Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine

Investigation Nos. 731-TA-873-875, 878-880, and 882 (Second Review)

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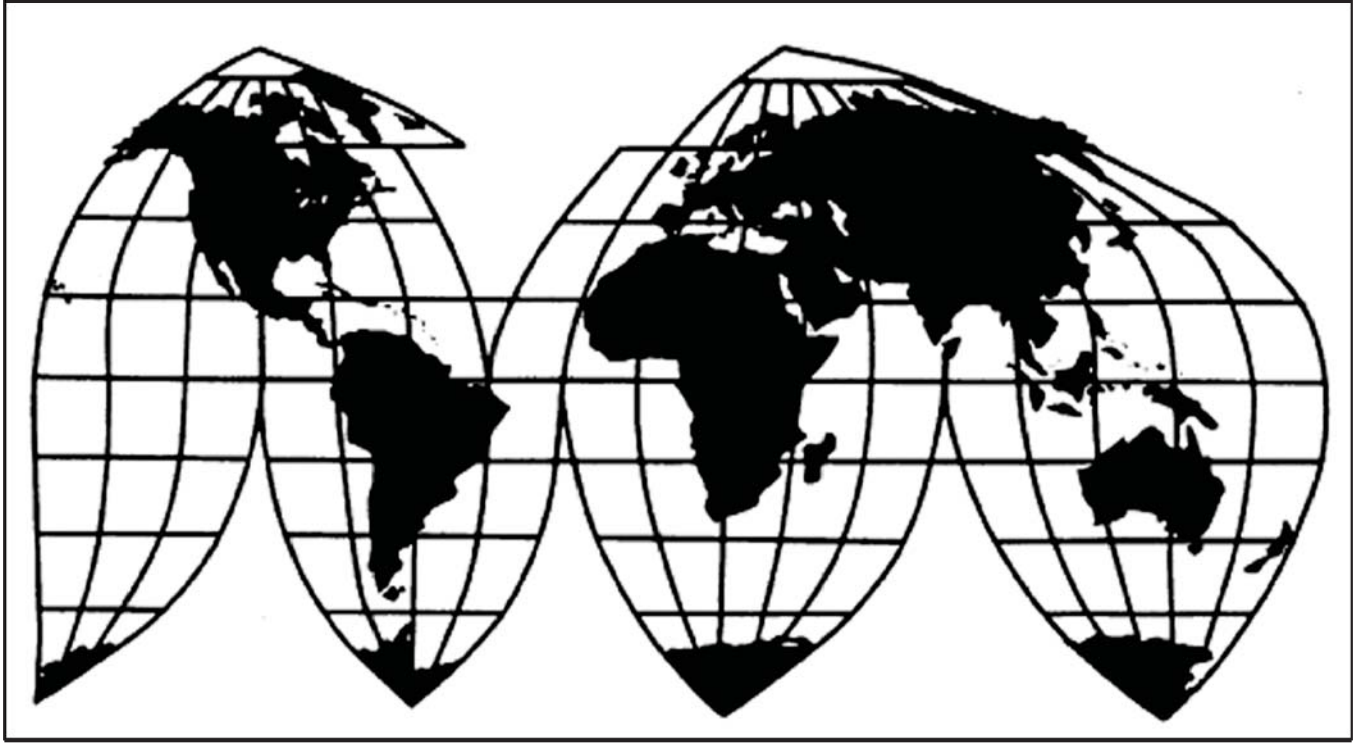
U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-873-875, 878-880, and 882 (Second Review)

STEEL CONCRETE REINFORCING BAR FROM BELARUS, CHINA, INDONESIA, LATVIA, MOLDOVA, POLAND, AND UKRAINE

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, 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)), that revocation of the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission instituted these reviews on July 2, 2012 (77 F.R. 39254)) and determined on October 5, 2012 that it would conduct full reviews (77 F.R. 64127, October 18, 2012). Notice of the scheduling of the Commission's reviews 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 December 3, 2012 (77 F.R. 71631). The hearing was held in Washington, DC, on April 25, 2013, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioners Daniel R. Pearson and Meredith M. Broadbent dissenting with respect to Indonesia, Latvia, and Poland. Commissioner Daniel R. Pearson dissenting with respect to Belarus, Moldova, and Ukraine.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty orders on steel concrete reinforcing bar ("rebar") from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. Background

Original Investigations: On June 28, 2000, the Rebar Trade Action Coalition ("RTAC") filed petitions with the Commission and the U.S. Department of Commerce ("Commerce") alleging that a regional industry in the United States was materially injured and threatened with material injury by reason of imports of rebar from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela that were allegedly sold in the U.S. market at less than fair value.[2] Because Commerce conducted its original investigations on staggered schedules, the Commission issued two sets of final determinations in the original investigations. In May 2001, the Commission made affirmative material injury determinations regarding rebar from Indonesia, Poland, and Ukraine.[3] In June 2001, the Commission made affirmative material injury determinations concerning imports from Belarus, Korea, Latvia, and Moldova and an affirmative threat determination concerning imports from China that it had found to be negligible but likely to imminently exceed the negligible imports threshold.[4] Commerce published antidumping duty orders concerning rebar imported from Belarus, China, Indonesia, Latvia, Moldova, Poland, Korea, and Ukraine effective September 7, 2001.[5]

First reviews: After conducting full reviews of all orders,[6] the Commission made affirmative determinations concerning imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine,[7] but a negative determination concerning imports from Korea.[8] Commerce revoked the order on rebar from Korea and continued the other orders.[9]

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[1] Commissioners Pearson and Broadbent dissent with respect to the orders on rebar from Indonesia, Latvia, and Poland. *See* Separate and Dissenting Views of Commissioner Daniel R. Pearson and Meredith M. Broadbent Regarding Indonesia, Latvia, and Poland. In addition, Commissioner Pearson dissents with respect to the orders on rebar from Belarus, Moldova, and Ukraine. *See* Separate and Dissenting Views of Commissioner Daniel R. Pearson Regarding Belarus, China, Moldova, and Ukraine. Except as otherwise noted, Commissioner Pearson joins Sections I to III, V-A, and V-B of these Views. Except as otherwise noted, Commissioner Broadbent joins Sections I to III, V-A, and V-B of these Views.

[2] Confidential Report, Memorandum INV-LL-035 (May 24, 2013), as revised by Memorandum INV-LL-038 (June 3, 2013) ("CR") at I-2; Public Report, *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review), USITC Pub. 4409 at I-3 (Jul. 2013).

[3] *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, Inv. Nos. 731-TA-875, 880, and 882 (Final), USITC Pub. 3425 at 7-11 (May 2001).

[4] *Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova*, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. 3440 at 3-4 (Jul. 2001).

[5] 66 Fed. Reg. 46777 (Sept. 7, 2001).

[6] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873- 875, 877-880 and 882 (Review), USITC Pub. 3933 at 4 (Jul. 2007).

[7] USITC Pub. 3933 at 10-11.

[8] USITC Pub. 3933 at 3.

[9] 72 Fed. Reg. 44830 (Aug. 9, 2007).

Second reviews: On July 2, 2012, the Commission instituted these reviews,[10] and on October 5, 2012, decided to conduct full reviews.[11] The Commission received prehearing and posthearing submissions from RTAC and its individual members Nucor Corporation ("Nucor"), Gerdau Ameristeel US Inc. ("Gerdau"), Cascade Steel Rolling Mills, Inc. ("Cascade"), Commercial Metals Company ("CMC"), and Byer Steel ("Byer"). The members of RTAC are domestic producers of rebar. The Commission also received prehearing and posthearing submissions from the sole known producer/exporter of subject rebar from Latvia, JSC Liepajas Metalurgs ("LM"). Representatives from each of these firms appeared at the Commission's hearing accompanied by counsel. A representative from CMC's affiliated subject producer in Poland, CMC Poland sp. z.o.o. ("CMC Poland"), also participated in the hearing. No other subject producer or importer submitted a brief, nor did any other interested party appear at the hearing.[12]

Domestic industry data in these reviews are based on the questionnaire responses of seven firms that are believed to account for virtually all U.S. production of rebar between January 2007 and December 2012,[13] the "period of review." U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 15 U.S. importers of rebar that are believed to have accounted for the following shares of total rebar imports: 38.1 percent in 2007, 48.2 percent in 2008, 58.3 percent in 2009, 78.8 percent in 2010, 74.6 percent in 2011, and 66.7 percent in 2012.[14] Foreign industry data and related information are based on the questionnaire responses of six foreign producers of rebar and other available information.[15]

II. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[16] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[17] The Commission's practice in five-year reviews is to

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[10] 77 Fed. Reg. 39254 (Jul. 2, 2012).

[11] The Commission determined that the group responses to the notice of institution submitted by domestic interested parties and respondent interested parties from Latvia and Moldova were adequate. No other respondent interested parties submitted responses to the notice of institution, but the Commission decided to conduct full reviews of the orders on Belarus, China, Indonesia, Poland, and Ukraine pursuant to section 751(c)(5) of the Tariff Act in order to promote administrative efficiency based on its decision to conduct full reviews of the orders on rebar from Latvia and Moldova. 77 Fed. Reg. 64127 (Oct. 18, 2012).

[12] JSC Moldova Steel Works ("MSW"), the sole producer of subject merchandise in Moldova, submitted comments on the draft questionnaires for these reviews and submitted a questionnaire response. The firm, however, withdrew its appearance shortly after the prehearing report was issued. EDIS Doc. No. 507404 (Apr. 11, 2013).

[13] CR at I-17, I-31, III-1; PR at I-16, I-27, III-1.

[14] CR at I-17; PR at I-16.

[15] No subject producers in China or Indonesia responded to the foreign producer questionnaire; one producer accounting for all rebar production in Belarus, one producer accounting for all rebar production in Latvia, one producer accounting for all rebar production in Moldova, two producers accounting for *** percent of total rebar production in Poland, and one producer accounting for *** percent of rebar production in Ukraine submitted foreign producer questionnaire responses. CR at I-17; PR at I-16.

[16] 19 U.S.C. § 1677(4)(A).

[17] 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.[18]

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

> all steel concrete reinforcing bars sold in straight lengths … . Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating.[19]

The construction industry extensively uses rebar to reinforce concrete structures.[20] When embedded in concrete, a deformed rebar's surface protrusions (deformations) inhibit longitudinal movement relative to the surrounding concrete; by enhancing the concrete's compressional and tensional strength, the rebar controls cracking that would otherwise occur when concrete shrinks during curing or due to temperature fluctuations.[21] In the United States, rebar is available in sizes #3 through #18,[22] as specified by American Society for Testing and Materials ("ASTM") international standards that identify for each size the nominal unit weight, nominal dimensions, deformation requirements (dimension and spacing of deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.[23]

In the original investigations and first reviews, the Commission defined the domestic like product to be coextensive with Commerce's scope.[24] The record contains no information warranting a reconsideration of the domestic like product definition.[25] Consequently, in these second reviews, we define the domestic like product to be coextensive with the scope of the reviews.

III. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[26] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic

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[18] *See, e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (Jul. 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

[19] CR at I-20; PR at I-19; 77 Fed. Reg. 70140, 70141 (Nov. 23, 2012).

[20] CR at I-22; PR at I-21.

[21] CR at I-22; PR at I-21.

[22] The size indicators are about eight times the respective nominal diameters in inches, meaning that a 3/8-inch bar is designated as size #3 and a 1-inch rebar is designated as size #8, although the relationship diverges somewhat for rebar larger than size #9. CR at I-23; PR at I-21 to I-22.

[23] CR at I-22 to I-23; PR at I-21.

[24] USITC Pub. 3425 at 5; USITC Pub. 3933 at 5.

[25] CR at I-20 to I-30; PR at I-19 to I-26. No party has argued otherwise. RTAC's Response to Notice of Institution at 1-2 (agreeing with the domestic like product definition used in the original investigations and first reviews). Respondents LM and MSW did not comment on this issue in these reviews.

[26] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[27]

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[28] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[29]

In the original investigations, the Commission found that three firms qualified as related parties based on ownership interests (***), but the Commission did not exclude any of those firms from the domestic or regional industry.[30] In the first reviews, the Commission found that CMC and Border Steel Inc. (now ArcelorMittal Vinton) were related parties but did not find appropriate circumstances to exclude either firm.[31] In these reviews, CMC and ArcelorMittal Vinton are subject to possible exclusion as related parties.[32] No party argued in favor of either firm's exclusion. We discuss below why appropriate circumstances do not exist to exclude either firm from the domestic industry.

