup>2</sup> Responding firms were: Colakoglu, Diler Foreign Trade Inc. (Diler), Habas, ICDAS, IDC, and Kaptan Demir Celik (Kaptan).

<sup>3</sup> \*\*\*.

<sup>4</sup> Non-responding firms were \*\*\*. Their combined production in 2001 totaled \*\*\* tons according to data supplied by the Istanbul Mineral and Metals Exporters Association. Dickstein Shapiro submission of April 22, 2002, exh. 2.

<sup>5</sup> \*\*\*.

Table IV-5

Rebar: Quantity data on the industry in Turkey, 1997-2001, January-September 2001, and January-September 2002

Item	Calendar year					January-September	
	1997	1998	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>							
Capacity	4,665,479	4,689,719	4,764,719	4,815,437	5,307,594	3,686,576	3,980,687
Production	3,641,411	3,645,941	4,191,407	3,937,079	4,636,290	3,441,967	3,534,472
End-of-period inventories	146,784	84,297	225,336	132,161	237,446	153,362	225,138
Shipments:							
Home market (commercial)	***	***	***	***	***	***	***
Internal consumption/ transfers	***	***	***	***	***	***	***
Exports to--							
United States	***	***	***	***	***	***	***
All other export markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	3,754,210	3,839,387	4,365,738	4,308,211	4,855,201	3,649,870	3,734,940
<b>Ratios and shares (percent)</b>							
Capacity utilization	78.1	77.7	88.0	81.8	87.4	93.4	88.8
Inventories/production	4.0	2.3	5.4	3.4	5.1	3.3	4.8
Inventories/total shipments	3.9	2.2	5.2	3.1	4.9	3.2	4.5
Share of total shipments:							
Home market	***	***	***	***	***	***	***
Internal consumption/ transfers	***	***	***	***	***	***	***
Exports to:							
United States	***	***	***	***	***	***	***
All other export markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
<sup>1</sup> Less than 0.05 percent. Note.--Became of rounding, figures may not add to the totals shown. Inventory ratios for interim 2001 and 2002 are annualized. Source: Compiled from data submitted in response to Commission questionnaires.							

**Table IV-6**

**Rebar: Value data on the industry in Turkey, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

### **Canada**

The government of Canada issued an antidumping duty order on March 1, 2000, concerning imports of rebar from Turkey. It is not scheduled for expiry review until January 11, 2005.<sup>6</sup>

The government of Canada is currently conducting a safeguard investigation concerning rebar from Turkey (among other countries). The case is currently pending. On August 19, 2002, the Canadian International Trade Tribunal issued its recommendation that duties be applied pursuant to the Canadian safeguard provisions, specifically recommending duty rates on Turkish rebar of 15 percent for the first year, 12 percent for the second year, and 7 percent for the final year.<sup>7</sup>

### **Egypt**

An antidumping duty order was issued by the government of Egypt on October 21, 1999. The order is the subject of an ongoing WTO dispute, and a report was adopted by the dispute resolution body on October 11, 2002. The order remains in effect.<sup>8</sup>

### **European Union**

There was a provisional safeguard action beginning on March 28, 2002, involving rebar from Turkey which amounted to a quota of 737,083 tons and a duty on imports in excess of that quota at 14.9 percent.<sup>9</sup> That provisional action was terminated on January 27, 2003, and the duties collected are to be refunded. However, the Commission of the European Communities will continue to monitor the level of imports of rebar from Turkey.<sup>10</sup>

### **Singapore**

An antidumping duty order on Turkish imports of rebar was issued by the government of Singapore in 1995. It was recently under sunset review and was terminated on January 21, 2003.<sup>11</sup>

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<sup>6</sup> Ibid., exh. A, pp. 12-13.

<sup>7</sup> Ibid., exh. A, p. 13.

<sup>8</sup> Posthearing brief of Brickfield Burchette, exh. A, pp. 10-12.

<sup>9</sup> Ibid., exh A, pp. 13-14.

<sup>10</sup> Official Journal of the European Communities, January 28, 2003, Commission regulation (EC) No. 142/2003 of January 27, 2003, terminating the safeguard proceedings relating to certain steel products and providing for the refund of certain duties.

<sup>11</sup> Submission by Lafave & Sailer, January 6, 2003, pp. 1-2. Singapore's Ministry of Trade and Industry stated that it was unable to extend the antidumping duty order on Turkish and Malaysian rebar because although a request for such an extension had been made by Singaporean producer NatSteel Ltd. it was not timely filed. Ibid. See also submission by Lafave & Sailer, January 28, 2003.

## **PART V: PRICING AND RELATED INFORMATION**

### **FACTORS AFFECTING PRICING**

#### **Raw Material Costs**

Raw material costs make up an important part of the final cost of rebar. These costs accounted for approximately 47 percent of the total cost of goods sold for U.S. producers within the specified region during 2001 and about 44 percent of the cost of goods sold for producers outside the specified region. Raw material costs per short ton of rebar produced in the specified region declined irregularly from an average of \$150 per ton in 1997 to \$109 per ton in 2001. They also declined irregularly for firms outside the specified region from an average of \$154 per ton in 1997 to \$104 in 2001. Steel scrap is the primary component in raw material costs.

#### **U. S. Inland Transportation Costs**

The U.S.-inland transportation costs of rebar vary from firm to firm as a percentage of the total delivered price. Among U.S. producers that made estimates, these costs generally range from 6 percent to 20 percent of the delivered price for sales within the region, and from 5 percent to 15 percent for sales outside of the region. Among importers of rebar from Turkey that provided useable estimates, the costs ranged from 2 to 18 percent of the delivered price for sales within the region, and from 12 to 18 percent for sales outside of the region.

#### **Transportation Costs to the U.S. Market and Duties Collected**

Ocean transportation costs for rebar shipped from Turkey consistently amounted to between 10 and 11 percent of the customs value of the product in 2001.<sup>1</sup> The cost was 10.1 percent of the customs value for rebar shipped to Puerto Rico, 10.7 percent for shipments to places within the region other than Puerto Rico, and 10.9 percent for those shipped outside of the region. Calculated duties on imports of rebar from Turkey amounted to 1.5 percent of the customs value for rebar shipped to all three areas.

#### **Exchange Rates**

Nominal and real exchange rate data for Turkey are presented on a quarterly basis in figure V-1. The nominal exchange rate data were available for January 1997 through September 2002 and the real exchange rate data were available for January 1997 through September 2001.<sup>2</sup> The data show that the nominal exchange rate of the Turkish lira depreciated sharply in relation to the dollar during the entire period while the real exchange rate was relatively constant in relation to the dollar.

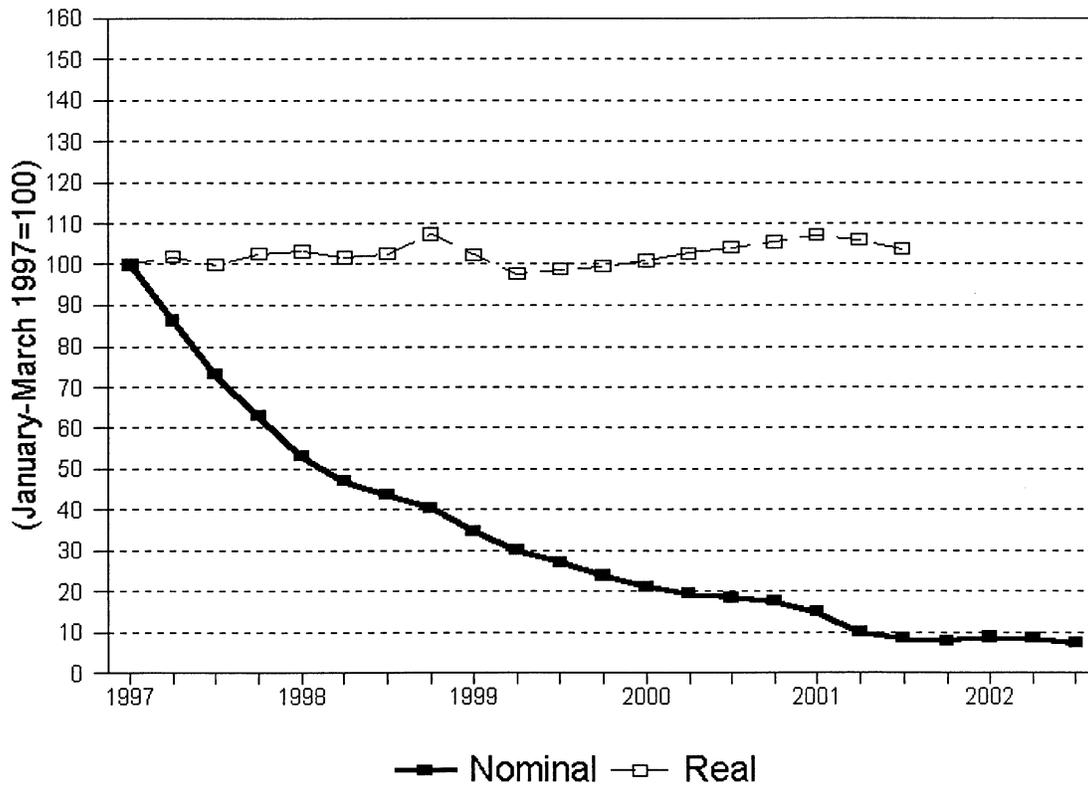
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<sup>1</sup> The estimated cost was obtained by subtracting the customs value from the c.i.f. value of the imports for the year 2001 and then dividing by the customs value. Rebar is classified under HTS subheadings 7213.10.00 and 7214.20.00.