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[27] 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 certain conditions are satisfied. 19 U.S.C. § 1677(4)(c). This provision is pertinent to five-year reviews, wherein the Commission may base its determination on the regional industry defined in the original investigation, another region that satisfies the statutory regional industry criteria, or the U.S. industry as a whole. 19 U.S.C. § 1675a(a)(8). In the original investigations of the orders under review, petitioner RTAC argued in favor of a regional industry, and the Commission evenly split on the issue, with three Commissioners conducting a regional industry analysis and three conducting a national industry analysis. USITC Pub. 3440 at 3-4, 10; USITC Pub. 3425 at 7-11, 23. In the first reviews, because RTAC asked the Commission to analyze the industry on a regional basis, the Commission again considered whether to engage in a regional industry analysis. After conducting full reviews, the Commission found that appropriate circumstances did not exist to conduct a regional industry analysis, so it based its determinations on a national industry analysis. USITC Pub. 3933 at 10-11. Given the Commission's decision to analyze the industry on a national basis in the first reviews of these orders, the absence of any litigation regarding that decision, the Commission's analysis of the rebar industry on a national (rather than regional) basis in the more recent review of the antidumping duty order on imports from Turkey, *Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Second Review), USITC Pub. 4052 (Dec. 2008), the absence of any litigation regarding that decision, and the absence of any party request that the Commission analyze this industry on a regional basis in these reviews, the Commission only collected data pertinent to a national industry analysis, and not data pertinent to a regional industry analysis. EDIS Doc. No. 501779 (questionnaires for the current reviews). We conduct our analysis in these second reviews on a national industry basis.

[28] *See Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[29] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producer vis-à-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g., Torrington*, 790 F. Supp. at 1168.

[30] USITC Pub. 3425 at 11-12, 24; Confidential Original Views, EDIS Doc. 421578 at 15-16.

[31] USITC Pub. 3933 at 12; Confidential First-Review Views, EDIS Doc. 279748 at 12.

[32] CMC, which accounted for about *** percent of domestic rebar production in 2012, is a related party because it *** CMC Poland, a firm that accounted for about *** percent of subject rebar production in Poland in 2012. CR/PR at Table I-3 & n.3, Table III-1; and derived from CR at IV-46 & n.58; PR at IV-30 & n.58. ArcelorMittal Vinton is a related party because it *** by the same parent firm, ArcelorMittal S.A. (Luxembourg),

(Continued…)

CMC: CMC's investment in its Arizona micro-mill, its *** capital expenditures indicate that the firm's primary interest is in domestic production.[33] Despite its *** ownership of CMC Poland, CMC ***, and it is doubtful that its ownership of the subject producer in Poland had any effect on CMC's domestic operations during the period of review given the ***.[34] [35] [36] CMC's operating income to net sales ratio was *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012, which was *** than the industry average ***.[37]

ArcelorMittal Vinton: ArcelorMittal Vinton ***.[38] *** capital expenditures.[39] ***.[40] Despite its *** parent firm's *** ownership of subject producers in Poland and Ukraine (***), these corporate affiliations do not appear to have benefitted ArcelorMittal Vinton's domestic operations during the period of review given the ***, and ***.[41] [42]

Accordingly, for purposes of our analysis in these reviews, we define the domestic industry to include all domestic producers of rebar.

IV. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the

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(…Continued)

that *** ArcelorMittal Warszawa and ArcelorMittal Kryviy Rih ("AMK"), firms that accounted for *** percent of subject rebar production in Poland and *** percent of production in Ukraine in 2012. CR/PR at Table I-3 at n.2, Table III-1; CR at IV-54; PR at IV-34; and derived from CR at IV-46 & n.58; PR at IV-30 & n.58.

[33] CR/PR at Table III-1, Table III-2, and Table III-15. Nonetheless, we acknowledge that CMC ***. CR/PR at Table I-3.

[34] CR at I-31 to I-32; PR at I-27; CR/PR at Table I-3, Table I-4.

[35] Commissioner Aranoff does not rely on individual-company operating income margins, which reflect a domestic producer's financial operations related to production of the domestic like product, in assessing whether a related party has benefitted from its corporate affiliation with importers or exporters of the subject merchandise.

[36] Commissioner Pinkert does not rely upon any firm's financial performance as a factor in determining whether there are appropriate circumstances to exclude it from the domestic industry in these reviews. The record is not sufficient to infer from any firm's profitability on its U.S. operations whether it has derived a specific benefit from its corporate affiliations. *See Allied Mineral Products v. United States*, 28 C.I.T. 1861, 1865-67 (2004).

[37] The ratio of the industry's average operating income to net sales was *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012. CR/PR at Table III-11.

[38] CR/PR at Table I-3.

[39] CR/PR at Table III-15.

[40] ArcelorMittal Vinton accounted for *** percent of domestic production in 2012. CR/PR at Table I-3.

[41] ArcelorMittal Vinton reported that *** CR/PR at Table I-3 n.1. ArcelorMittal Vinton's operating income to net sales ratio was *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012, which was *** than the industry average ***. CR/PR at Table III-11.

[42] Commissioner Aranoff does not rely on individual-company operating income margins, which reflect a domestic producer's financial operations related to production of the domestic like product, in assessing whether a related party has benefitted from its corporate affiliation with importers or exporters of the subject merchandise.

subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[43]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[44] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

In the original investigations, the Commission found a reasonable overlap of competition among the domestic like product and subject imports from Belarus, Indonesia, Latvia, Moldova, Poland, and Ukraine and therefore cumulated subject imports from those six sources for its material injury determinations.[45] Having found subject imports from China to be negligible but likely to imminently exceed the negligible imports threshold, the Commission separately considered subject imports from China for its affirmative threat analysis in the original investigations.[46] In the first reviews, the majority of the Commissioners exercised their discretion to cumulate subject imports from Belarus, China, Indonesia, Moldova, Latvia, Poland, and Ukraine.[47]

In these second reviews, the statutory threshold for cumulation is satisfied, because all reviews were initiated on the same day, July 2, 2012.[48] We consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among imports from the subject countries and the domestic like product; and (3) whether there are similarities and differences in the likely conditions of competition under which subject imports are likely to compete in the U.S. market.

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[43] 19 U.S.C. § 1675a(a)(7).

[44] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[45] The Commission also cumulated these imports with subject imports from Korea, which are no longer subject to an antidumping duty order. USITC Pub. 3425 at 15-16 (Koplan, Okun), 25-27 (Miller, Hillman, Devaney); USITC Pub. 3440 at 4 (Koplan, Okun), 10 (Miller, Hillman, Devaney); CR at I-4 to I-5; PR at I-4.

[46] USITC Pub. 3425 at 12-13 (Koplan, Okun), 24-25 (Miller, Hillman, Devaney); USITC Pub. 3440 at 4-7 and 10-11.

[47] USITC Pub. 3933 at 12-20 (Chairman Williamson exercising his discretion to cumulate subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine), 12-17 & nn.83, 96 (Commissioners Pinkert and Lane exercising their discretion to cumulate subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine as well as subject imports from Korea). Commissioner Aranoff exercised her discretion to cumulate subject imports from Belarus, China, Indonesia, Moldova, and Ukraine. USITC Pub. 3933 at 12-18 & n.95, 43-50. Commissioners Aranoff, Pearson, and Okun exercised their discretion to cumulate subject imports from Latvia and Poland. USITC Pub. 3933 at 43 n.1, 58, 65-71. Commissioners Pearson and Okun also exercised their discretion to cumulate subject imports from Belarus and Moldova, USITC Pub. 3933 at 58-60, 62-63, 73-78, but they separately considered subject imports from China, Indonesia, and Ukraine. USITC Pub. 3933 at 55-57, 78-94.

[48] CR at I-1; PR at I-1.

RTAC argues that the Commission should exercise its discretion to cumulate imports from all seven subject countries, as it did in the first reviews.[49] In contrast, LM argues that the Commission should not cumulate subject imports from Latvia with other subject imports, as discussed below.[50] LM further argues that the differences that formed the basis for some Commissioners to cumulate subject imports from Latvia only with imports from Poland in the first reviews "apply with equal force" in these second reviews.[51] In any event, LM asks the Commission not to exercise its discretion to cumulate subject imports from China with subject imports from Latvia or any other subject country due to what it alleges are differences in likely conditions of competition.[52]

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[53] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining whether imports "are likely to have no discernible adverse impact" on the domestic industry.[54] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

In the first reviews, all Commissioners found that the rebar industry in each of the subject countries had significant production capacity, exported a large percentage of its production or substantial volumes, had ready access to the U.S. market, and had a U.S. market presence during the original investigations. They found that the types of rebar manufactured in the subject countries did not differ from those manufactured in the United States and that rebar made in the subject countries was substitutable for and competitive with U.S.-manufactured rebar. Given the importance of price in purchasing decisions, the Commission found that competition was likely to be based on price and noted that imports from each subject country undersold the domestic like product during the original investigations. Consequently, no Commissioner found that subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, or Ukraine would likely have no discernible adverse impact if any of the antidumping duty orders were revoked.[55]

Based on the record in these reviews, we do not find that imports from any of the subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation. The failure of certain firms to submit questionnaire data in the original investigations, first reviews, and/or these second reviews has limited our ability to analyze changes in the industries over time and complicated comparisons of data from one period to another, particularly for the rebar industries in China, Indonesia, Poland, and Ukraine.[56]

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[49] RTAC's Prehearing Brief at 15.
[50] LM's Prehearing Brief at 10-1; LM's Posthearing Brief at 12-15.
[51] LM's Posthearing Brief at 12-14.
[52] LM's Prehearing Brief at 17-18; LM's Posthearing Brief at 14-15.
[53] 19 U.S.C. § 1675a(a)(7).
[54] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).
[55] USITC Pub. 3933 at 14-15.
[56] When questionnaire data were not available, we considered as information available the materials that were obtained through the Commission's investigative efforts, were submitted during these proceedings, and were accessible from industry publications and the Commission's reports in these and prior proceedings. 19 U.S.C. § 1677e.

Belarus, China, Indonesia, Moldova, Poland, and Ukraine: Data for 2012 show that the rebar industries in Belarus, China, Indonesia, Moldova, Poland, and Ukraine each have significant capacity to produce subject merchandise in appreciable volumes.[57] The industry in each subject country exported rebar to the United States during the original investigations that met ASTM standards and was competitive with the domestic like product.[58] As a relatively large market with relatively high prices, the U.S. market remains attractive today to exporters.[59] Moreover, the rebar industry in each of these subject countries has ready access to the U.S. market, particularly with the assistance of global trading companies.[60] The rebar industries in Belarus, Moldova, and Ukraine export a large percentage of their production,[61] and those in China, Indonesia, and Poland sell rebar to multiple export markets.[62] Consequently, we find that at least some rebar from each of the rebar industries in these subject countries is likely to be imported into the attractive U.S. market in the event of revocation. Additionally, price is an important factor in purchasing decisions,[63] and rebar from each of these subject countries undersold the domestic like product during the original investigations.[64] We therefore do not find that subject imports from Belarus, China, Indonesia, Moldova, Poland, or Ukraine would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

Latvia: LM has argued that imports from Latvia are likely to have no discernible adverse impact if the antidumping duty order on these imports were revoked. As the Commission's reviewing courts have made clear, however, the "discernible adverse impact standard presents a relatively low threshold,"[65] requiring less than what is required to find a sufficient causal nexus for purposes of causation on an

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[57] CR/PR at Table IV-3 (Belarus – *** short tons capacity in 2012), Table IV-7 (China – *** short tons production in 2012), Table IV-13 (Indonesia – *** short tons production), Table IV-23 (Moldova – *** short tons capacity), Table IV-28 (Poland – *** short tons capacity), Table IV-33 (Ukraine – *** short tons capacity).

[58] USITC Pub. 3425 at 15; CR/PR at Table I-1.

[59] CR/PR at Table IV-44 (U.S. market is relatively large compared to other global markets), Table IV-45 (U.S. market is projected to be relatively large and growing), Tables IV-47 to IV-49 (showing relatively high prices of U.S. market); CR at IV-70; PR at IV-41 (indicating that domestic producers and most importers reported U.S. prices to be higher than those in other markets and that other importers reported U.S. prices to be at least comparable to other global markets), CR at IV-70 to IV-71; PR at IV-41 (foreign producers reported U.S. prices to be attractive).

[60] RTAC's Prehearing Br. at 19-20, 32-33; RTAC's Posthearing Br. at 10, Exh. 1 at 29-33.

[61] CR/PR at Table IV-3 (the industry in Belarus exported *** percent of its total shipments in 2012), Table IV-23 (Moldova – *** percent), Table IV-33 (Ukraine – *** percent).

[62] Between 2007 and 2012, the industry in China shipped rebar to 167 export destinations, and it exported 275,332 short tons in 2012. CR/PR at Table IV-10; CR at IV-18; PR at IV-12. This figure does not include any exports of rebar from China that may have been exported as hot-rolled alloy bar (6,568,340 short tons in 2012) rather than as concrete reinforcing bar. RTAC alleges that much of the product exported from China reported as hot-rolled alloy bar is in fact rebar. RTAC's Prehearing Brief at 25; RTAC's Posthearing Brief at Exh. 1 at 24-28, Exh. 19. Some evidence suggests that the industry in Indonesia may have reduced its capacity since the original investigations, CR at IV-26; PR at IV-19, but even the information available for the current period of review suggests that the industry is large and shipped rebar to at least 15 export destinations. CR at IV-26 to IV-27; PR at IV-19. Meanwhile, between 2008 and 2012, the industry in Poland exported rebar to 45 countries, and its exports reached a period-high level of 1,090,485 short tons in 2012. CR at IV-51; PR at IV-32; CR/PR at Table IV-30.

[63] CR at II-26 to II-27; PR at II-18 to II-19; CR/PR at Table II-6; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[64] CR at V-14; PR at V-12.

[65] *NSK Corp. v. United States*, __ F.3d __, Case No. 2011-1362, Slip Op. at 23 (Fed. Cir. May 16, 2013); *accord Nippon Steel Corp v. United States*, 494 F.3d 1371, 1379, n.6 (Fed. Cir. 2007); *Nucor Corp. v. United States*, 675 F. Supp. 2d 1340, 1360-61 (Ct. Int'l Trade 2010).

individual country basis.[66] If the order were revoked, we do not find that subject imports from Latvia are likely to have no discernible adverse impact on the domestic industry for several reasons.

First, the capacity of LM, the sole producer in Latvia, has increased *** since the original investigations.[67] Its capacity was *** short tons in 2000, *** short tons in 2006, and *** short tons in 2012.[68]

Second, since the original investigations, LM exported *** of its rebar production, with a ratio of exports to total shipments of *** percent in 2000, *** percent in 2006, and *** percent in 2012.[69] Between 2007 and 2012, the industry in Latvia exported rebar to 40 countries, many of which are not in Europe, including Algeria, which was its top export market in 2012.[70]

Third, LM's other export markets currently are not as attractive as they might have been previously. For example, projected rebar consumption in Algeria for 2014 (*** short tons) is not much higher than it was in 2012 (*** short tons),[71] and additional production capacity is being constructed in Algeria.[72] Latvia's exports to Poland were at their highest point in 2011, but were considerably lower in 2012.[73] LM itself has admitted in press releases that the "civil construction sector" in the European Union is "in the deepest crisis" and it has experienced a shortage of rebar orders.[74] These circumstances make a resumption of shipments to the United States likely upon revocation.

Fourth, although LM argues that the U.S. market is not attractive, LM exported to the United States during the original investigation and first review periods,[75] and the U.S. market is relatively large with relatively high prices.[76]

Fifth, LM has ready access to the U.S. market. It has maintained its relationships with global trading companies that already sell its products in other markets, would help sell its rebar in the United States, and would provide other services such as acquisition of scrap, financing of production and sales,

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[66] *Usinor Industeel, S.A. v. United States*, 27 CIT 1359, Slip Op. 03-118 at 6-7 (Ct. Int'l Trade Sept. 8, 2003) (to require a greater effect for discernible adverse impact "would defeat the purpose of cumulation, *i.e.*, to guard against the 'hammering' effect of imports which, in isolation, do not cause material injury.") (citing *Neenah Foundry Co. v. United States*, 155 F. Supp. 2d 766, 772-73 (Ct. Int'l Trade 2001)), *aff'd per curiam*, 112 Fed. Appx. 59 (Fed. Cir. Nov. 8, 2004); *see also Wieland Wierke AG v. United States*, 525 F. Supp. 2d 1353, 1364-65 (Ct. Int'l Trade 2007), *aff'd per curiam*, 290 Fed. Appx. 348 (Fed. Cir. 2008).

[67] CR at IV-29; PR at IV-22.

[68] CR/PR at Table IV-18.

[69] CR/PR at Table IV-18.

[70] Other export destinations in 2012 included Estonia, Lithuania, Finland, Peru, Sweden, Russia, and Lebanon. CR at IV-34; PR at IV-24.

[71] CR/PR at Table IV-46.

[72] *See, e.g.*, CR at IV-80; PR at IV-43.

[73] CR/PR at Table IV-20.

[74] EDIS Doc. No. 509882; CR at IV-29; PR at IV-22.

[75] In the original investigations, the volume of U.S. imports from Latvia was 97,002 short tons in 1998, 303,997 short tons in 1999, and 207,705 short tons in 2000, peaking at *** percent of the U.S. market by quantity in 1999. The antidumping duty order was imposed in July 2001, and imports from Latvia were 33,662 short tons in 2001, 45,904 short tons in 2002, 50,522 short tons in 2003, 121,881 short tons in 2004, 33,646 short tons in 2005, and zero thereafter. CR/PR at Table I-1.

[76] CR/PR at Table IV-44 (the U.S. market is relatively large compared to other global markets), Table IV-45 (the U.S. market is projected to be relatively large and growing), Tables IV-47 to IV-49 (showing relatively high prices in the U.S. market); CR at IV-70; PR at IV-41 (domestic producers and most importers reported U.S. prices to be higher than other markets, and other importers reported U.S. prices to be at least comparable to other global markets), CR at IV-70 to IV-71 (foreign producers reported U.S. prices to be attractive); PR at IV-41. Moreover, the general duty rate in the United States for rebar within the scope of the orders under review is zero. *See* CR at I-20 to I-21; PR at I-19 to I-20.

and shipping and other logistical arrangements.[77] Indeed, LM recently negotiated with trading company Stemcor to settle its debt obligations to Stemcor.[78] Even though LM claims no further interest in the U.S. market, Stemcor, as both a major steel trader and a major LM creditor, would have an especially strong incentive to find a new or former market to sell LM's products, such as the United States, to recoup its investment in LM.

Sixth, although LM might prefer to produce only Thermex rebar, it concedes that it previously has produced and sold in the U.S. market non-Thermex products that met ASTM standards.[79] Consequently, we find rebar from Latvia is likely to be imported into the U.S. market in the event of revocation.

Additionally, price is an important factor in purchasing decisions,[80] and during the original investigations, subject imports from Latvia undersold the domestic like product in all 46 instances at average underselling margins that ranged from 16.5 percent to 32.4 percent.[81] In the first review period when subject to an antidumping duty order, subject imports from Latvia undersold the domestic like product in 17 of 48 instances at average underselling margins that ranged from 0.3 to 22.8 percent.[82] No pricing comparisons are available for these second reviews because there were no imports from Latvia during the review period.[83] The pricing data, particularly from the original investigations when subject imports from Latvia were not subject to the discipline of an order, are pertinent to our analysis. In these circumstances, we do not find that subject imports from Latvia are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[84] Only a "reasonable overlap" of competition is required.[85] In five-year reviews, the relevant inquiry is whether

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[77] RTAC's Prehearing Brief at 32-33; RTAC's Posthearing Brief at 10, Exh. 1 at 29-38.

[78] LM's largest creditors are reportedly Latvenergo, Citadele Banka, SEB Banka, Stemcor, and the State Treasury of Latvia. CR at IV-30 n. 37; PR at IV-22 n.37.

[79] LM's Posthearing Brief at Q-4 to Q-5, Q-34, Q-36, Exh. 9; ***; RTAC's Posthearing Brief at 1-3.

[80] CR at II-26 to II-27; PR at II-18 to II-19; CR/PR at Table II-6; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[81] CR at V-14; PR at V-12.

[82] CR at V-15; PR at V-12.

[83] CR at V-15; PR at V-12; CR/PR at Table C-1.

[84] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Wierke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[85] *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); *Wieland Wierke*, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations in which the Commission has found an insufficient overlap in competition and declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Prelim.), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[86]

1. Findings in Original Investigations and First Five-Year Reviews

In the original investigations, the Commission found a reasonable overlap of competition among the domestic like product and subject imports from Belarus, Indonesia, Latvia, Moldova, Poland, and Ukraine.[87] In the first reviews, all Commissioners found a likely reasonable overlap of competition among the domestic like product and subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.[88]

2. Parties' Arguments

LM argues that there is unlikely to be a reasonable overlap in competition between subject imports from Latvia and the domestic like product due to limitations in fungibility and likely limited overlap in channels of distribution.[89] LM explains that most of the rebar it produces uses a Thermex water-quenching process, and U.S. purchasers will not accept imported Thermex rebar.[90] Given that it operated at high capacity utilization levels during portions of the period of review, LM argues that it has a powerful incentive not to deviate from its preferred, lower-cost Thermex process simply to resume sales to the U.S. market.[91] LM also points out that most imported rebar is sold to distributors, whereas domestically produced rebar is sold mainly to end users and affiliated purchasers.[92]

RTAC argues that the water-quenching process is not new, the cost difference is small, and the process is used by some U.S. producers to make ASTM-compliant rebar sold in the U.S. market.[93] It contends that LM has previously sold both Thermex and non-Thermex rebar in the U.S. market and that rebar is a fungible commodity.[94] RTAC argues that there is no reason to believe that subject imports, like the domestic like product, will not be sold in overlapping time periods, geographic areas, and channels of distribution, as they were during the original investigations, if the orders were revoked.[95]

3. Analysis and Conclusion

Fungibility: Rebar is sold in the U.S. market based on ASTM specifications, and during the original investigations, the rebar industries in the United States and all subject countries sold rebar

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[86] *See generally Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[87] As noted earlier, five Commissioners found imports from China were negligible but likely to imminently exceed the negligible imports threshold, but none of them exercised their discretion to cumulate imports from China with other imports due to differences in volume and price trends; they did cumulate imports from Korea with other subject imports, but imports from Korea are no longer subject to an order. USITC Pub. 3425 at 15-16 (Koplan, Okun), 25-27 (Miller, Hillman, Devaney); USITC Pub. 3440 at 4 (Koplan, Okun), 10 (Miller, Hillman, Devaney).

[88] USITC Pub. 3933 at 12-17, 55-60.

[89] LM's Prehearing Brief at 13-16.

[90] LM's Posthearing Brief at Q-2 to Q-3.

[91] LM's Prehearing Brief at 14-15; LM's Posthearing Brief at 9-10, Q-2 to Q-3, Q-34, Exh. 9 (estimating *** switches between Thermex and air-cooled rebar, along with additional production and raw material costs).

[92] LM's Prehearing Brief at 15; LM's Posthearing Brief at Q-25, Q-30.

[93] RTAC's Prehearing Br. at 86 n.439; RTAC's Posthearing Brief at Exh. 1 at 1-4. Both CMC and Gerdau produce rebar using the Thermex process in the United States. CR at I-29; PR at I-25.

[94] RTAC's Posthearing Br. at 1, 3, Exh. 1 at 1-4.

[95] RTAC's Prehearing Brief at 51-54.

meeting ASTM standards in the U.S. market.[96] Many industry participants reported rebar made in each of the subject countries to be "always" interchangeable with rebar made in the United States and with rebar made in each of the other subject countries.[97] Some purchasers expressed a preference for U.S. products, but others reported that as long as products met ASTM standards they were interchangeable.[98] Although some purchasers reported no problems with Thermex-produced rebar, a majority noted difficulties with Thermex product.[99] On the other hand, as RTAC notes and LM concedes, LM previously has produced and sold in the U.S. market non-Thermex products that meet ASTM standards.[100]

Channels of distribution: Both domestic producers and subject producers sold to distributors and end users during the original investigations, although the domestic industry was more likely to sell to end users and subject imports were more likely to be sold to distributors.[101] There were fewer sales of subject imports during the first reviews and during the current period of review. During these periods, the domestic industry continued to sell predominantly to end users but also to distributors, whereas imported products (largely from nonsubject sources) were sold predominantly to distributors but also to end users, which is consistent with the pattern of subject imports during the original investigations.[102]

Geographic overlap: U.S. produced rebar is sold throughout the United States.[103] During the original investigations, rebar from each subject country was imported into at least five ports of entry; Houston-Galveston was a major point of entry for imports from each subject country.[104] In these second reviews, China was the only source of subject imports, and its imports entered through ports in Chicago, Detroit, Houston-Galveston, Los Angeles, New Orleans, San Francisco, San Juan, and Savannah.[105]

Simultaneous presence in the U.S. market: U.S. product has been sold in the U.S. market continuously since the original investigations, and during the original investigations, imports from each subject country supplied the U.S. market in at least nine of the 36 months between 1998 and 2000. In the first period of review, imports from only some of the subject countries were in the U.S. market, mostly sporadically except for those from China (10 months), Poland (13 months), and Latvia (22 months). China was the only source of subject imports during these second reviews.[106]

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[96] CR at II-28; PR at II-19; USITC Pub. 3425 at 15; CR/PR at Table I-1.