<sup>2</sup> Real exchange rates are calculated by adjusting the nominal rates for movements in producer prices in the United States and Turkey.

**Figure V-1**  
**Exchange rates: Indexes of the nominal and real exchange rates of the currency of Turkey in relation to the U.S. dollar, by quarters, January 1997-September 2002**

## Turkey



Source: International Financial Statistics, April 2001, February 2002, May 2002 and <http://www.imfstatistics.org>.

## PRICING PRACTICES

When asked how they determine the prices that they charge for rebar, the majority of producers and importers stated that prices are determined on a transaction-by-transaction basis inside and outside of the region. Among 29 responding producers, 11 said that prices are always negotiated on a transaction-by-transaction basis, five said that they always use a set price list, and the other firms reported that prices are determined by various combinations of transaction-by-transaction negotiations, contracts, set price lists, and other factors. Among importers, 18 of 21 firms reported that prices are determined exclusively on a transaction-by-transaction basis. The other three also stated that transaction-by-transaction negotiations are a factor in arriving at prices. However, besides this factor, one importer mentioned contracts, one mentioned the prevailing market price, and one cited market competition. None of the importers use price lists.

Producers inside and outside of the region and importers commonly quote prices on either an f.o.b. or delivered basis, but f.o.b. quotes are more common. Among 29 responding producers, 22 generally quote on an f.o.b. basis and seven generally quote delivered prices. In the majority of cases, the shipping point for the f.o.b. quotes is the city where the producing mill is located. In other cases the f.o.b. quote is based on the nearest competing mill. Among importers, 12 firms reported that they quote f.o.b. prices, eight reported that they quote delivered prices, and one quotes both. The shipping point for the importer's f.o.b. quotes included foreign ports, port of arrival, certain U.S. port cities, and loaded trucks or barges.

When asked to describe their discount policies, a majority of producers inside and outside of the region reported the use of one or more kinds of discounts, but none of the importers provide discounts. Of the 29 responding producers, 13 said that they offer quantity discounts; one said that it offers discounts based upon market conditions, and another one said it offers a 1 percent discount for payment within 10 days. In addition, some firms that offer quantity discounts also provide other discounts based upon such factors as specific market regions and total annual volume.

Rebar is sold on either a spot basis or contract basis by both U.S. producers and importers inside and outside of the region. Among the 26 responding producers, 16 reported that all of their sales are on a spot basis, nine sell on both a spot and contract basis, and one sells only on a contract basis. Of the ten importers of rebar from Turkey, five sell exclusively on a spot basis, four sell only on a contract basis, and one sells on both a spot and contract basis. The contracts for both producers and importers typically fix prices and quantities during the contract period, and in some cases contain meet-or-release provisions. Some producer contracts have minimum quantity provisions, but none of the importer contracts contain these provisions. While contracts by importers are fairly short in duration, generally amounting to 3 months or less, U.S. producers' contracts are often for periods of 1 year or more.

## PRICE DATA

The Commission asked U.S. producers and importers of rebar to provide quarterly data for the total quantity and value of rebar that was shipped to unrelated customers in the U.S. market during January 1997-September 2002. The data were requested for sales outside the specified region, within the specified region other than Puerto Rico, and within Puerto Rico. Pricing data were requested on the following products.

**Product 1.**--ASTM A615, #3, grade 60 stock rebar

**Product 2.**--ASTM A615, #4, grade 60 stock rebar

**Product 3.**--ASTM A615, #5, grade 60 stock rebar

Usable price data on sales of one or more of the three products both inside and outside of the specified region were provided by 23 producers and 7 importers of rebar from Turkey. Nineteen producers reported prices both inside and outside the specified region, while four only sold rebar outside. Just one producer and one importer reported sales in Puerto Rico.<sup>3</sup> Since the producer's sales in Puerto Rico only occurred in 1997 and 1998 and the importer's sales in Puerto Rico only occurred in 2001 and 2002, no price comparisons were possible. Two importers reported sales only within the specified region, four reported sales both inside and outside of the region, and one reported sales only outside of the region. During 2001, U.S. producer sales of the products inside the region other than Puerto Rico accounted for 53 percent of total U.S. producer commercial shipments into the region. Producer sales of the products outside of the region accounted for 39 percent of total producer U.S. commercial shipments outside of the region. Importer sales of the three products within the region amounted to about 39 percent of all Turkish rebar imported into the region during 2001, and sales outside of the region accounted for about 45 percent of U.S. imports from Turkey entering outside of the region during 2001.

### **Price Trends**

Weighted-average quarterly f.o.b. prices during January 1997-September 2002 for the three products of U.S.-produced and imported rebar from Turkey are shown in tables V-1 through V-6 and in figures V-2 through V-7. The data are broken out separately for sales inside and outside of the region. U.S. producer prices for all three products generally declined during the period. Import prices of all three products often fluctuated widely from quarter to quarter, making it difficult to determine trends

### **Price Comparisons**

Price comparisons were made between domestic products and imports from Turkey for sales within the specified region other than Puerto Rico and outside of the region. For combined sales of all three products within the region, imports were priced lower in 15 out of 22 quarterly comparisons by margins ranging from 0.6 percent to 26.6 percent. Margins of overselling within the region ranged from 0.2 percent to 9.5 percent. For combined sales of all three products outside the region, imports were priced lower in 14 out of 22 quarterly comparisons by margins ranging from 0.6 percent to 33.3 percent. Margins of overselling outside the region ranged from 0.1 percent to 17.3 percent.

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<sup>3</sup> The producer, \*\*\*, sold a total of \*\*\* tons of product 1 and \*\*\* tons of product 2 in Puerto Rico during 1997 and 1998. The quarterly prices of the two products ranged between \*\*\* and \*\*\* per ton. The importer, \*\*\*, sold a combined total of \*\*\* tons of products 1, 2, and 3 in Puerto Rico during 2001 and \*\*\* tons in 2002. The quarterly prices of the three products ranged between \*\*\* and \*\*\* per ton.

**Table V-1**

**Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1<sup>1</sup> sold to customers within the specified region other than Puerto Rico, and margins of underselling/(overselling), by quarters, January 1997-September 2002**

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$344.89	2,204	(2)	(2)	(2)
Apr.-June	344.61	2,643	(2)	(2)	(2)
July-Sept.	348.61	3,205	(2)	(2)	(2)
Oct.-Dec.	345.82	1,920	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	330.13	5,273	(2)	(2)	(2)
Apr.-June	357.62	5,035	(2)	(2)	(2)
July-Sept.	358.78	4,755	(2)	(2)	(2)
Oct.-Dec.	318.61	11,333	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	309.94	11,869	(2)	(2)	(2)
Apr.-June	305.83	16,832	(2)	(2)	(2)
July-Sept.	311.08	11,350	(2)	(2)	(2)
Oct.-Dec.	305.07	12,583	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	295.45	12,309	***	***	***
Apr.-June	294.33	14,357	(2)	(2)	(2)
July-Sept.	285.12	12,443	(2)	(2)	(2)
Oct.-Dec.	274.99	12,796	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	276.78	15,405	(2)	(2)	(2)
Apr.-June	276.06	17,559	***	***	***
July-Sept.	278.27	15,587	***	***	***
Oct.-Dec.	278.13	13,064	***	***	***
<b>2002:</b>					
Jan.-Mar.	263.03	13,529	(2)	(2)	(2)
Apr.-June	273.70	18,223	***	***	***
July-Sept.	286.34	14,178	***	***	***
<sup>1</sup> ASTM A615, #3, grade stock rebar. <sup>2</sup> No data reported.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-2

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1<sup>1</sup> sold to customers outside of the specified region, and margins of underselling/(overselling), by quarters, January 1997-September 2002

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$320.56	19,257	(2)	(2)	(2)
Apr.-June	323.16	23,153	(2)	(2)	(2)
July-Sept.	325.25	22,172	(2)	(2)	(2)
Oct.-Dec.	323.47	21,338	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	329.10	25,508	***	***	***
Apr.-June	331.60	24,198	(2)	(2)	(2)
July-Sept.	337.27	22,589	(2)	(2)	(2)
Oct.-Dec.	318.88	19,333	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	336.25	20,709	(2)	(2)	(2)
Apr.-June	299.64	28,795	***	***	***
July-Sept.	314.50	23,767	(2)	(2)	(2)
Oct.-Dec.	304.62	20,709	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	302.31	21,949	(2)	(2)	(2)
Apr.-June	302.83	23,748	(2)	(2)	(2)
July-Sept.	305.27	26,050	***	***	***
Oct.-Dec.	301.99	20,099	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	291.94	27,288	(2)	(2)	(2)
Apr.-June	289.66	34,257	(2)	(2)	(2)
July-Sept.	288.41	31,277	***	***	***
Oct.-Dec.	284.88	25,407	***	***	***
<b>2002:</b>					
Jan.-Mar.	278.66	28,172	***	***	***
Apr.-June	281.38	29,437	***	***	***
July-Sept.	283.03	28,810	***	***	***
<sup>1</sup> ASTM A615, #3, grade stock rebar. <sup>2</sup> No data reported.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-3