[97] All responding U.S. producers and importers reported rebar from each subject country to be "always" interchangeable with rebar made in the United States and with rebar made in each other subject country. By contrast, four purchasers reported that rebar from each subject country was "always" interchangeable with rebar made in the United States, two reported that rebar from each subject country was "never" interchangeable with rebar made in the United States, and six purchasers reported that rebar from each subject country is "always" interchangeable with rebar from each other subject country. CR at II-31; PR at II-21; CR/PR at Table II-8.

[98] In their explanations regarding interchangeability, purchasers either reported that as long as rebar met ASTM standards it was a commodity product and was "always" interchangeable or that interchangeability was limited because domestic product was specified. For most purchasers reporting limited interchangeability, the amount of their purchases covered by domestic requirements seemed to be the most important determining limitation on the interchangeability of U.S. and imported rebar. CR at II-33; PR at II-23. The majority of purchasers do not "always" make their decision based on the country of origin. CR/PR at Table II-4 (of the responding purchasers, 6 "always" make a decision based on the country of origin, 4 "usually" make a decision based on the country of origin, 5 "sometimes" make a decision based on the country of origin, and 7 "never" make a decision based on the country of origin).

[99] CR at II-39; PR at II-28; CR/PR at Table II-14.

[100] LM's Posthearing Brief at Q-4 to Q-5, Q-34, Q-36, Exh. 9; ***; RTAC's Posthearing Brief at 1-3.

[101] USITC Pub. 3933 at 16.

[102] CR at II-1 to II-2; PR at II-1; CR/PR at Table II-1.

[103] CR/PR at Table II-2.

[104] CR at IV-8 to IV-9; PR at IV-7.

[105] CR at IV-8; PR at IV-7.

[106] CR at IV-9; PR at IV-7.

Conclusion: The record indicates that imports from each subject country are fungible with the domestic like product and with one another. LM's argument that its preferred use of the Thermex production method would make subject imports from Latvia not fungible with products made domestically cannot be reconciled with LM's current ability and prior willingness to supply the U.S. market with ASTM-certified products made from a non-Thermex process and the responses of some purchasers indicating willingness to purchase rebar produced using the Thermex method.[107] The limited information in the record also indicates that if the orders were revoked, subject imports and the domestic like product would likely be sold simultaneously in overlapping channels of distribution and in overlapping geographic markets in the United States. Consequently, upon revocation, imports from each subject country would likely be sold to distributors and fabricators and be available in multiple U.S. regions, as they were prior to imposition of the orders. We therefore find that there likely would be a reasonable overlap of competition between the domestic like product and imports from each subject country and among imports from each subject country upon revocation.

D. Likely Conditions of Competition[108]

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to compete under similar or different conditions in the U.S. market if the orders were revoked. We acknowledge some differences exist among the rebar industries in Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, but we find substantial similarities among them and that they would likely compete in the U.S. market under similar conditions of competition if the antidumping duty orders under review were revoked. Consequently, we reject LM's arguments that subject imports from Latvia should be analyzed separately, that subject imports from Latvia and Poland should be analyzed separately from other subject imports, and that subject imports from China should be analyzed separately.[109]

As discussed herein, the rebar industry in each of the subject countries has significant capacity to produce rebar in appreciable volumes, and each has shipped rebar to multiple export markets during the period of review. As a relatively large market with relatively high prices, the U.S. market remains attractive today.[110] Indeed, the rebar industry in each of these subject countries has ready access to the

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[107] LM's Posthearing Brief at Q-4 to Q-5, Q-34, Q-36, Exh. 9; ***; RTAC's Posthearing Brief at 1-3; CR at II-39; PR at II-28; CR/PR at Table II-14.

[108] Commissioner Pinkert does not join in this analysis of other considerations, although he does exercise his discretion to cumulate the subject imports. Where, in a five-year review, he does not find that the subject imports are likely to have no discernible adverse impact on the domestic industry in the event of revocation and finds that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, he cumulates them unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. In these reviews, he finds there is no such condition or propensity. Rebar, regardless of the source, is a fungible product that sells primarily on the basis of price, and there is currently no structural impediment preventing exporters from shifting sales to the most attractive geographic market.

[109] Commissioner Aranoff notes that in the first reviews she cumulated subject imports from Latvia and Poland with each other, but not with subject imports from other countries, on the grounds that they were likely to compete in the U.S. market under different conditions of competition. In these second reviews, she does not find that the record supports this same conclusion. Moreover, even if she had determined to again cumulate imports from Latvia and Poland only with each other, on the basis of the record in these second reviews she would have found that revocation of the orders on rebar from those subject countries would likely lead to continuation or recurrence of material injury within a reasonable foreseeable time.

[110] CR/PR at Table IV-44 (U.S. market is relatively large compared to other global markets), Table IV-45 (U.S. market is projected to be relatively large and growing), Tables IV-47 to IV-49 (showing relatively high prices

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U.S. market, particularly with the assistance of global trading companies in this industry.[111] Moreover, as discussed below the rebar industry in each of the subject countries faces difficulties in its existing home and/or export markets due to increased competition from additional local capacity, increased competition with other external suppliers, and/or weak demand conditions.

Given the commodity nature of rebar and the fact that the rebar industry in each of the subject countries supplied the U.S. market with rebar meeting ASTM standards in the original investigations, we find that rebar from each of the seven subject countries would likely compete directly with one another and the domestic like product in the event of revocation. Competition in the U.S. market also is likely to be highly price-based. Accordingly, we exercise our discretion to cumulate subject imports from all seven subject countries.

E. Conclusion

For the reasons discussed above, in these second reviews, we determine to cumulate subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.

V. Whether Revocation of the Antidumping Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time[112]

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[113] The URAA SAA states that "under the likelihood standard, the Commission will engage in a counterfactual 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."[114] Thus, the likelihood standard is prospective in nature.[115] The U.S. Court of International

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of U.S. market); CR at IV-70; PR at IV-41 (indicating that domestic producers and most importers reported U.S. prices to be higher than other markets, and other importers reported U.S. prices to be at least comparable to other global markets), CR at IV-70 to IV-71; PR at IV-41 (foreign producers reported U.S. prices to be attractive).

[111] CR at I-37; PR at I-32; RTAC's Prehearing Br. at 19-20, 32-33; RTAC's Posthearing Br. at 10, Exh. 1 at 29-38.

[112] Except as otherwise noted, Commissioner Broadbent joins section V.A and V.B of these Views.

[113] 19 U.S.C. § 1675a(a).

[114] URAA SAA at 883-84. The URAA 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." *Id*. at 883.

[115] 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." URAA SAA at 884.

Trade has found that "likely," as used in the five-year review provisions of the Tariff Act, means "probable," and the Commission applies that standard in five-year reviews.[116]

The statute states 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."[117] According to the URAA SAA, a "'reasonably foreseeable time' will vary from case to case but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[118]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, 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 orders are revoked or the suspended investigation is terminated."[119] 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 orders are revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C.§ 1675(a)(4).[120] 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.[121]

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, 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.[122] 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.[123]

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is

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[116] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[117] 19 U.S.C. § 1675a(a)(5).

[118] URAA 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*.

[119] 19 U.S.C. § 1675a(a)(1).

[120] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. CR at I-18; PR at I-17.

[121] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. URAA SAA at 886.

[122] 19 U.S.C. § 1675a(a)(2).

[123] 19 U.S.C. § 1675a(a)(2)(A-D).

likely to be significant underselling by the subject imports as compared to the domestic like product 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 the domestic like product.[124]

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, 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 the following: (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.[125] 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. 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 orders under review and whether the industry is vulnerable to material injury upon revocation.[126]

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, 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."[127] The following conditions of competition inform our determinations. As we indicate below, many of these conditions also applied in the original investigations and first reviews.

1. Demand Conditions

As the Commission found in prior proceedings, rebar is primarily used to reinforce concrete structures,[128] and there are at best limited substitutes for rebar. Rebar generally accounts for a low share of the total cost of the applications in which it is used.[129] While some manufactured rebar is used in construction applications with no further processing, a large share is also sold to fabricators that process the rebar before it is ultimately used in construction applications.[130] Three U.S. producers (***) own purchasing firms that operate as fabricators and/or distributors.[131] These purchasing firms obtain the rebar for fabrication or distribution from their parent companies and, in some cases, from other producers and

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[124] *See* 19 U.S.C. § 1675a(a)(3). The URAA 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." URAA SAA at 886.

[125] 19 U.S.C. § 1675a(a)(4).

[126] The URAA 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 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." URAA SAA at 885.

[127] 19 U.S.C. § 1675a(a)(4).

[128] CR at I-22, II-1; PR at I-21, II-1; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[129] CR at II-17, II-23; PR at II-11, II-16; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[130] CR at II-1; PR at II-1.

[131] CR at II-1, II-24 to II-25; PR at II-1, II-17.

import suppliers.[132] Global trading companies not only purchase rebar but also facilitate the purchase of raw materials such as scrap.[133] These companies have longstanding relationships with rebar producers, freight vessel operators, and purchasers in various markets, and may also provide financing and logistical services.[134]

U.S demand for rebar is driven by the domestic economy and is tied to construction trends.[135] The aggregate U.S. economy, as measured by percentage changes in the gross domestic product, grew in 2007, declined during five of the next six quarters, increased in each quarter beginning with the third quarter of 2009,[136] and is forecast to grow by *** percent in 2013 and *** percent in 2014.[137] During the period of review, non-residential construction accounted for a greater proportion of rebar use than residential construction by an approximately 3-to-1 ratio, according to the Concrete Reinforcing Steel Institute.[138]

Questionnaire respondents were divided about how demand for rebar had changed during the period of review[139] and whether demand for rebar would increase through 2014.[140] Industry publications suggest a positive outlook, with expectations of modest growth for rebar demand in the U.S. market.[141]

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[132] CR at II-1; PR at II-1. Purchaser questionnaire responses received in these reviews may overstate purchases associated with domestic producers. Purchaser questionnaire responses accounted for 60.9 percent of the domestic industry's domestic shipments of rebar and 30.3 percent of commercial shipments of imports from non-subject countries in 2012. Of these totals, purchasers associated with domestic producers accounted for *** percent of domestic purchases and *** percent of purchases of imported rebar, whereas purchasers not associated with domestic producers submitting questionnaire responses accounted for *** percent of domestic rebar purchases and *** percent of purchases of imported rebar. Other record information indicates that independent rebar fabricators account for more than 45 percent of the rebar market. CR at II-24 to II-25 & n.36; PR at II-17 & n.36.

[133] CR at I-37; PR at I-37.

[134] RTAC's Prehearing Br. at 20, 32-33; RTAC's Posthearing Br. at 9-11, Exh. 1 at 29-38.

[135] CR at II-17; PR at II-11; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27. Six of seven responding U.S. producers, six of 14 responding importers, and 12 of 22 responding purchasers reported either business cycles specific to the rebar market or that the rebar market was subject to distinctive conditions of competition. Cycles included both seasonal cycles, mainly caused by weather-related changes in construction, and economic cycles tied to the overall economy and construction industry. CR at II-22; PR at II-15.

[136] CR/PR at Figure II-1.

[137] CR at II-17 to II-18; PR at II-11 to II-12.

[138] CR at II-1; PR at II-1. Both private and public non-residential construction spending increased between 2002 and 2008, although private non-residential construction began declining in 2009, stabilized in 2010 and 2011 at levels that were lower than most of 2007, then began to increase in 2012. By contrast, in 2012, public non-residential construction spending continued its gradual decline that began in 2010. Spending on public non-residential construction, which was higher than private residential spending in 2009 to 2011 and higher than private non-residential spending in 2010 to 2011, was lower than both in 2012. CR at II-18; PR at II-12; CR/PR at Figure II-2.

[139] When asked how demand for rebar has changed within the United States since January 1, 2007, the majority of producers (5 of 7), importers (10 of 13), and purchasers (15 of 21) reported that demand for rebar has decreased, while most foreign producers (3 of 4) reported U.S. demand had fluctuated. Most responding firms reported the economic recession or declines in construction as reasons why demand for rebar declined in both the United States and the rest of the world. Purchasers that are end users were asked if demand for their final product had changed since 2007. Two purchasers reported increased demand, two reported decreased demand, and one reported that demand had fluctuated. Both purchasers reporting increased demand reported increased need for rebar, and both purchasers reporting that demand for their product had decreased reported that this had reduced their demand for rebar and was a result of a decline in construction caused by the recession. CR at II-21; PR at II-15; CR/PR at Table II-3.

[140] Most U.S. producers (5 of 7) and most purchasers (12 of 18) expected U.S. demand to increase through 2014. Importers were almost equally divided between those that expected U.S. demand to increase in the future (6 of 13) and those expecting no change in demand (5). Foreign producers were equally divided between those

(Continued…)

Demand as measured by apparent U.S. consumption of rebar increased overall during the original investigations, and increased almost every year during the period covered by the first reviews, but fell dramatically in these second reviews and has not yet fully recovered.[142] Apparent U.S. consumption was *** short tons in 1998, *** short tons in 1999, *** short tons in 2000, 7,735,092 short tons in 2001, 7,368,986 short tons in 2002, 8,492,487 short tons in 2003, 8,718,690 short tons in 2004, 8,868,598 short tons in 2005, 9,875,423 short tons in 2006, 9,604,076 short tons in 2007, 8,268,422 short tons in 2008, 5,538,851 short tons in 2009, 5,939,054 short tons in 2010, 6,177,449 short tons in 2011, and 6,987,682 short tons in 2012.[143]

2. Supply Conditions

The domestic industry continued to maintain the predominant share of the U.S. market during the second reviews, as it had during the original investigations and first reviews. Although there has been further consolidation of the domestic industry since 2006, it has been less extensive than that during the first reviews.[144] Gerdau and Nucor represented *** percent of U.S. production during the period of review.[145] The domestic industry's share of apparent U.S. consumption was 80.9 percent in 2007, 88.4 percent in 2008, 92.5 percent in 2009, 91.7 percent in 2010, 89.7 percent in 2011, and 87.2 percent in 2012.[146]

After the antidumping duty orders were imposed on imports of rebar from the seven remaining subject countries in September 2001, only limited volumes of subject rebar from China, Latvia, and Poland entered the U.S. market during the first review period.[147] During this review period, there were no imports from subject countries other than China, and none of the importers submitting questionnaire responses in these reviews reported import shipments from China.[148]

(…Continued)
expecting demand to increase (2 of 4) and those expecting demand to fluctuate (2). Most of those expecting U.S. demand to increase in the future predicted that this would be the result of the economy and the construction industry recovering from the recession, while firms not forecasting an increase in demand tended to be less optimistic about the economy. CR at II-22; PR at II-15; CR/PR at Table II-3.

[141] The Architecture Billings Index (ABI), a leading indicator of construction activity reported by American Institute of Architects (AIA), increased in January 2013 at its fastest pace since November 2007. The January ABI was 54.2, "up sharply" from 51.2 in December. The ABI continued to climb in February, reaching 54.9. In March, this index was 51.9, still signaling growth (a measurement of above 50 indicates growth). The February 2013 new projects inquiry index reached its highest point since January 2007 (64.8), but declined to 60.1 in March 2013. The AIA's Chief Economist stated that "We have been pointing in this direction for the last several months, but this is the strongest indication that there will be an upturn in construction activity in the coming months." AIA notes that recent upward trends in residential construction may have positive effects on non-residential construction. In average forecasts of seven panelists, AIA projects non-residential construction spending to increase 5.0 percent in 2013 and 7.2 percent in 2014. CR at II-20; PR at II-14.

[142] CR/PR at Table I-1; USITC Pub. 3933 at 25; USITC Pub. 3425 at 18.

[143] CR/PR at Table I-1.

[144] USITC Pub. 3933 at 27-28; USITC Pub. 3425 at 20. During the original investigations, the domestic industry's market share was *** percent in 1998, *** percent in 1999, and *** percent in 2000, whereas its market share during the first reviews fluctuated from a period low of 75.1 percent in 2006 to a period high of 88.1 percent in 2003. CR/PR at Table I-1.

[145] CR at II-2; PR at II-1.

[146] CR/PR at Table C-1.

[147] CR/PR at Table I-1.

[148] CR at II-1; PR at II-1; CR/PR at Table I-1, Table C-1.

Nonsubject imports' share of the U.S. market grew between the original investigation and first review periods but generally declined during the second review period.[149] The leading nonsubject sources for U.S. imports of rebar during the period of review were Mexico and Turkey.[150] The Commission has conducted prior proceedings concerning rebar, but there are no outstanding orders on rebar other than those orders subject to the current reviews.[151]

3. Substitutability

Rebar is sold in the U.S. market based on ASTM specifications, and during the original investigations, the rebar industries in the United States and all subject countries sold rebar meeting ASTM standards in the U.S. market.[152] Rebar is generally regarded as a commodity, with rebar of the same grade and dimension being interchangeable regardless of origin.[153] Differing rebar sizes and lengths tend to predominate in different uses, with smaller sizes being used in light construction applications (*e.g.*, in residences, swimming pools, patios, and walkways) and larger sizes and longer lengths being used exclusively in heavy construction applications.[154]

As was the case in the original investigations and first reviews, both domestic and imported rebar are sold through distributors, service centers, and fabricators.[155] During the period of review, the domestic industry was more likely to sell to end users than to distributors, whereas importers were more likely to sell to distributors.[156]

Many industry participants reported rebar made in each of the subject countries to be "always" interchangeable with rebar made in the United States and with rebar made in each of the other subject countries.[157] Some purchasers expressed a preference for U.S. products but others reported that as long as products met ASTM standards, they were interchangeable.[158] Although there are some exceptions, Buy America preferences apply to the procurement of iron and steel products, including rebar, for certain Federal-aid highway construction programs, and Buy American preferences apply to Federal Government

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[149] CR/PR at Table I-1; USITC Pub. 3933 at 28. During the original investigations, the share of the U.S. market held by currently nonsubject suppliers (which includes imports from Korea which were then subject to investigations but against which the antidumping duty order has been revoked) was *** percent in 1998, *** percent in 1999, and *** percent in 2000, whereas their market share during the first reviews fluctuated from a period low of 11.9 percent in 2003 to a period high of 24.9 percent in 2006, and their market share during these second reviews fluctuated from a period low of 7.5 percent in 2009 to a period high of 19.0 percent in 2007. CR/PR at Table I-1.

[150] CR at II-16; PR at II-11. *** accounted for *** percent of reported imports during the period of review, although ***. CR at II-2 & n.2; PR at II-1 & n.2.

[151] CR at I-12 to I-14; PR at I-12 to I-13.

[152] CR at II-28 to II-29; PR at II-19 to II-20; USITC Pub. 3425 at 15; CR/PR at Table I-1.

[153] USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[154] USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[155] CR at II-1; PR at II-1; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[156] CR at II-1; PR at II-1; CR/PR at Table II-1.

[157] All responding U.S. producers and importers reported rebar from each subject country to be "always" interchangeable with rebar made in the United States and with rebar made in each other subject country. By contrast, four purchasers reported that rebar from each subject country was "always" interchangeable with rebar made in the United States, two reported that rebar from each subject country was "never" interchangeable with rebar made in the United States, and six purchasers reported that rebar from each subject country was "always" interchangeable with rebar from each other subject country. CR at II-31; PR at II-21; CR/PR at Table II-8. When asked to compare domestic rebar with rebar made in subject countries and to compare pairings of subject countries, purchasers often reported the domestic product to be superior for factors such as availability, delivery terms, delivery time, minimum quantity requirements, and reliability of supply, although a sizable number of purchasers reported all such possible pairings to be "comparable." CR/PR at Table II-10.

[158] CR at II-33; PR at II-23.

procurement of certain goods and services.[159] Buy America(n) projects do not account for a large portion of the U.S. market, and the size of these projects has diminished in recent periods.[160] As in the original investigations and first reviews, domestic producers charge the same price for rebar regardless of whether it is intended for use in such projects.[161] Overall, we find a high degree of substitutability among rebar produced in the United States and imported from subject and nonsubject sources.[162]

4. Other Conditions

Between 2007 and 2012, raw materials accounted for 62.7 to 70.1 percent of the cost of goods sold of rebar, except in 2009, when raw materials accounted for only 54.5 percent.[163] The principal raw material used and primary price driver for rebar is scrap metal.[164] Prices for steel scrap in the United States have fluctuated between January 2007 and April 2013.[165]

The domestic industry and importers commonly quote rebar prices on either a free-on-board (f.o.b.) basis or a delivered basis, with domestic industry f.o.b. sales commonly based on the mill's location and importer f.o.b. prices typically based on the port of entry or discharge.[166] The parties disagreed about the cost to transport rebar from overseas destinations to the United States.[167] During the period of review, overseas transportation costs declined overall.[168] Freight costs vary according to the shipping distance, the type of product being transported, the mode of transportation, and the volume being shipped, with lower per-ton costs being associated with larger volumes.[169] Moreover, lower freight fees may be available to rebar producers that utilize the same provider to transport their scrap purchases from one market (such as the United States) to their production facility and to transport the resulting finished rebar products from their production facility back to the same market (*i.e.*, the United States) for sale there.[170]

Based on the record of these reviews, we find that current conditions of competition in the U.S. rebar market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we

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[159] CR at II-24 & n.33; PR at II-16 & n.33.

[160] *See, e.g.*, Revised Transcript of Commission's April 25, 2013 Hearing ("Hearing Transcript") at 53, 170-74, 263-70; CR at II-29 to II-31; PR at II-20 to II-21. Although Buy America(n) preferences apply to some sales, most purchasers reported country of origin was no greater than "sometimes" a factor in purchasing decisions by them and their customers. CR/PR at Table II-4. There was a temporary increase in Buy America(n) sales associated with government stimulus packages during the period of review, but industry witnesses reported that federal, state, and local spending had declined more recently. Hearing Transcript at 170-73.

[161] USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[162] CR at II-24; PR at II-16.

[163] CR at V-1; PR at V-1.

[164] CR at V-1 to V-2; PR at V-1; CR/PR at Figure V-2 (showing that scrap prices lagged by one quarter correlate strongly with the domestic prices of the four rebar pricing products for which the Commission collected quarterly data); USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27.

[165] Scrap prices first increased rapidly through the middle of 2008, peaking at over $500 per ton in May and July 2008, but fell to below $100 per ton in November 2008. Afterwards, scrap prices rose irregularly until January 2011, declined irregularly through July 2012 and have increased slowly since that point. Overall, prices in April 2013 are 61.5 percent higher than in January 2007. CR at V-1; PR at V-1; CR/PR at Figure V-1.

[166] CR at V-7; PR at V-6.

[167] LM's Prehearing Brief at 7; RTAC's Prehearing Brief at 60-62, Exh. 8, 25; RTAC's Posthearing Brief at Exh. 1 at 5-11.

[168] CR at V-4; PR at V-3; CR/PR at Figure V-4.

[169] CR at V-4 to V-6; PR at V-5; Hearing Transcript at 49, 76, 141-42, 196-97, 200-201, 225-26, 243, 250, 300-301.

[170] RTAC's Prehearing Brief at 22, 39, 62, 84-85.

find that current conditions of competition provide us with a reasonable basis on which to assess the likely effects of revocation of the orders in the reasonably foreseeable future.

C. Revocation of the Antidumping Duty Orders Is Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

a. Original Investigations and First Five-Year Reviews

In the original investigations, five of the six Commissioners found the cumulated volume of subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine to be significant. Noting that the cumulated volume rose between 1998 and 1999, they found the decline in the cumulated volume between 1999 and 2000 to be attributable to the June 2000 filing of the petitions.[171] Five of the six Commissioners found that subject imports from China entered the U.S. market very rapidly, despite their relatively late appearance in the market in the original investigation period.[172]

In the first reviews, the Commission found that subject imports were likely to increase significantly if the orders were revoked based on the substantial increase in cumulated subject imports during the original investigations, subject producers' reliance on export markets, their substantial cumulated export volumes, their substantial cumulated production capacity, and the attractiveness and accessibility of the U.S. market.[173]

b. Second Reviews

During the current period of review, subject import volumes have been minimal, never exceeding 2,385 short tons in any year.[174] The current level of cumulated subject imports contrasts significantly with their level during the original investigations, during which time subject imports accounted for a significant share of the U.S. market and increased their market share rapidly and significantly.[175] Some rebar industries in the subject countries continued to export to the U.S. market even after the orders were imposed, although the volumes were substantially constrained.[176]

As discussed above, several subject producers did not respond to the Commission's questionnaires. For purposes of our analysis of the likely volume in these reviews, we considered aggregated data from those firms from Belarus, Moldova, Poland, and Ukraine that submitted questionnaire responses. The aggregated data do not include information for certain producers in Poland and Ukraine and thus understate data for those rebar industries. We also considered available information on the subject rebar industries in China and Indonesia, as no firm from either industry has submitted questionnaire data since the original investigations.