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2<sup>1</sup> sold to customers within the specified region other than Puerto Rico, and margins of underselling/(overselling), by quarters, January 1997-September 2002

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$300.80	20,658	(2)	(2)	(2)
Apr.-June	308.01	24,212	(2)	(2)	(2)
July-Sept.	316.53	21,501	(2)	(2)	(2)
Oct.-Dec.	318.17	16,316	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	308.14	39,305	(2)	(2)	(2)
Apr.-June	315.20	48,071	(2)	(2)	(2)
July-Sept.	313.28	42,176	(2)	(2)	(2)
Oct.-Dec.	297.41	62,929	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	276.65	67,985	(2)	(2)	(2)
Apr.-June	272.85	80,489	(2)	(2)	(2)
July-Sept.	281.93	71,016	(2)	(2)	(2)
Oct.-Dec.	267.96	56,750	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	263.95	65,413	***	***	***
Apr.-June	266.63	76,132	(2)	(2)	(2)
July-Sept.	272.43	70,456	(2)	(2)	(2)
Oct.-Dec.	252.35	63,341	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	249.39	77,801	***	***	***
Apr.-June	260.63	94,700	***	***	***
July-Sept.	272.31	69,150	***	***	***
Oct.-Dec.	259.54	66,427	***	***	***
<b>2002:</b>					
Jan.-Mar.	248.61	79,708	***	***	***
Apr.-June	259.43	86,526	***	***	***
July-Sept.	267.38	78,265	***	***	***
<sup>1</sup> ASTM A615, #4, grade stock rebar. <sup>2</sup> No data reported.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-4

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2<sup>1</sup> sold to customers outside the specified region, and margins of underselling/(overselling), by quarters, January 1997-September 2002

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$287.26	85,512	(2)	(2)	(2)
Apr.-June	288.49	94,902	(2)	(2)	(2)
July-Sept.	292.37	118,027	(2)	(2)	(2)
Oct.-Dec.	293.12	87,713	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	300.47	98,356	***	***	***
Apr.-June	301.67	114,919	(2)	(2)	(2)
July-Sept.	301.76	118,488	(2)	(2)	(2)
Oct.-Dec.	291.95	113,158	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	276.92	124,189	(2)	(2)	(2)
Apr.-June	274.95	154,658	***	***	***
July-Sept.	277.14	148,242	(2)	(2)	(2)
Oct.-Dec.	276.53	124,027	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	269.78	128,440	(2)	(2)	(2)
Apr.-June	274.29	146,245	(2)	(2)	(2)
July-Sept.	272.68	153,781	***	***	***
Oct.-Dec.	269.53	140,875	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	270.54	160,163	(2)	(2)	(2)
Apr.-June	275.17	155,203	(2)	(2)	(2)
July-Sept.	274.37	155,953	***	***	***
Oct.-Dec.	266.57	119,421	***	***	***
<b>2002:</b>					
Jan.-Mar.	257.77	145,070	(2)	(2)	(2)
Apr.-June	259.88	187,389	***	***	***
July-Sept.	267.65	157,241	(2)	(2)	(2)
<sup>1</sup> ASTM A615, #4, grade stock rebar. <sup>2</sup> No data reported.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-5

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3<sup>1</sup> sold to customers within the specified region other than Puerto Rico, and margins of underselling/(overselling), by quarters, January 1997-September 2002

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$293.60	19,009	(2)	(2)	(2)
Apr.-June	302.12	25,107	(2)	(2)	(2)
July-Sept.	309.34	23,304	(2)	(2)	(2)
Oct.-Dec.	312.98	18,906	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	303.07	46,231	(2)	(2)	(2)
Apr.-June	303.81	52,688	(2)	(2)	(2)
July-Sept.	304.06	50,394	(2)	(2)	(2)
Oct.-Dec.	286.80	82,328	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	267.31	86,673	(2)	(2)	(2)
Apr.-June	263.15	115,304	(2)	(2)	(2)
July-Sept.	273.97	102,328	(2)	(2)	(2)
Oct.-Dec.	260.37	88,667	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	260.20	104,841	***	***	***
Apr.-June	261.15	135,445	(2)	(2)	(2)
July-Sept.	252.59	108,088	***	***	***
Oct.-Dec.	241.78	111,848	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	243.11	115,757	***	***	***
Apr.-June	253.04	152,048	***	***	***
July-Sept.	259.89	116,558	***	***	***
Oct.-Dec.	251.49	116,299	***	***	***
<b>2002:</b>					
Jan.-Mar.	243.68	133,820	(2)	(2)	(2)
Apr.-June	251.74	153,825	***	***	***
July-Sept.	259.96	114,954	***	***	***
<sup>1</sup> ASTM A615, #5, grade stock rebar. <sup>2</sup> No data reported.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table V-6

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3<sup>1</sup> sold to customers outside the specified region, and margins of underselling/(overselling), by quarters, January 1997-September 2002

Period	United States		Turkey		
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)
<b>1997:</b>					
Jan.-Mar.	\$284.70	95,858	(2)	(2)	(2)
Apr.-June	291.78	106,749	(2)	(2)	(2)
July-Sept.	293.40	115,923	(2)	(2)	(2)
Oct.-Dec.	296.77	94,356	(2)	(2)	(2)
<b>1998:</b>					
Jan.-Mar.	301.27	100,859	***	***	***
Apr.-June	300.79	124,254	(2)	(2)	(2)
July-Sept.	298.62	127,917	(2)	(2)	(2)
Oct.-Dec.	290.40	136,485	(2)	(2)	(2)
<b>1999:</b>					
Jan.-Mar.	275.71	131,450	(2)	(2)	(2)
Apr.-June	271.98	169,696	***	***	***
July-Sept.	274.14	158,582	(2)	(2)	(2)
Oct.-Dec.	274.40	142,087	(2)	(2)	(2)
<b>2000:</b>					
Jan.-Mar.	267.76	149,696	(2)	(2)	(2)
Apr.-June	271.68	166,353	(2)	(2)	(2)
July-Sept.	270.55	171,425	***	***	***
Oct.-Dec.	267.90	158,462	(2)	(2)	(2)
<b>2001:</b>					
Jan.-Mar.	265.09	187,714	(2)	(2)	(2)
Apr.-June	270.90	177,700	***	***	***
July-Sept.	276.76	172,566	***	***	***
Oct.-Dec.	261.59	143,452	***	***	***
<b>2002:</b>					
Jan.-Mar.	258.59	152,497	***	***	***
Apr.-June	259.59	193,687	***	***	***
July-Sept.	262.03	173,542	(2)	(2)	(2)

<sup>1</sup> ASTM A615, #5, grade stock rebar.

<sup>2</sup> No data reported.

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

**Figure V-2**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 1 sold to customers within the specified region other than Puerto Rico, by quarters, January 1997-September 2002**

\* \* \* \* \*

**Figure V-3**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 1 sold to customers outside the specified region, by quarters, January 1997-September 2002**

\* \* \* \* \*

**Figure V-4**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 2 sold to customers within the specified region other than Puerto Rico, by quarters, January 1997-September 2002**

\* \* \* \* \*

**Figure V-5**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 2 sold to customers outside the specified region, by quarters, January 1997-September 2002**

\* \* \* \* \*

**Figure V-6**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 3 sold to customers within the specified region other than Puerto Rico, by quarters, January 1997-September 2002**

\* \* \* \* \*

**Figure V-7**

**Rebar: Weighted-average f.o.b. prices of domestic and imported product 3 sold to customers outside the specified region, by quarters, January 1997-September 2002**

\* \* \* \* \*



**APPENDIX A**

***FEDERAL REGISTER* NOTICES**  
**AND THE COMMISSION'S STATEMENT ON ADEQUACY**



Commission;<sup>1</sup> to be assured of consideration, the deadline for responses is April 22, 2002. Comments on the adequacy of responses may be filed with the Commission by May 15, 2002. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** March 1, 2002.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), 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>. The public record for this investigation may be viewed on the Commission's electronic docket (EDISON-LINE) at <http://dockets.usitc.gov/eol/public>.

**SUPPLEMENTARY INFORMATION:**

**Background**

On April 17, 1997, the Department of Commerce issued an antidumping duty order on imports of rebar from Turkey (62 FR 18748). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 02-5-069, expiration date July 31, 2002. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

**Definitions**

The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Turkey.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination, the Commission defined the *Domestic Like Product* as all stock deformed rebar, excluding plain round rebar, and fabricated or coated rebar.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission found "appropriate circumstances" existed to conduct a regional industry analysis and defined the *Domestic Industry* as all producers of stock deformed rebar within the Eastern Tier region.<sup>2</sup>

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the *Order Date* is April 17, 1997.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

**Participation in the Review 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 review as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the Federal Register. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

<sup>2</sup> The Eastern Tier Region is comprised of the following: Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Pennsylvania, Delaware, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, Tennessee, the District of Columbia, and Puerto Rico.

**INTERNATIONAL TRADE COMMISSION**

[Investigation No. 731-TA-745 (Review)]

**Steel Concrete Reinforcing Bar From Turkey**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of a five-year review concerning the antidumping duty order on steel concrete reinforcing bar (rebar) from Turkey.

**SUMMARY:** The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

**Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and APO Service List**

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the *Federal Register*. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

**Certification**

Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

**Written Submissions**

Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is April 22, 2002. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is May 15, 2002. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 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. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

**Inability To Provide Requested Information**

Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

**Information To Be Provided in Response to This Notice of Institution**

As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name,

telephone number, fax number, and e-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since 1996.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2001 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production and of Eastern Tier regional production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2001 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports and of Eastern Tier regional imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2001 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States and to the Eastern Tier region of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the

*Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: February 22, 2002.

By Order of the Commission.

**Marilyn R. Abbott,**

*Acting Secretary.*

[FR Doc. 02-4922 Filed 2-28-02; 8:45 am]

BILLING CODE 7020-02-P

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**INTERNATIONAL TRADE  
COMMISSION****[Investigation No. 731-TA-745 (Review)]****Steel Concrete Reinforcing Bar From  
Turkey****AGENCY:** United States International  
Trade Commission.**ACTION:** Notice of Commission  
determination to conduct a full five-year  
review concerning the antidumping  
duty order on steel concrete reinforcing  
bar from Turkey.**SUMMARY:** The Commission hereby gives  
notice that it will proceed with a full  
review pursuant to section 751(c)(5) of  
the Tariff Act of 1930 (19 U.S.C.  
1675(c)(5)) to determine whether  
revocation of the antidumping duty  
order on steel concrete reinforcing bar  
from Turkey would be likely to lead to  
continuation or recurrence of material  
injury within a reasonably foreseeable  
time. A schedule for the review will be  
established and announced at a later  
date. For further information concerning  
the conduct of this review and rules of  
general application, consult the  
Commission's Rules of Practice and  
Procedure, part 201, subparts A through  
E (19 CFR part 201), and part 207,  
subparts A, D, E, and F (19 CFR part  
207).**EFFECTIVE DATE:** June 4, 2002.**FOR FURTHER INFORMATION CONTACT:**  
Mary Messer (202-205-3193), Office of  
Investigations, U.S. International Trade  
Commission, 500 E Street SW.,  
Washington, DC 20436. Hearing-  
impaired persons can obtain  
information on this matter by contacting  
the Commission's TDD terminal on 202-  
205-1810. Persons with mobility  
impairments who will need special  
assistance in gaining access to the  
Commission should contact the Office  
of the Secretary at 202-205-2000.  
General information concerning the  
Commission may also be obtained by  
accessing its internet server ([http://  
www.usitc.gov](http://www.usitc.gov)). The public record for  
this investigation may be viewed on the  
Commission's electronic docket (EDIS-  
ON-LINE) at [http://dockets.usitc.gov/  
eol/public](http://dockets.usitc.gov/eol/public).**SUPPLEMENTARY INFORMATION:** On June 4,  
2002, the Commission determined that  
it should proceed to a full review in the  
subject five-year review pursuant to

section 751(c)(5) of the Act. The  
Commission found that both the  
domestic and respondent interested  
party group responses to its notice of  
institution (67 F.R. 9465, March 1, 2002)  
were adequate. A record of the  
Commissioners' votes, the  
Commission's statement on adequacy,  
and any individual Commissioner's  
statements will be available from the  
Office of the Secretary and at the  
Commission's web site.

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

By order of the Commission.

Issued: June 10, 2002.

**Marilyn R. Abbott,**  
*Secretary.*

[FR Doc. 02-15045 Filed 6-13-02; 8:45 am]

**BILLING CODE 7020-02-P**

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**FOR FURTHER INFORMATION CONTACT:**  
Martha V. Douthit or James P. Maeder, Jr., Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-5050 or (202) 482-3330.

**SUPPLEMENTARY INFORMATION:**

**Statute and Regulations:**

This review is conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (*"Sunset Regulations"*) and in 19 CFR Part 351 (2001) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3 *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) (*"Sunset Policy Bulletin"*).

**Scope of Review:**

The product covered by this order is all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed REBAR rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes: (i) plain round REBAR, (ii) REBAR that a processor has further worked or fabricated, and (iii) all coated REBAR. Deformed REBAR is currently classifiable in the Harmonized Tariff Schedule of the United States (*"HTSUS"*) under item numbers 7213.10.000 and 7214.20.000. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

**Background:**

On March 1, 2002, the Department published the notice of initiation of the five-year sunset review of the antidumping duty order on REBAR from Turkey in accordance with section 751(c)(6)(A)(i) of the Tariff Act of 1930.<sup>2</sup> On March 18, 2002, the Department received a Notice of Intent to Participate on behalf of Ameristeel Corporation, Commercial Metals Company, Birmingham Steel Corporation, and Nucor Corporation (collectively, "the domestic interested parties") as

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
[A-489-807]

**Final Results of Expedited Sunset Review: Certain Concrete Reinforcing Bars from Turkey**

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

**ACTION:** Notice of Final Results of Expedited Sunset Reviews: Certain Concrete Reinforcing Bars from Turkey.

**SUMMARY:** On March 1, 2002, the Department of Commerce ("the Department") published the notice of initiation of a five-year sunset review of the antidumping duty order on reinforcing bars ("REBAR") from Turkey, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act").<sup>1</sup> On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties, and inadequate response (in this case no response) from respondent interested parties, the Department determined to conduct an expedited sunset review of this antidumping duty order. As a result of this review, the Department finds that revocation of the antidumping order would be likely lead to continuation or recurrence of dumping at the levels indicated in the *"Final Results of Review"* section of this notice.

**EFFECTIVE DATE:** July 9, 2002.

<sup>1</sup> Notice of Initiation of Five Year "Sunset" Reviews, 67 FR 9439 (March 1, 2002).

<sup>2</sup> Notice of Initiation of Five Year "Sunset" Reviews, 67 FR 9439 (March 1, 2002).

specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claim interested party status as a domestic producer of REBAR.<sup>3</sup>

On April 8, 2002, the Department received a complete substantive response from the domestic interested parties, as specified in the *Sunset Regulations* under section 351.218(d)(3)(i).<sup>4</sup>

The Department did not receive a substantive response from any respondent interested party in this proceeding. Consequently, pursuant to section 751(c)(3)(B) of the Act, and 19 CFR 351.218(e)(1)(ii)(C), the Department conducted an expedited (120 - day) sunset review of this order.

**Analysis of Comments Received:**

All issues raised by the domestic interested parties to this sunset review are addressed in the *Issues and Decision Memorandum* ("Decision Memorandum") from Jeffrey A. May, Director, Office of Policy, Import Administration, to Faryar Shirzad, Assistant Secretary for Import Administration, dated July 1, 2002, which is adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this sunset review

and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099, of the Department's main building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading "July 2002." The paper copy and electronic version of the Decision Memorandum are identical in content.

**Final Results of Review:**

We determine that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/producers/exporter	Weighted-Average Margin (percent)
Colakoglu Metalurji A.S. or Colakoglu Dis Ticaret (Colakoglu) .....	9.84
Ekincler Demir Celik or Ekincler Dis Ticaret (Ekincler) .....	18.68
Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas) .....	18.54
Izmir Demir Celik Sanayi A.S. (IDC) .....	41.80
Izmir Metalurji Fabrikasi Turk A.S. (Metas) .....	30.16
All Others .....	16.06

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

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

Dated: July 1, 2002.

**Joseph A. Spetrini,**  
Acting Assistant Secretary for Import Administration.

[FR Doc. 02-17194 Filed 7-8-02; 8:45 am]

BILLING CODE 3510-DS-S

<sup>3</sup> Ameristeel was one of the two petitioners in the original investigation. Ameristeel has participated in all administrative reviews conducted by the Department since the issuance of this antidumping duty order. The domestic interested parties note

they are participants in the Department's third administrative review.

<sup>4</sup> On March 28, 2002, the Department received request from domestic interested parties for extension of time limits to file a substantive response in this proceeding. The Department

granted the extension to the domestic interested parties and all participants eligible to file responses until April 8, 2002.

**INTERNATIONAL TRADE  
COMMISSION**

[Investigation No. 731-TA-745 (Review)]

**Steel Concrete Reinforcing Bar From  
Turkey**

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of a full five-year review concerning the antidumping duty order on steel concrete reinforcing bars from Turkey.

**SUMMARY:** The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on steel concrete reinforcing bars from Turkey would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** September 3, 2002.

**FOR FURTHER INFORMATION CONTACT:** Olympia DeRosa Hand (202-205-3182), 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>). The public record for this investigation may be viewed on the Commission's electronic docket (EDISON-LINE) at <http://dockets.usitc.gov/eol/public>.