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[171] They also cumulated imports from Korea with other subject imports, but imports from Korea are no longer subject to an order. USITC Pub. 3425 at 19-20, 27-28.

[172] USITC Pub. 3440 at 8, 12.

[173] USITC Pub. 3933 at 30-34.

[174] CR/PR at Table IV-1. There were no subject imports during 2012. *Id*.

[175] USITC Pub. 3425 at 15; CR/PR at Table I-1. The volume of cumulated imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine during the original investigations increased from *** short tons in 1998 to *** short tons in 1999 and *** short tons in 2000, and their market share increased from *** percent in 1998 to *** percent in 1999 and *** percent in 2000. CR/PR at Table I-1.

[176] CR/PR at Table I-1.

Collectively, the industries in these subject countries have significant capacity to produce rebar. Those firms submitting data collectively reported that their capacity utilization fluctuated during the period of review but was lower in 2012 than in 2007. Their unused capacity in 2012 was substantial,[177] equivalent to almost one-fifth of the U.S. market in 2012.[178] Several subject producers are reportedly increasing their rebar production capacity.[179]

The rebar industries in these subject countries collectively export a large percentage of their production.[180] The rebar industries in these subject countries sell rebar to multiple export markets, and they have been able to shift exports from one market to another during the period of review.[181] Moreover, the rebar industry in each of these subject countries has ready access to export markets, including the U.S. market, particularly with the assistance of global trading companies.[182]

Absent the restraining effects of the orders, we find that the rebar industries in these subject countries would again likely shift export markets and resume exporting substantial volumes of rebar to the United States. As a relatively large market with relatively high prices, the U.S. market remains attractive today.[183] Furthermore, the rebar industries in these subject countries face difficulties in their existing markets due to increased competition with one another,[184] competition with additional capacity in

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[177] Derived from CR/PR at Tables C-1, E-1. The rebar industries in Belarus, Latvia, Moldova, Poland, and Ukraine reported a combined capacity utilization of 89.1 percent in 2007, 78.2 percent in 2008, 69.7 percent in 2009, 73.0 percent in 2010, 74.0 percent in 2011, and 81.3 percent in 2012. CR/PR at Table E-1. In 2012, the rebar industries in these subject countries collectively had 1,322,646 short tons of excess capacity. This figure does not take into account excess capacity available in China and Indonesia or those producers in Poland and Ukraine that did not submit questionnaire responses. Derived from CR/PR at Tables C-1, E-1.

[178] The rebar industries in Belarus, Latvia, Moldova, Poland, and Ukraine reported a combined capacity of 7,091,227 short tons in 2012, which does not include data for all producers in Poland and Ukraine. Available information suggests that the industries in China and Indonesia have additional capacity capable of producing at least *** short tons and *** short tons, respectively in 2012. CR/PR at Tables E-1, IV-7, IV-13.

[179] CR at IV-11, IV-17, IV-25 to IV-26; PR at IV-8, IV-12, IV-18 to IV-19; RTAC's Prehearing Brief at 23-24, 63-64, Exh. 26 (regarding reported capacity increases in China and Indonesia). The rebar industries in several of the subject countries also manufacture other nonsubject products with the same equipment and workers used to manufacture rebar, and some of them used a greater portion of their total capacity to manufacture rebar in 2012 than in 2007. For example, the industries in *** reported making other products using the same equipment and workers used to manufacture rebar. CR at ***; PR at ***. On the other hand, those rebar industries in the subject countries providing information reported relatively low inventory levels, and few reported existing tariff barriers to markets other than the United States. CR/PR at Table E-1; CR at IV-47, PR at IV-31 (reporting that *** rebar is subject to tariff or non-tariff barriers in ***).

[180] CR/PR at Table E-1 (as a share of total shipments the rebar industries in Belarus, Latvia, Moldova, Poland, and Ukraine (not including China and Indonesia) collectively exported 79.0 percent in 2007, 76.1 percent in 2008, 81.2 percent in 2009, 77.7 percent in 2010, 73.5 percent in 2011, and 79.4 percent in 2012).

[181] Between 2007 and 2012, the rebar industries in the subject countries shipped rebar to as few as 15 (Indonesia) or 17 (Moldova) destinations and as many as 80 (Ukraine) and 167 destinations (China). CR at IV-14, IV-18, IV-26, IV-34, IV-43, IV-51, IV-58; PR at IV-9, IV-12, IV-19, IV-24, IV-28, IV-32, IV-35.

[182] RTAC's Prehearing Br. at 20, 32-33; RTAC's Posthearing Br. at 10, Exh. 1 at 29-38.

[183] CR/PR at Table IV-44 (U.S. market is relatively large compared to other global markets), Table IV-45 (U.S. market is projected to be relatively large and growing), Tables IV-47 to IV-49 (showing relatively high prices of U.S. market); CR at IV-70; PR at IV-41 (indicating that domestic producers and most importers reported U.S. prices to be higher than other markets, and other importers reported U.S. prices to be at least comparable to other global markets), CR at IV-70 to IV-71; PR at IV-41 (foreign producers reported U.S. prices to be attractive). Additionally, as discussed above, freight costs have declined during the period of review.

[184] For example, the rebar industry in Belarus sells rebar to Russia, as do the industries in Latvia, Moldova, and Poland; the industries in Belarus, China, and Ukraine compete for sales in Iraq; the industries in Belarus and Latvia compete for sales in Latvia; the industries in Latvia and Poland compete for sales in Poland and in Algeria; and the industries in Moldova and Ukraine compete for sales in Ukraine. CR/PR at Table IV-5 (exports from

(Continued…)

their export markets,[185] and/or weak demand conditions.[186] As even LM has admitted in press releases, it is financially troubled, and the "civil construction sector" in the European Union is "in the deepest crisis."[187] As a result of this general environment and a shortage of rebar orders, LM halted production in April 2013.[188] However, LM has since indicated that it ***, despite its claims that it is facing constraints on its capacity caused by a liquidity issue and therefore is unlikely to ship rebar beyond its current customers and markets.[189] Stemcor, a global trading company which has had a long-established relationship with LM and is now reported to be a shareholder in the company, stated in its ***[190] Further, press reports indicate that Stemcor and the Latvian government each have incentives to assist LM to maintain its viability as a producer.[191] Subject producers in Moldova and Poland have also temporarily curtailed production, further indicating poor demand conditions.[192] Additionally, in some instances there is direct evidence of subject producers' interest in supplying the U.S. market. RTAC reports that producers in China continued to offer to sell subject rebar to purchasers in the U.S. market during the period of review.[193] Finally, subject producers in *** admit that the U.S. market is attractive or that they want to sell rebar in the U.S. market, and some purchasers and importers reported expected increased imports from the subject countries if the orders were to be revoked.[194]

Accordingly, based on the record in these reviews, we conclude that the volume of cumulated subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine likely would be significant relative to production and consumption in the United States and that cumulated subject imports would likely regain significant U.S. market share if the orders were revoked.

(…Continued)
Belarus), Table IV-10 (exports from China), Table IV-19 (home market in Latvia), Table IV-20 (exports from Latvia), Table IV-25 (exports from Moldova), Table IV-29 (home market in Poland), Table IV-30 (exports from Poland), Table IV-34 (home market in Ukraine), and Table IV-35 (exports from Ukraine).

[185] *See, e.g.*, CR at IV-79 (describing new capacity in Russia), IV-80 (describing new capacity in Algeria); PR at IV-43; RTAC's Posthearing Brief at 13-14; RTAC's Prehearing Brief at 65-69.

[186] *See, e.g.*, CR at IV-78 to IV-82; PR at IV-42 to IV-44; RTAC's Posthearing Brief at 2, 11-14; RTAC's Prehearing Brief at 72-81.

[187] EDIS Doc. No. 509882; CR at IV-29 to IV-30; PR at IV-22.

[188] CR at IV-29; PR at IV-22.

[189] CR at IV-30; PR at IV-22; LM's Prehearing Brief at 24-25.

[190] Stemcor USA Importer Questionnaire Response to Question III-16.

[191] RTAC's Posthearing Brief at Exh. 1 at 30-44.

[192] CR at IV-40, IV-48; PR at IV-27, IV-31.

[193] RTAC's Prehearing Br. at 26-27.

[194] RTAC's Prehearing Brief at 39-40, 105-107; CR at IV-48 at n.59; PR at IV-31 at n.59. We further note that, as discussed above, Buy America(n) projects do not account for a large portion of the U.S. market, and the size of these projects has diminished in recent periods. *See, e.g.*, Hearing Transcript at 53, 170-74, 263-70; CR at II-29 to II-31; PR at II-20 to II-21. As in the original investigations and first reviews, moreover, domestic producers charge the same price for rebar regardless of whether it is intended for use in Buy America(n) projects. USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27; Hearing Transcript at 151; RTAC's Posthearing Brief at Exh. 1 at 13-16. Consequently, it is not likely that Buy America(n) requirements will serve to constrain materially the volume of subject imports in the event the orders are revoked. Due to the importance of price in this market, as discussed below, it is also unlikely that any preference for domestic rebar will constrain materially the volume of subject imports in the event of revocation, because purchasers, including those affiliated with domestic producers, generally are likely to buy imported products if the price is low enough, as purchasers did in the original investigations. Hearing Transcript at 154-55; RTAC's Posthearing Brief at Exh. 1 at 12-13.

2. Likely Price Effects

a. Original Investigations and First Five-Year Reviews

In the original investigations, the Commission found that rebar was a commodity product and that price was an important factor in purchasing decisions. It found that cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine undersold the domestic like product in virtually all price comparisons and depressed or suppressed prices to a significant degree. Average unit values for subject imports were lower than for the domestic like product, domestic price declines exceeded declines in raw material costs, and several firms confirmed lost sales and lost revenue allegations based on the lower prices of the subject imports.[195] In their affirmative threat determinations, five Commissioners found that subject imports from China were likely to have significant depressing or suppressing effects on domestic prices, given the significant underselling by these imports throughout the period, the commodity nature of rebar, and the importance of price in this industry.[196]

In the first reviews, the Commission found that the likely significant volume of cumulated subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would likely undersell the domestic like product at significant margins to gain market share and would likely have significant depressing or suppressing effects on prices of the domestic like product within a reasonably foreseeable time. It based its conclusions on the importance of price in the market, the fungible nature of the product, the negative price effects of the low-priced subject imports in the original investigations that undersold the domestic like product pervasively, the improved prices of the domestic like product after imposition of the orders, and the incentive for subject producers to make sales and to obtain market share in the relatively high-priced, large, stable, and accessible U.S. market.[197]

b. Second Reviews

Price continues to be an important factor in purchasing decisions in the U.S. rebar market, although availability and quality also were highly ranked by purchasers.[198] Half of the responding purchasers (11 of 22) reported that quality was one of the three most important factors.[199] Meeting ASTM standards was the characteristic that U.S. purchasers most frequently reported they used to ascertain quality.[200] The domestic industry and the rebar industries in all subject countries sold rebar meeting ASTM standards in the U.S. market during the original investigations.[201] As for availability, purchasers ranked domestic products to be "superior" for availability as compared to imports from the

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[195] USITC Pub. 3425 at 20-21, 28-29.

[196] USITC Pub. 3440 at 8, 13.

[197] USITC Pub. 3993 at 34-35.

[198] CR at II-26; PR at II-18; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27. When asked to rate the importance of 15 purchasing factors, at least 20 of 22 responding purchasers reported that availability, price, quality meets industry standards, and reliability of supply were important considerations. CR at II-27; PR at II-19; CR/PR at Table II-6. When asked to rank purchasing factors, over half of the responding purchasers (13 of 22) reported that price was the most important factor in their purchases; it was also the most commonly reported second-most important factor, and all responding purchasers reported it was one of the top three factors. Availability was the most commonly reported third-most important factor. CR at II-26; PR at II-18.

[199] CR at II-26; PR at II-18; CR/PR at Table II-5.

[200] CR at II-28; PR at II-19. Given that subject imports have had a limited U.S. market presence since imposition of the orders, it is not unexpected that purchasers reported not knowing if subject products meet minimum quality standards. CR at II-36; PR at II-25 to II-26; CR/PR at Table II-11.