**SUPPLEMENTARY INFORMATION:**

**Background**

On June 4, 2002, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (67 FR 40965, June 14, 2002). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available

from the Office of the Secretary and at the Commission's web site.

*Participation in the review 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 this review 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, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

*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 this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review 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 review will be placed in the nonpublic record on November 22, 2002, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

*Hearing.* The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on December 12, 2002, 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 December 2, 2002. 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 December 4, 2002, 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), 207.24, and 207.66 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 to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is December 3, 2002. 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 207.67 of the Commission's rules. The deadline for filing posthearing briefs is December 19, 2002; 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 review may submit a written statement of information pertinent to the subject of the review on or before December 19, 2002. On January 31, 2003, 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 February 4, 2003, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's 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 review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

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

By order of the Commission.

Issued: September 4, 2002.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 02-23032 Filed 9-10-02; 8:45 am]

BILLING CODE 7020-02-P

## EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

*Steel Concrete Reinforcing Bar from Turkey*  
Inv. No. 731-TA-745 (Review)

On June 4, 2002, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)(5)).

The Commission determined that both the domestic and respondent interested party group responses to the notice of institution were adequate and voted to conduct a full review. Regarding domestic interested parties,<sup>1</sup> the Commission received individual responses from four domestic producers of steel concrete reinforcing bar (“rebar”). The record indicates that these producers accounted for the majority of domestic production of rebar in the Eastern Tier region in 2001.<sup>2</sup> With respect to respondent interested parties, the Commission received a joint response, which contained company specific information, on behalf of five Turkish producers accounting for the majority of rebar production in Turkey in 2001.<sup>3</sup>

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

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<sup>1</sup> The record for factual information on the adequacy phase of this review closed on May 6, 2002. Therefore, new information submitted by domestic interested parties in their May 15, 2002 comments on adequacy, specifically Attachment 2 and references to it on pages 3 and 4 of the comments, were disregarded.

<sup>2</sup> In the original investigation, the Commission defined a regional domestic industry consisting of domestic producers of rebar in the Eastern Tier region.

<sup>3</sup> The association, Istanbul Mineral and Metals Exporters Association (“IMMIB”), does not constitute an interested party pursuant to 19 U.S.C. § 1677(9)(A) since a majority of its members are not foreign producers, exporters or importers of subject merchandise. However, the four Turkish producers of rebar that provided it information to IMMIB and on whose behalf IMMIB submitted that information to the Commission constitute interested parties pursuant to 19 U.S.C. § 1677(9)(A).



**APPENDIX B**

**LIST OF WITNESSES APPEARING AT THE COMMISSION'S  
DECEMBER 12, 2002, HEARING**





**In Support of the Revocation  
of Antidumping Duties:**

Lafave & Sailer LLP  
Washington, DC  
on behalf of

Colakoglu Metalurji A.S.  
Diler Dis Ticaret A.S.  
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.  
Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.  
Izmir Demir Celik Sanayi A.S.

**Ugur Dalbeler**, Trade and Finance Coordinator,  
Colakoglu Metalurji A.S.

**Francis J. Sailer** ) – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

Domestic Interested Parties (**Damon E. Xenopoulos**, Brickfield Burchette  
Ritts & Stone, PC)  
Respondent Interested Parties (**Francis J. Sailer**, Lafave & Sailer LLP)

**APPENDIX C**  
**SUMMARY DATA**



Table C-1

Rebar: Summary data concerning the total U.S. market, 1997-2001, January-September 2001, and January-September 2002

Item	(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)					Period changes							
	Reported data					January-September		1997-2001	1997-1998	1998-1999	1999-2000	2000-2001	January-Sept 2001-2002
	1997	1998	1999	2000	2001	2001	2002						
<b>U.S. consumption quantity:</b>													
Amount	6,395,588	6,778,126	7,788,993	7,835,091	8,189,780	6,355,813	6,196,401	28.1	6.0	14.9	0.6	4.5	-2.5
U.S. producers' share (1)	89.0	81.9	76.5	78.7	78.5	78.3	81.6	-10.5	-7.2	-5.4	2.2	-0.2	3.3
Importers' share (1):													
Turkey	1.3	0.1	0.5	2.4	2.6	2.4	3.4	1.3	-1.2	0.4	1.9	0.2	1.0
Other sources	9.7	18.0	23.0	18.9	18.8	19.3	15.0	9.2	8.3	5.0	-4.1	-0.0	-4.3
Total imports	11.0	18.1	23.5	21.3	21.5	21.7	18.4	10.5	7.2	5.4	-2.2	0.2	-3.3
<b>U.S. consumption value:</b>													
Amount	1,903,595	2,041,153	2,011,575	2,026,938	2,136,787	1,649,006	1,538,326	12.3	7.2	-1.4	0.8	5.4	-6.7
U.S. producers' share (1)	90.0	83.4	80.8	82.1	81.5	81.1	83.6	-8.5	-6.6	-2.6	1.3	-0.6	2.5
Importers' share (1):													
Turkey	1.2	0.1	0.4	2.0	2.0	1.9	3.0	0.9	-1.1	0.3	1.6	0.0	1.1
Other sources	8.8	18.5	18.8	15.8	16.4	17.0	13.4	7.8	7.7	2.3	-2.9	0.6	-3.7
Total imports	10.0	18.6	19.2	17.9	18.5	18.9	16.4	8.5	6.6	2.6	-1.3	0.6	-2.5
<b>U.S. imports from:</b>													
Turkey:													
Quantity	83,699	8,993	41,969	190,687	214,688	152,626	212,109	156.5	-89.3	366.7	354.4	12.6	39.0
Value	22,389	2,140	8,006	41,111	43,539	31,239	46,477	94.5	-90.4	274.1	413.5	5.9	48.8
Unit value	\$267	\$238	\$191	\$216	\$203	\$205	\$219	-24.2	-11.0	-19.8	13.0	-5.9	7.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Other sources:													
Quantity	617,604	1,220,201	1,790,639	1,479,142	1,543,521	1,224,673	927,010	149.9	97.6	46.7	-17.4	4.4	-24.3
Value	167,187	336,449	377,897	321,120	350,901	280,837	205,587	109.9	101.2	12.3	-15.0	9.3	-26.8
Unit value	\$271	\$276	\$211	\$217	\$227	\$229	\$222	-16.0	1.9	-23.5	2.9	4.7	-3.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:													
Quantity	701,303	1,229,195	1,832,608	1,669,829	1,758,208	1,377,299	1,139,119	150.7	75.3	49.1	-8.9	5.3	-17.3
Value	189,576	338,589	385,903	362,231	394,440	312,076	252,064	108.1	78.6	14.0	-6.1	8.9	-19.2
Unit value	\$270	\$275	\$211	\$217	\$224	\$227	\$221	-17.0	1.9	-23.6	3.0	3.4	-2.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>U.S. producers:</b>													
Average capacity quantity	7,755,392	7,903,880	8,331,264	8,425,795	8,642,263	6,704,380	6,758,084	11.4	1.9	5.4	1.1	2.6	0.8
Production quantity	5,812,071	5,841,818	5,980,948	6,377,625	6,580,793	5,066,829	5,097,231	13.2	0.5	2.4	6.6	3.2	0.0
Capacity utilization (1)	74.9	73.9	71.8	75.7	76.1	75.4	75.4	1.2	-1.0	-2.1	3.9	0.5	-0.6
<b>U.S. shipments:</b>													
Quantity	5,894,285	5,548,832	5,956,385	6,165,282	6,431,571	4,978,515	5,057,282	12.9	-2.6	7.3	3.5	4.3	1.6
Value	1,714,019	1,702,564	1,625,672	1,864,707	1,742,347	1,336,830	1,286,262	1.7	-0.7	-4.5	2.4	4.7	-3.8
Unit value	\$301	\$307	\$273	\$270	\$271	\$269	\$254	-10.0	1.9	-11.0	-1.1	0.3	-5.3
<b>Export shipments:</b>													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	475,512	672,015	585,295	635,284	652,210	664,291	581,866	37.2	41.3	-12.9	8.5	2.7	-12.4
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	5,081	5,068	5,153	5,178	4,916	5,063	4,886	-3.3	-0.3	1.7	0.5	-5.1	-3.5
Hours worked (1,000s)	11,014	11,144	11,233	11,362	10,713	8,211	7,895	-2.7	1.2	0.8	1.1	-5.7	-3.8
Wages paid (\$1,000s)	219,093	232,678	246,093	251,265	246,959	193,058	190,707	12.7	6.2	5.8	2.1	-1.7	-1.2
Hourly wages	\$19.89	\$20.88	\$21.91	\$22.12	\$23.05	\$23.51	\$24.16	15.9	5.0	4.9	0.9	4.2	2.7
Productivity (tons per 1,000 hours)	527.7	524.2	532.4	561.3	614.3	620.8	645.6	16.4	-0.7	1.6	5.4	9.4	4.0
Unit labor costs	\$37.70	\$39.83	\$41.15	\$39.40	\$37.53	\$37.88	\$37.41	-0.4	5.7	3.3	-4.2	-4.7	-1.2
<b>Net sales:</b>													
Quantity	5,811,036	5,898,439	6,025,017	6,244,417	6,482,591	5,106,311	5,107,345	11.6	-1.9	5.7	3.6	3.8	0.0
Value	1,745,940	1,692,380	1,651,545	1,673,810	1,708,739	1,361,399	1,302,917	-2.1	-3.1	-2.4	1.3	2.1	-4.3
Unit value	\$300	\$297	\$274	\$268	\$264	\$267	\$255	-12.3	-1.2	-7.7	-2.2	-1.7	-4.3
Cost of goods sold (COGS)	1,566,630	1,479,265	1,444,682	1,519,658	1,530,655	1,225,503	1,178,842	-2.3	-5.6	-2.3	5.2	0.7	-3.8
Gross profit or (loss)	179,310	213,115	206,864	153,952	178,084	135,896	124,075	-0.7	18.9	-2.9	-25.6	15.7	-8.7
SG&A expenses	92,526	86,517	86,376	85,599	102,260	79,838	70,459	10.5	-6.5	-0.2	10.7	7.0	-11.7
Operating income or (loss)	86,784	126,598	120,487	58,353	75,824	56,058	53,616	-12.6	45.9	-4.8	-51.6	29.9	-4.4
Capital expenditures	118,745	137,177	145,845	79,058	69,445	63,375	35,544	-41.5	15.5	6.3	-45.8	-12.2	-43.9
Unit COGS	\$270	\$260	\$240	\$243	\$236	\$240	\$231	-12.4	-3.7	-7.6	1.5	-3.0	-3.8
Unit SG&A expenses	\$16	\$15	\$14	\$15	\$16	\$16	\$14	-0.9	-4.6	-5.6	6.8	3.0	-11.8
Unit operating income or (loss)	\$15	\$22	\$20	\$9	\$12	\$11	\$10	-21.7	48.8	-10.0	-53.3	25.2	-4.4
COGS/sales (1)	89.7	87.4	87.5	90.8	89.6	90.0	90.5	-0.2	-2.3	0.1	3.3	-1.2	0.5
Operating income or (loss)/ sales (1)	5.0	7.5	7.3	3.5	4.4	4.1	4.1	-0.5	2.5	-0.2	-3.8	1.0	-0.0

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

(3) Increase greater than 1,000 percent.

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. January-September inventory ratios are annualized.

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

Table C-2  
 Rebar: Summary data concerning the U.S. market within the region, 1997-2001, January-September 2001, and January-September 2002

Item	Reported data							Period changes					
	1997	1998	1999	2000	2001	January-September		1997-2001	1997-1998	1998-1999	1999-2000	2000-2001	January-Sept. 2001-2002
						2001	2002						
U.S. consumption quantity:													
Amount	2,830,826	2,915,304	3,468,753	3,530,696	3,572,053	2,778,590	2,680,191	35.8	10.8	18.9	1.8	1.2	-3.5
U.S. producers' share (1):													
Producers within the region	78.9	70.8	65.3	67.0	70.0	71.6	71.5	-8.9	-8.1	-5.5	1.7	3.0	-0.1
Producers outside the region	8.9	6.8	6.2	5.9	4.7	4.5	5.1	-4.2	-2.1	-0.6	-0.2	-1.2	0.6
Total U.S. producers	87.8	77.6	71.4	72.9	74.7	76.1	76.6	-13.0	-10.2	-6.1	1.5	1.8	0.5
Importers' share (1):													
Turkey	2.7	0.3	0.9	4.2	4.1	3.4	5.8	1.4	-2.4	0.6	3.3	-0.1	2.4
Other sources	9.5	22.1	27.6	22.9	21.2	20.5	17.6	11.6	12.6	5.5	-4.8	-1.7	-2.9
Total imports	12.2	22.4	28.6	27.1	25.3	23.9	23.4	13.0	10.2	6.1	-1.5	-1.8	-0.5
U.S. consumption value:													
Amount	802,915	859,245	870,124	888,900	913,328	702,417	662,281	13.8	7.0	1.3	2.2	2.7	-5.7
U.S. producers' share (1):													
Producers within the region	79.6	73.3	70.4	70.9	73.0	73.7	74.5	-8.6	-6.3	-2.9	0.5	2.1	0.7
Producers outside the region	8.8	6.6	6.0	6.1	4.8	4.6	4.8	-4.0	-2.2	-0.6	0.1	-1.3	0.2
Total U.S. producers	88.4	79.9	76.4	77.0	77.8	78.4	79.3	-10.6	-8.4	-3.5	0.6	0.7	0.9
Importers' share (1):													
Turkey	2.4	0.2	0.7	3.6	3.2	2.8	5.1	0.9	-2.1	0.5	2.9	-0.4	2.3
Other sources	9.3	19.8	22.9	19.3	19.0	18.9	15.6	9.7	10.5	3.1	-3.5	-0.3	-3.3
Total imports	11.6	20.1	23.6	23.0	22.2	21.6	20.7	10.6	8.4	3.5	-0.6	-0.7	-0.9
U.S. imports into the region from:													
Turkey:													
Quantity	70,792	8,988	32,082	148,477	145,607	93,807	155,187	105.7	-87.3	257.7	362.8	-1.9	65.4
Value	18,934	2,129	6,152	32,378	29,646	19,390	33,684	56.6	-88.8	188.9	426.3	-8.4	73.7
Unit value	\$267	\$237	\$192	\$218	\$204	\$207	\$217	-23.9	-11.2	-19.2	13.7	-6.6	5.0
Other sources:													
Quantity	251,166	645,444	958,440	808,234	756,796	569,927	471,137	201.3	157.0	48.5	-15.7	-8.4	-17.3
Value	74,503	170,174	199,038	171,930	173,480	132,544	103,371	132.8	128.4	17.0	-13.6	0.9	-22.0
Unit value	\$297	\$264	\$208	\$213	\$229	\$233	\$219	-22.7	-11.1	-21.2	2.4	7.7	-5.7
All sources:													
Quantity	321,958	654,412	990,522	956,712	902,403	663,733	626,324	180.3	103.3	51.4	-3.4	-5.7	-5.6
Value	93,437	172,304	205,190	204,308	203,107	151,933	137,055	117.4	84.4	19.1	-0.4	-0.6	-9.8
Unit value	\$290	\$263	\$207	\$214	\$225	\$229	\$219	-22.4	-9.3	-21.3	3.1	5.4	-4.4
U.S. regional producers':													
Average capacity quantity	2,990,722	2,963,002	3,293,167	3,463,393	3,588,707	2,717,143	2,728,438	20.0	-0.9	11.1	5.2	3.8	0.4
Production quantity	2,374,649	2,351,538	2,547,511	2,890,305	2,966,324	2,287,739	2,275,396	24.9	-1.0	8.3	13.5	2.6	-0.5
Capacity utilization (1)	79.4	79.4	77.4	83.5	82.7	84.2	83.4	3.3	-0.0	-2.0	6.1	-0.8	-0.8
U.S. shipments within the region:													
Quantity	2,074,555	2,063,184	2,262,937	2,364,580	2,500,002	1,990,300	1,917,532	20.5	-0.5	9.7	4.5	5.7	-3.7
Value	639,007	630,023	612,530	630,476	666,578	517,995	493,216	4.3	-1.4	-2.8	2.9	5.7	-4.8
Unit value	\$308	\$305	\$271	\$267	\$267	\$260	\$257	-13.4	-0.9	-11.4	-1.5	-0.0	-1.2
U.S. shipments outside the region:													
Quantity	***	***	***	***	480,776	335,491	368,867	***	***	***	***	***	9.9
Value	***	***	***	***	123,892	90,458	96,338	***	***	***	***	***	6.5
Unit value	***	***	***	***	\$269	\$270	\$261	***	***	***	***	***	-3.1
Export shipments:													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	184,685	215,027	206,811	265,900	222,014	226,604	225,250	20.2	16.4	-3.8	28.6	-16.5	-0.6
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	1,579	1,800	1,886	1,748	1,757	1,747	1,764	11.3	1.3	5.4	3.7	0.5	1.0
Hours worked (1,000s)	3,801	3,896	4,082	4,140	4,158	3,077	3,373	15.4	2.6	10.4	1.4	0.4	9.8
Wages paid (\$1,000s)	74,531	80,527	91,817	95,004	97,267	75,960	83,702	30.5	8.0	14.0	3.5	2.4	10.2
Hourly wages	\$20.69	\$21.79	\$22.49	\$22.95	\$23.39	\$24.69	\$24.82	13.0	5.3	3.2	2.0	1.9	0.5
Productivity (tons per 1,000 hours)	659.4	636.2	624.1	698.2	713.5	743.8	674.6	8.2	-3.5	-1.9	11.9	2.2	-9.3
Unit labor costs	\$31.39	\$34.24	\$36.04	\$32.87	\$32.79	\$33.20	\$36.79	4.5	9.1	5.2	-8.8	-0.2	10.8
Net sales:													
Quantity	2,321,665	2,327,716	2,534,663	2,704,623	2,970,228	2,320,012	2,304,707	27.9	0.3	8.9	6.7	9.8	-0.7
Value	704,361	686,477	679,303	698,830	769,499	592,349	572,215	9.2	-2.5	-1.0	2.9	10.1	-3.4
Unit value	\$303	\$295	\$268	\$258	\$259	\$255	\$248	-14.6	-2.8	-9.1	-3.6	0.3	-2.8
Cost of goods sold (COGS)	607,870	587,817	601,235	650,064	690,835	538,459	523,383	13.6	-3.3	2.3	8.1	6.3	-2.8
Gross profit or (loss)	96,491	98,660	78,068	48,766	78,664	53,890	48,832	-18.5	2.2	-20.9	-37.5	61.3	-9.4
SG&A expenses	33,970	28,831	30,282	32,287	38,585	28,852	26,913	13.6	-15.1	5.0	6.8	19.5	-6.1
Operating income or (loss)	62,521	69,829	47,786	16,479	40,079	25,238	21,919	11.7	-31.6	-85.5	143.2	-13.2	-12.6
Capital expenditures	31,903	53,528	***	51,750	33,228	28,007	14,040	4.1	67.8	***	***	-35.8	-49.9
Unit COGS	\$262	\$253	\$237	\$240	\$233	\$232	\$227	-11.2	-3.6	-6.1	1.3	-3.2	-2.2
Unit SG&A expenses	\$15	\$12	\$12	\$12	\$13	\$12	\$12	-11.2	-15.3	-3.5	-0.1	8.8	-5.4
Unit operating income or (loss)	\$27	\$30	\$19	\$6	\$13	\$11	\$10	-49.9	11.4	-37.2	-67.7	121.5	-12.6
COGS/sales (1)	86.3	85.8	88.5	93.0	89.8	90.9	91.5	3.5	-0.7	2.9	4.5	-3.2	0.6
Operating income or (loss)/ sales (1)	8.9	10.2	7.0	2.4	5.2	4.3	3.8	-3.7	1.3	-3.1	-4.7	2.9	-0.4
U.S. outside producers':													
U.S. shipments into the region:													
Quantity	234,413	197,708	213,294	209,404	169,647	124,557	136,335	-27.6	-15.7	7.9	-1.8	-19.0	9.5
Value	70,471	56,918	52,404	54,117	43,644	32,489	32,010	-38.1	-19.2	-7.9	3.3	-19.4	-1.5
Unit value	\$301	\$288	\$246	\$258	\$257	\$261	\$235	-14.4	-4.2	-14.7	5.2	-0.5	-10.0