[201] USITC Pub. 3425 at 15.

seven subject countries,[202] but cumulated subject imports have had a considerably smaller U.S. market presence since imposition of the orders.[203] Indeed, most market participants reported that differences other than price do not play an important role in their decision whether to purchase domestic products or rebar imported from subject countries.[204]

Given the commodity nature of this product, the interchangeability of the cumulated subject imports and the domestic like product, the importance of price in purchasing decisions as discussed above, and the fact that most U.S. sales are spot sales negotiated on a transaction-by-transaction basis,[205] we find that cumulated subject imports would be likely to compete in the U.S. market based primarily on price in the event the orders under review were revoked.

In these second reviews, the Commission requested U.S. producers and importers of rebar to provide quarterly data for the total quantity and value of their shipments to U.S. distributors of four pricing products from January 2007 through December 2012.[206] Six U.S. producers provided price data, with all producers providing data for all products and all quarters for the requested period.[207] Producer price data accounted for 61.7 percent of the quantity of U.S. commercial shipments during this period.[208] No responding importer reported price data for rebar from China, the only source of U.S. imports of subject rebar during this period.[209]

During the period of review, prices for the domestically produced product generally increased through the third quarter of 2008, decreased through the second quarter of 2009, coincident with the severe economic downturn at the time, and then increased generally through the second quarter of 2011.[210] Thereafter, prices were stable through the end of 2011.[211] Over the course of 2012, prices for each of the four pricing products declined relative to fourth quarter 2011 levels.[212] Overall, between the first quarter of 2007 and the last quarter of 2012, prices for these four products increased by 18.0 to 19.1 percent, although the period highs were reached during the third quarter of 2008.[213] The trends in pricing data collected in these reviews were similar to the trends in U.S. f.o.b. mill price data from ***.[214]

In the original investigations, there were 238 possible price comparisons between the domestic like product and rebar imported from the seven subject countries, and subject imports undersold the domestic like product in 224 of those instances at underselling margins that ranged from 3.5 percent to 32.4 percent.[215] As discussed above, after the antidumping duty orders were imposed, the volume of cumulated subject imports declined, and subject imports had a limited U.S. market presence in the first reviews.[216] Subject imports had only a nominal U.S. market presence during the period of these second

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[202] CR at II-33; PR at II-23; CR/PR at Table II-8.

[203] CR/PR at Table I-1.

[204] CR/PR at Table II-12 (with most market participants reporting that differences other than price are "frequently," "sometimes," or "never" significant).

[205] CR at V-6 to V-7; PR at V-5.

[206] The pricing products were as follows: (1) Straight ASTM A615, No. 3, grade 60 rebar; (2) Straight ASTM A615, No. 4, grade 60 rebar; (3) Straight ASTM A615, No. 5, grade 60 rebar; and (4) Straight ASTM A615, No. 6, grade 60 rebar. CR at V-8; PR at V-6.

[207] CR at V-8; PR at V-6.

[208] CR at V-8; PR at V-6.

[209] CR at V-8; PR at V-6.

[210] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[211] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[212] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[213] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[214] CR at V-15; PR at V-12; CR/PR at Figure V-9 (showing prices generally increasing through mid-2008, decreasing through 2009, increasing in 2010, stabilizing in 2011, and then declining modestly in 2012).

[215] CR at V-14; PR at V-12.

[216] CR at I-1; PR at I-1.

reviews, and no pricing comparisons were available.[217] As previously stated, upon revocation the volume of cumulated subject imports will likely be significant due to the excess capacity of the rebar industries in the subject countries, their export orientation, and the attractiveness of the U.S. market. In these circumstances, the propensity of the rebar producers in the subject countries to undersell the domestic product in the original investigations in order to gain market share would likely recur. We therefore conclude that there would likely be significant price underselling should the orders under review be revoked.

Because price is critical to purchasing decisions, the likely significant volume of low-priced subject imports upon revocation would force the domestic industry to lower prices,[218] limit price increases (even at the risk of being unable to cover its scrap costs),[219] or lose sales in this price-sensitive market where prices have not yet fully recovered. Hence, we conclude that the increased cumulated subject imports likely would have significant price-depressing or price-suppressing effects if the orders were revoked.

3. Likely Impact

a. Original Investigations and First Five-Year Reviews

In the original investigations, the Commission found the pertinent regional or national industry to be materially injured by reason of cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine based the volume of cumulated subject imports, their relatively high market share, their adverse price effects, and their effect on the domestic industry's condition. Despite increased apparent U.S. consumption, the domestic industry lost market share and experienced declines in sales values, operating income, operating margin, and capital expenditures.[220] In making an affirmative threat determination for subject imports from China, the Commission found that the likely significant volume of these imports would cause the industry to lose additional market share and suppress or depress prices to a significant degree, precipitating further declines in the domestic industry's already deteriorating condition.[221]

In the first reviews, the Commission observed that the improvement in the domestic industry's condition after the antidumping duty orders were imposed in July 2001 was inhibited somewhat by a decline in demand between 2000 and 2002. The domestic industry's condition improved substantially after 2003, as demand in the U.S. market increased dramatically and the domestic industry was able to increase its prices despite significant increases in raw material costs. The Commission did not find the domestic industry to be vulnerable at the time of the first reviews. The record indicated that demand would remain steady within the reasonably foreseeable future, but the Commission found that, if the orders were revoked, cumulated subject imports would enter the U.S. market in such increased quantities

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[217] CR at V-14; PR at V-12. RTAC, however, reported that producers in China continued to offer to sell subject rebar to purchasers in the U.S. market during the period of review. RTAC's Prehearing Br. at 26-27.

[218] As discussed above, Buy America(n) projects do not account for a large portion of the U.S. market, the size of these projects has diminished in recent periods, and the domestic industry does not differentiate its prices for such sales. Consequently, the likely significant underselling by cumulated subject imports would affect prices of all of the domestic industry's sales.

[219] Although some domestic producers are vertically integrated with scrap purchasers and may have more stability for their input costs, this integration does not insulate them from an inability to recover their scrap costs if low-priced subject imports suppress prices they would otherwise obtain for their sales of finished rebar products, since the lowest price gets the sale in this industry. CR at III-1; PR at III-1; Hearing Transcript at 154-55; RTAC's Posthearing Brief at Exh. 1 at 12-13.

[220] USITC Pub. 3425 at 21-23, 29-30.

[221] USITC Pub. 3440 at 9-10, 13-14.

and at such price levels as to cause price suppression or depression, thus causing a significant adverse impact on the domestic industry within a reasonably foreseeable time.[222]

b. Second Reviews

Many of the domestic industry's performance indicators declined overall during the period of review, with substantial declines between 2008 and 2009 consistent with the severe economic downturn and related downturn in demand for rebar. Although there was some improvement thereafter, performance indicators in 2012 still were generally lower than the peak levels observed in 2007 and 2008. Average production capacity remained relatively stable between 2007 and 2012.[223] Production levels declined substantially in 2009 before subsequently increasing, but were lower in 2012 than in 2007.[224] Capacity utilization also peaked at the beginning of the period of review.[225] Trends in the domestic industry's U.S. shipments mirrored those for production.[226] End-of-period inventories relative to production and shipments increased overall but remained relatively low.[227] The domestic industry's share of apparent U.S. consumption was higher at the end of the period of review than in 2007, but lower than its peak in 2009.[228]

The number of production and related workers, total hours worked, and hours worked per worker decreased overall from 2007 to 2012.[229] Hourly wages increased overall, whereas productivity in short tons per 1,000 hours declined overall.[230]

The domestic industry's net sales by value peaked in 2008, and operating income peaked in 2007 despite increases from 2010 to 2012.[231] Between 2007 and 2012, the domestic industry made annual

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[222] USITC Pub. 3933 at 35-36.

[223] The domestic industry's average capacity was 9,814,516 short tons in 2007, 9,814,413 short tons in 2008, 9,671,520 short tons in 2009, 9,398,878 short tons in 2010, 9,242,659 short tons in 2011, and 9,663,799 short tons in 2012. CR/PR at Table III-4.

[224] The domestic industry's production was 7,932,289 short tons in 2007, 7,669,513 short tons in 2008, 5,356,488 short tons in 2009, 5,902,047 short tons in 2010, 6,068,574 short tons in 2011, and 6,564,137 short tons in 2012. CR/PR at Table III-4. Its net sales by quantity followed a similar trend, being 7,959,326 short tons in 2007, 7,840,213 short tons in 2008, 5,427,985 short tons in 2009, 5,813,508 short tons in 2010, 6,003,091 short tons in 2011, and 6,501,637 short tons in 2012. CR/PR at Table III-10.

[225] The domestic industry's capacity utilization was 80.8 percent in 2007, 78.1 percent in 2008, 55.4 percent in 2009, 62.8 percent in 2010, 65.7 percent in 2011, and 67.9 percent in 2012. CR/PR at Table III-4. The domestic industry does produce other products using the same production and related equipment and used a declining portion of its total capacity to manufacture rebar. CR/PR at Table III-6.

[226] The domestic industry's U.S. shipments were 7,772,530 short tons in 2007, 7,306,125 short tons in 2008, 5,125,131 short tons in 2009, 5,443,622 short tons in 2010, 5,486,336 short tons in 2011, and 6,090,220 short tons in 2012. CR/PR at Table III-7.

[227] The ratio of the domestic industry's end-of-period inventories to total shipments was *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012. CR/PR at Table III-8. Exports were *** portion of the domestic industry's total shipments. CR/PR at Table III-7.

[228] The domestic industry's market share was 80.9 percent in 2007; 88.4 percent in 2008; 92.5 percent in 2009; 91.7 percent in 2010; 89.7 percent in 2011; and 87.2 percent in 2012. CR/PR at Table C-1.

[229] There were 5,791 production and related workers in 2007, 4,714 in 2008, 4,450 in 2009, 3,933 in 2010, 3,833 in 2011, and 3,944 in 2012. Hours worked were 9.2 million in 2007, 9.0 million in 2008, 8.0 million in 2009, 7.7 million in 2010, 7.7 million in 2011, and 8.0 million in 2012. Wages paid were $310.0 million in 2007, $326.0 million in 2008, $275.0 million in 2009, $268.7 million in 2010, $275.1 million in 2011, and $301.4 million in 2012. CR/PR at Table III-9.

[230] Hourly wages were $33.62 in 2007, $36.28 in 2008, $34.45 in 2009, $34.89 in 2010, $35.62 in 2011, and $37.56 in 2012. Productivity in short tons per 1,000 hours was 861.4 in 2007, 854.5 in 2008, 670.7 in 2009, 766.4 in 2010, 788.5 in 2011, and 818.1 in 2012. CR/PR at Table III-9.

capital expenditures that ranged from a high of $159.1 million in 2007 to a low of $51.6 million in 2011.[232]

The domestic industry had an overall decline in profitability from 2007 to 2012.[233] The domestic industry's operating results between 2007 and 2012 also reflected several plant shutdowns, curtailments, and closures.[234]

Although certain aspects of the domestic industry's performance have improved, in light of current performance indicators, we find the record evidence to be mixed concerning whether the domestic industry is in a vulnerable condition.

As explained above, we find that cumulated subject imports would likely be significant in the reasonably foreseeable future if the orders under review were revoked. The domestic industry supplies the majority of the U.S. market,[235] and because subject imports are good substitutes for the domestic like product, any increase in cumulated subject imports would likely lead to declines in the domestic industry's production, shipments, market share, and employment.

We have further found that these additional volumes of cumulated subject imports would be priced in a manner that would likely undersell the domestic like product to a significant degree and have significant depressing or suppressing effects on prices of the domestic like product. Consequently, to compete with the likely additional volumes of subject imports, the domestic industry would need to cut prices, forego needed price increases, or lose sales, as it did in the original investigations. The resulting loss of revenues would likely cause further deterioration in the financial performance of the domestic industry. Further deterioration in financial performance would result in likely reductions in employment and, ultimately, likely losses in output and market share.

Therefore, we find that revocation of the orders under review would likely have a significant adverse impact on the domestic industry.