(1) "Reported data" are in percent and "period changes" are in percentage points.

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. January-September inventory ratios are annualized.

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

Table C-3

Rebar: Summary data concerning the U.S. market outside the region, 1997-2001, January-September 2001, and January-September 2002

(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							
	1997	1998	1999	2000	2001	January-September		1997-2001	1997-1998	1998-1999	1999-2000	2000-2001	January-Sept. 2001-2002
						2001	2002						
<b>U.S. consumption quantity:</b>													
Amount	3,764,863	3,862,822	4,322,240	4,304,396	4,617,727	3,577,224	3,516,210	22.7	2.6	11.9	-0.4	7.3	-1.7
<b>U.S. producers' share (1):</b>													
Producers within the region	***	***	***	***	10.0	9.4	10.5	***	***	***	***	***	1.1
Producers outside the region	***	***	***	***	71.5	70.7	74.9	***	***	***	***	***	4.3
Total U.S. producers	89.9	85.1	80.5	83.4	81.5	80.1	85.4	-8.5	-4.8	-4.6	2.9	-2.0	5.4
<b>Importers' share (1):</b>													
Turkey	0.3	(2)	0.2	1.0	1.5	1.6	1.6	1.2	-0.3	0.2	0.8	0.5	-0.0
Other sources	9.7	14.9	19.3	15.6	17.0	18.3	13.0	7.3	5.1	4.4	-3.7	1.5	-5.3
Total imports	10.1	14.9	19.5	16.6	18.5	19.9	14.6	8.5	4.8	4.6	-2.9	2.0	-5.4
<b>U.S. consumption value:</b>													
Amount	1,100,880	1,181,908	1,141,451	1,138,038	1,223,458	946,589	876,045	11.2	7.4	-3.4	-0.3	7.5	-7.5
<b>U.S. producers' share (1):</b>													
Producers within the region	***	***	***	***	10.1	9.6	11.0	***	***	***	***	***	1.4
Producers outside the region	***	***	***	***	74.2	73.5	75.9	***	***	***	***	***	2.3
Total U.S. producers	91.3	85.9	84.2	86.1	84.4	83.1	86.9	-6.9	-5.3	-1.8	2.0	-1.8	3.8
<b>Importers' share (1):</b>													
Turkey	0.3	(2)	0.2	0.8	1.1	1.3	1.5	0.8	-0.3	0.2	0.6	0.4	0.2
Other sources	8.4	14.1	15.7	13.1	14.5	15.7	11.7	6.1	5.6	1.6	-2.6	1.4	-4.0
Total imports	8.7	14.1	15.8	13.9	15.6	16.9	13.1	6.9	5.3	1.8	-2.0	1.8	-3.8
<b>U.S. imports outside the region from:</b>													
<b>Turkey:</b>													
Quantity	12,908	25	9,887	42,210	69,080	58,819	56,922	435.2	-99.8	(3)	326.9	63.7	-3.2
Value	3,455	10	1,854	8,733	13,893	11,849	12,793	302.1	-99.7	(3)	371.1	59.1	8.0
Unit value	\$288	\$410	\$188	\$207	\$201	\$201	\$225	-24.9	53.1	-54.2	10.3	-2.8	11.6
<b>Other sources:</b>													
Quantity	386,438	574,757	832,199	670,908	786,725	654,747	455,873	114.7	56.8	44.8	-19.4	17.3	-30.4
Value	92,885	166,274	178,859	149,190	177,440	148,294	102,216	91.4	79.4	7.6	-16.6	18.9	-31.1
Unit value	\$253	\$289	\$215	\$222	\$226	\$226	\$224	-10.8	14.4	-25.7	3.5	1.4	-1.0
<b>All sources:</b>													
Quantity	379,348	574,782	842,086	713,117	855,805	713,565	512,795	125.6	51.5	46.5	-15.3	20.0	-28.1
Value	96,140	166,285	180,713	157,923	191,333	160,143	115,009	99.0	73.0	8.7	-12.6	21.2	-28.2
Unit value	\$253	\$289	\$215	\$221	\$224	\$224	\$224	-11.8	14.2	-25.8	3.2	1.0	-0.1
<b>U.S. outside region producers:</b>													
Average capacity quantity	4,764,870	4,940,878	5,038,097	4,962,402	5,053,556	3,987,237	4,029,646	6.1	3.7	2.0	-1.5	1.8	1.1
Production quantity	3,437,422	3,490,280	3,433,437	3,487,320	3,614,469	2,809,090	2,821,835	5.2	1.5	-1.6	1.6	3.6	0.5
Capacity utilization (1)	72.1	70.6	68.1	70.3	71.5	70.5	70.0	-0.6	-1.5	-2.5	2.1	1.2	-0.4
<b>U.S. shipments into the region:</b>													
Quantity	234,413	197,708	213,294	209,404	169,647	124,557	136,335	-27.6	-15.7	7.9	-1.8	-19.0	9.5
Value	70,471	56,918	52,404	54,117	43,644	32,489	32,010	-38.1	-19.2	-7.9	3.3	-19.4	-1.5
Unit value	\$301	\$288	\$246	\$258	\$257	\$261	\$235	-14.4	-4.2	-14.7	5.2	-0.5	-10.0
<b>U.S. shipments outside the region:</b>													
Quantity	***	***	***	***	3,301,146	2,528,167	2,634,548	***	***	***	***	***	4.2
Value	***	***	***	***	908,233	695,988	664,697	***	***	***	***	***	-4.5
Unit value	***	***	***	***	\$275	\$275	\$252	***	***	***	***	***	-8.4
<b>Export shipments:</b>													
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	290,827	456,988	378,484	369,384	430,196	437,687	356,616	47.9	57.1	-17.2	-2.4	16.5	-18.5
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	3,502	3,486	3,467	3,430	3,159	3,316	3,122	-9.8	-1.0	0.0	-1.1	-7.9	-5.9
Hours worked (1,000s)	7,413	7,448	7,151	7,222	6,555	5,134	4,522	-11.6	0.5	-4.0	1.0	-9.2	-11.9
Wages paid (\$1,000s)	144,562	152,151	154,276	156,281	149,692	117,098	107,005	3.5	5.2	1.4	1.3	-4.2	-8.6
Hourly wages	\$19.50	\$20.43	\$21.57	\$21.64	\$22.84	\$22.81	\$23.66	17.1	4.8	5.6	0.3	5.5	3.7
Productivity (tons per 1,000 hours)	463.7	468.6	480.1	482.9	551.4	547.2	624.0	18.9	1.1	2.5	0.6	14.2	14.0
Unit labor costs	\$42.06	\$43.59	\$44.93	\$44.81	\$41.41	\$41.69	\$37.92	-1.5	3.7	3.1	-0.3	-7.6	-9.0
<b>Net sales:</b>													
Quantity	3,489,371	3,370,723	3,490,354	3,539,794	3,512,363	2,786,299	2,802,638	0.7	-3.4	3.5	1.4	-0.8	0.6
Value	1,041,579	1,005,903	972,242	974,780	939,240	789,049	730,702	-9.8	-3.4	-3.3	0.3	-3.6	-5.0
Unit value	\$299	\$298	\$279	\$275	\$267	\$276	\$261	-10.4	-0.0	-6.7	-1.1	-2.9	-5.5
Cost of goods sold (COGS)	958,760	891,448	843,447	869,594	839,820	687,043	655,459	-12.4	-7.0	-5.4	3.1	-3.4	-4.6
Gross profit or (loss)	82,819	114,455	128,796	105,186	99,420	82,006	75,243	20.0	38.2	12.5	-18.3	-5.5	-8.2
SG&A expenses	58,556	57,686	56,094	63,312	63,675	51,186	43,546	8.7	-1.5	-2.8	12.9	0.6	-14.9
Operating income or (loss)	24,263	56,769	72,701	41,874	35,745	30,820	31,697	47.3	134.0	28.1	-42.4	-14.6	2.8
Capital expenditures	86,842	83,649	***	27,308	36,219	35,368	21,504	-58.3	-3.7	***	***	32.6	-39.2
Unit COGS	\$275	\$264	\$242	\$246	\$239	\$247	\$234	-13.0	-3.7	-8.6	1.7	-2.7	-5.2
Unit SG&A expenses	\$17	\$17	\$16	\$18	\$18	\$16	\$16	8.0	2.0	-6.1	11.3	1.4	-15.4
Unit operating income or (loss)	\$7	\$17	\$21	\$12	\$10	\$11	\$11	46.4	142.2	23.7	-43.2	-14.0	2.2
COGS/sales (1)	92.0	88.6	86.8	89.2	89.4	89.3	89.7	-2.6	-3.4	-1.9	2.5	0.2	0.4
Operating income or (loss)/ sales (1)	2.3	5.6	7.5	4.3	3.8	4.0	4.3	1.5	3.3	1.8	-3.2	-0.5	0.3
<b>U.S. regional producers:</b>													
<b>U.S. shipments outside the region:</b>													
Quantity	***	***	***	***	460,776	335,491	368,867	***	***	***	***	***	9.9
Value	***	***	***	***	123,892	90,458	96,338	***	***	***	***	***	6.5
Unit value	***	***	***	***	\$269	\$270	\$261	***	***	***	***	***	-3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Increase greater than 1,000 percent.

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. January-September inventory ratios are annualized.

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



**APPENDIX D**

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS,  
FOREIGN PRODUCERS, AND U.S. PURCHASERS CONCERNING  
THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDER  
AND THE LIKELY EFFECTS OF REVOCATION**



**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested producers to describe any anticipated changes to the character of their operations or organization relating to the production of rebar in the future if the antidumping order covering imports of rebar from Turkey were revoked. (Question II-4) The following are quotations from the responses of producers indicating either that they did anticipate changes or that there was an explanation for no changes anticipated.

\* \* \* \* \*

The Commission requested producers to describe the significance of the existing antidumping order covering imports of rebar from Turkey in terms of its effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-17) The following are quotations from the responses of producers indicating either that they did acknowledge a significance or that there was an explanation for no significance acknowledged.

\* \* \* \* \*

The Commission requested producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of rebar in the future if the existing antidumping duty order was revoked. (Question II-18) The following are quotations from the responses of producers indicating either that they did anticipate changes or that there was an explanation for no changes anticipated. \*\*\*.

\* \* \* \* \*

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDER AND THE LIKELY  
EFFECTS OF REVOCATION**

The Commission requested importers to describe any anticipated changes to the character of their operations or organization relating to the importation of rebar in the future if the antidumping order covering imports of rebar from Turkey were revoked. (Question II-4)

\* \* \* \* \*

The Commission requested importers to describe the significance of the existing antidumping duty order covering imports of rebar from Turkey in terms of its effect on their imports, U.S. shipments of imports, and inventories. (Question II-11) The following are quotations from the responses of importers indicating either that they did acknowledge a significance or that there was an explanation for no significance acknowledged.

\* \* \* \* \*

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of rebar in the future if the existing antidumping duty order was revoked. (Question II-12) The following are quotations from the responses of importers indicating either that they did anticipate changes or that there was an explanation for no changes anticipated.

\* \* \* \* \*

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested foreign producers to describe any anticipated changes to the character of their operations or organization relating to the production of rebar in the future if the antidumping order covering imports of rebar from Turkey were revoked. (Question II-3)

\* \* \* \* \*

The Commission requested foreign producers to identify export markets other than the United States that have been developed as a result of the antidumping duty order from Turkey. (Question II-13)

\* \* \* \* \*

The Commission requested foreign producers to describe the significance of the existing antidumping duty order covering imports of rebar from Turkey in terms of its effect on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. (Question II-14) The following are quotations from the responses of foreign producers indicating either that they did acknowledge a significance or that there was an explanation for no significance acknowledged.

\* \* \* \* \*

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of rebar in the future if the existing antidumping duty order was revoked. (Question II-15) The following are quotations from the responses of foreign producers indicating either that they did anticipate changes or that there was an explanation for no changes anticipated.

\* \* \* \* \*

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested purchasers to comment on the effects of revocation of the antidumping duty order on (1) the future activities of their firms and (2) the U.S. market as a whole. (Question III-10)

\* \* \* \* \*

**APPENDIX E**

**COMPANY SPECIFIC DATA,  
DATA ON U.S. SHIPMENTS BY DESTINATIONS,  
AND DATA ON U.S. IMPORTS BY CUSTOMS DISTRICTS**



**Table E-1**

**Rebar: U.S. producers' capacity, production, and capacity utilization, by firms inside and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-2**

**Rebar: U.S. shipments within the Eastern-tier region, by firms inside of the region and outside of the region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-3**

**Rebar: U.S. shipments outside the Eastern-tier region, by firms inside of the region and outside of the region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-4**

**Rebar: Total U.S. shipments, by firms inside and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table -5**

**Rebar: U.S. producers' end-of-period inventories, by firms inside and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-6**

**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 and outside the Eastern-tier region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-7**

**Rebar: Selected financial indicators, by firms inside of the region and outside of the region, 1997-2001, January-September 2001, and January-September 2002**

\* \* \* \* \*

**Table E-8**

**Rebar: U.S. producers' domestic shipments, by destination, 1997-2001**

\* \* \* \* \*

**Table E-9**

**Rebar: U.S. regional producers' domestic shipments, by destination, 1997-2001**

\* \* \* \* \*

**Table E-10**

**Rebar: U.S. non-regional producers' domestic shipments, by destination, 1997-2001**

\* \* \* \* \*

**Table E-11**

**Rebar: U.S. importers' U.S. shipments of rebar from Turkey, by destination, 1997-2001**

\* \* \* \* \*

**Table E-12**

**Rebar: U.S. imports of rebar from Turkey, by Customs district, 1997-2001**

Item	1997	1998	1999	2000	2001
	Quantity (short tons)				
<u>Within region:</u>					
Baltimore, Maryland .....	4,189	0	0	0	0
Boston, Massachusetts .....	619	0	0	0	0
Charlotte, North Carolina .....	4,039	0	0	3,411	9,279
Miami, Florida .....	3,233	172	0	14,421	32,572
New Orleans, Louisiana .....	0	0	15,596	21,515	18,344
Ogdensburg, New York .....	8	6	11	0	0
Philadelphia, Pennsylvania .....	9,100	0	333	16,057	12,291
Portland, Maine .....	0	0	0	22	0
San Juan, Puerto Rico .....	39,050	6,928	8,877	55,800	68,973
St. Albans, Vermont .....	46	26	0	0	13
Tampa, Florida .....	10,508	1,837	7,266	37,252	4,135
Subtotal (within region) .....	70,792	8,968	32,082	148,477	145,607
<u>Outside region:</u>					
Detroit, Michigan .....	0	0	8	0	0
Houston/Galveston, Texas .....	12,908	0	9,879	42,177	69,080
Pembina, North Dakota .....	0	25	0	0	0
U.S. Virgin Islands .....	0	0	0	33	0
Subtotal (outside region) .....	12,908	25	9,887	42,210	69,080
Total U.S. imports .....	83,699	8,993	41,969	190,687	214,688

Source: Compiled from official Commerce statistics.

**Table E-13**

**Rebar: U.S. reporting producers with mills inside the Eastern-tier region, product lines**

\* \* \* \* \*

**Table E-14**

**Rebar: U.S. reporting producers with mills outside the Eastern-tier region, product lines**

\* \* \* \* \*

**Table E-15**

**Rebar: Turkish reporting producers/exporters, product lines**

\* \* \* \* \*