We have also considered the role of factors other than subject imports so as not to attribute likely injury from other factors to the subject imports, notwithstanding that respondents did not identify any such factors. Nonsubject imports' share of the market fluctuated from a period low of 7.5 percent in 2009 to a period high of 19.0 percent in 2007.[236] Given the high substitutability of rebar from all sources, if the seven orders on subject imports were revoked, the likely significant volume of cumulated subject imports would likely compete with both the domestic like product and nonsubject imports. The continued presence of nonsubject imports in the U.S. market, as was the case in the original investigations, would not preclude subject imports from taking market share from the domestic industry or forcing the domestic industry to lower prices in order to compete. Moreover, we note that the quantity of rebar imports from nonsubject countries declined between 2007 and 2012, both absolutely and relative to apparent U.S. consumption, and was substantially lower than the nearly 2.5 million short tons recorded in 2006.[237] While certain sources of rebar supply, such as the industries in Turkey and Mexico, maintained a

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(…Continued)

[231] Total net sales by value were $4,606.5 million in 2007, $5,799.4 million in 2008, $2,662.8 million in 2009, $3,142.5 million in 2010, $3,907.1 million in 2011, and $4215.0 million in 2012. Operating income was $994.7 million in 2007, $849.9 million in 2008, negative $14.3 million in 2009, negative $20.2 million in 2010, $188.5 million in 2011, and $229.5 million in 2012. CR/PR at Table III-10.

[232] CR/PR at Table III-15. The domestic industry made ***. *Id*.

[233] The domestic industry's operating income as a ratio of net sales was 21.6 percent in 2007, 14.7 percent in 2008, negative 0.5 percent in 2009, negative 0.6 percent in 2010, 4.8 percent in 2011, and 5.4 percent in 2012. CR/PR at Table III-10.

[234] CR/PR at Table III-2; CR at III-3; PR at III-3.

[235] During these second reviews, the domestic industry's market share was 80.9 percent in 2007, 88.4 percent in 2008, 92.5 percent in 2009, 91.7 percent in 2010, 89.7 percent in 2011, and 87.2 percent in 2012. CR/PR at Table C-1.

[236] CR/PR at Table I-1.

[237] CR/PR at Table I-1.

substantial presence in the U.S. market,[238] the number of sources of rebar imports fell sharply between 2007 and 2012, declining from 27 countries to 9.[239]

We also considered the likely role of demand in the reasonably foreseeable future. Overall, demand declined between 2007 and 2012, but it is expected to increase moderately in the future. The moderate level of increased demand likely in the reasonably foreseeable future, while likely to affect the domestic industry's condition positively, would not preclude the domestic industry from incurring an adverse impact due to the likely significant volume and price effects of the cumulated subject imports.

Accordingly, we determine that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

VI. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

[238] CR/PR at Table IV-1.
[239] CR at IV-1 to IV-2; PR at IV-1.

Separate and Dissenting Views of Commissioner Daniel R. Pearson and Commissioner Meredith M. Broadbent Regarding Latvia, Poland, and Indonesia

I. Introduction

Based on the record in these five-year reviews, we determine that revocation of the antidumping duty orders on subject imports of steel concrete reinforcing bar ("rebar") from Latvia, Poland, and Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

We join our colleagues' discussion regarding the background of these reviews, domestic like product, domestic industry, the legal standards governing five-year reviews, and conditions of competition and the business cycle. We write separately to discuss cumulation and our analysis of the statutory factors.

II. Cumulation

A. Framework

> With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry. [1]

Cumulation therefore is discretionary in five-year reviews.[2] Because of the prospective nature of five-year reviews and the Commission's discretion with respect to cumulation, Commissioner Broadbent considers three issues in deciding whether to exercise her discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among imports from the subject countries and the domestic like product; and (3) whether there are similarities and differences in the likely conditions of competition under which subject imports are likely to compete in the U.S. market.[3]

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[1] 19 U.S.C. § 1675a(a)(7).

[2] 19 U.S.C. § 1677(7)(G)(i). *See also, e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

[3] Commissioner Pearson notes that, while he considers these same issues in determining whether to exercise his discretion to cumulate subject imports, his analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, he next proceeds to consider whether there is a likelihood of a reasonable overlap of competition whereby those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis he intends to exercise his discretion to cumulate one or more subject countries, he analyzes whether he is precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. *See* USITC Pub. 3933 (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna

In so doing, we take into account the various arguments by the parties in favor of and against cumulation. Our focus in a five-year review is not merely on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future. [4]

B. Background

In the original investigations, five of the six Commissioners cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine but did not cumulate subject imports from China for purposes of their regional/national material injury analysis.[5]

In the first reviews, the Commission declined to exercise its discretion to cumulate imports of rebar from Korea with those of the other subject countries. Commissioners Williamson, Pinkert, and Lane exercised their discretion to cumulate subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, and Commissioners Pinkert and Lane also cumulated subject imports from Korea with those imports. Chairman Pearson, Vice Chairman Aranoff, and Commissioner Okun exercised their discretion to cumulate subject imports from Latvia and Poland separately. These Commissioners found that after becoming EU members in 2004, Latvia and Poland shifted their focus towards the internal EU market and home markets, and had incentives to continue shipping to the EU market such as close proximity, preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, no possibility that trade remedy measures would be applied to intra-EU shipments, and relatively high prices.[6]

Chairman Pearson and Commissioner Okun further exercised their discretion to cumulate subject imports from Belarus and Moldova separately, and considered subject imports from China, Indonesia, and Ukraine separately. They noted that Belarus and Moldova did not benefit from EU membership, but were significantly focused on regional exports to the Commonwealth of Independent States ("CIS") countries, particularly Russia and Ukraine.[7] They analyzed imports of rebar from China separately because of divergent volume and price trends during the original investigations, expanding capacity and production, and a lack of export orientation despite large exports in actual terms.[8] They analyzed imports of rebar from Indonesia separately due to Indonesia's exports in the original period of investigation being driven primarily by a disruption in Asian demand resulting from the Asian financial crisis, and an expectation that Indonesia would become more export dependent as it encountered competition in its home market from Chinese rebar imports.[9] They analyzed Ukraine separately due to the presence in that industry of Mittal, a large affiliate of a U.S. domestic producer, and because the Ukrainian industry was dependent on widely divergent export markets.[10]

Tanner Okun Regarding Cumulation); *accord Nucor Corp. v. United States*, 605 F. Supp.2d 1361, 1372 (Ct. Int'l Trade 2009); *Nucor Corp. v. United States*, 594 F. Supp.2d 1320, 1345-47 (Ct. Int'l Trade 2008), *aff'd*, 601 F.3d 1291 (Fed. Cir. 2010).

[4] The first of three statutory requirements for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: July 2, 2012. 77 Fed. Reg. 39218 (Jul. 2, 2012).

[5] USITC Pub. 3425 at 16, 27. One Commissioner cumulated subject imports from all subject countries.

[6] USITC Pub. 3933 at 57-58.

[7] USITC Pub. 3933 at 58-59.

[8] USITC Pub. 3933 at 55-56.

[9] USITC Pub. 3933 at 56-57.

[10] USITC Pub. 3933 at 57.

C. Parties' Arguments

RTAC argues that all subject imports of rebar should be cumulated.[11] They argue that each subject country's imports are likely to have a discernible adverse impact on the U. S. market if the orders are revoked, and claim that it is likely that subject imports from the remaining subject countries will exhibit a reasonable overlap of competition with imports from other subject countries and with domestically produced rebar. Finally, U.S. producers argue that there are no significant differences in conditions of competition among the subject countries that would warrant the Commission deciding not to exercise its discretion to cumulate them.[12]

LM argues that imports from Latvia should not be cumulated with those from the other subject countries on the basis of no discernible adverse impact and on separate conditions of competition from other subject producers.[13] In addition, LM argues that the differences that formed the basis for some Commissioners to cumulate subject imports from Latvia only with imports from Poland in the first reviews, particularly their common membership in the European Union and reliance on that market's benefits, "apply with equal force" in these second reviews.[14] In any event, LM asks the Commission not to exercise its discretion to cumulate subject imports from China with subject imports from Latvia or any other subject country due to differences in likely conditions of competition.[15] LM notes that in the first reviews, the Commission found that imports from Korea should not be cumulated with those from the other subject countries on the basis of differing conditions of competition, and argues that the Commission should reach a similar conclusion in these reviews with respect to imports from Latvia.[16]

D. Analysis

In these reviews, we exercise our discretion to cumulate subject imports from Latvia and Poland for purposes of our injury analysis. We do not exercise our discretion to cumulate subject imports from Indonesia with other subject countries. Commissioner Pearson determines not to exercise his discretion to cumulate subject imports from China and Ukraine with those of each other or with other subject countries for purposes of his injury analysis, but does exercise his discretion to cumulate subject imports from Belarus and Moldova.[17] Commissioner Broadbent cumulates subject imports from Belarus, China, Moldova, and Ukraine for purposes of her injury analysis. [18]

[11] RTAC's Prehearing Brief at 15-17.
[12] RTAC's Prehearing Brief at 18-58.
[13] LM's Prehearing Brief at 11-13, 16-18; LM's Posthearing Brief at 12.
[14] LM's Posthearing Brief at 12-14.
[15] LM's Prehearing Brief at 17-18; LM's Posthearing Brief at 14-15.
[16] LM's Prehearing Brief at 18.
[17] See Separate and Dissenting Views of Commissioner Daniel R. Pearson Regarding Belarus, China, Moldova, and Ukraine.
[18] See Separate and Concurring Views of Commissioner Meredith M. Broadbent Regarding Belarus, China, Moldova, and Ukraine.

1. Likelihood of No Discernible Adverse Impact[19]

We consider all relevant factors in analyzing "no discernible adverse impact" in these reviews. Based on the record, we do not find that subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, or Ukraine are likely to have no discernible adverse impact in the event of revocation of the antidumping duty orders.

In these reviews, each of these subject countries has significant capacity to produce subject merchandise in appreciable volumes.[20] With the exception of Indonesia, the rebar industries in these subject countries export substantial volumes or export a substantial share of their total production.[21] Prior to the imposition of the antidumping duty orders, subject imports from each country were present in the U.S. market. Rebar manufactured in each of the subject countries does not differ from the types of rebar produced in the United States, and is at least partially substitutable for, and competitive with, domestically produced rebar.[22] Competition is likely to be based, in large part, on price, in light of the importance of price in purchasing decisions.[23] Moreover, rebar producers in these subject countries undersold U.S. producers at times during the original investigation period.[24]

Accordingly, we do not conclude that the subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, or Ukraine would have no discernible adverse impact on the U.S. market if the orders were lifted. We therefore are not precluded from exercising our discretion to cumulate subject imports from these countries.

2. Likelihood of Reasonable Overlap of Competition[25]

In assessing likely competition for purposes of cumulation in original investigations, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product: (1) the fungibility of the subject imports and the domestic products, taking into consideration purchaser perceptions and quality considerations; (2) whether they are sold or offered in the same geographic markets; (3) whether they are

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[19] Commissioner Pearson joins this section only insofar as it pertains to subject imports from Latvia and Poland. He does not reach this issue regarding subject imports from Indonesia as a result of his finding regarding the likely conditions of competition facing subject imports from Indonesia upon revocation. *See* section II.D.3 *infra*. For his findings regarding cumulation of subject imports from Belarus, China, Moldova, and Ukraine, *see* Separate and Dissenting Views of Commissioner Daniel R Pearson regarding Belarus, China, Moldova, and Ukraine in this volume.

[20] CR/PR at Table IV-4 (Belarus 2012 reported production capacity of *** short tons); CR/PR at Table IV-8 (China 2012 estimated production of *** short tons); CR at IV-26, PR at V-19 (Indonesia 2012 estimated production capacity of *** short tons); CR/PR at Table IV-19 (Latvia 2012 reported production capacity of *** short tons); CR/PR at Table IV-24 (Moldova 2012 reported production capacity of *** short tons); CR/PR at Table IV-29 (Poland 2012 reported production capacity of *** short tons); and CR/PR at Table IV-34 (Ukraine 2012 reported production capacity of *** short tons).

[21] See e.g., CR/PR at Table IV-4 (Belarus); CR/PR at Table IV-11 (China); CR/PR at Table IV-19 (Latvia); CR/PR at Table IV-24 (Moldova); CR/PR at Table IV-29 (Poland); and CR/PR at Table IV-34 (Ukraine). Indonesia's exports peaked at 20,086 short tons during the period of review, which in our view does not constitute substantial volumes of rebar exports. CR/PR at Table IV-16.

[22] CR/PR at Table II-8.

[23] CR/PR at Table II-5 and Table II-6.

[24] CR at V-14, PR at V-12.

[25] Commissioner Pearson joins this section only insofar as it pertains to subject imports from Latvia and Poland. He does not reach this issue regarding subject imports from Indonesia as a result of his finding regarding the likely conditions of competition facing subject imports from Indonesia upon revocation. *See* section II.D.3 *infra*. For his findings regarding cumulation of subject imports from Belarus, China, Moldova, and Ukraine, *see* Separate and Dissenting Views of Commissioner Daniel R. Pearson regarding Belarus, China, Moldova, and Ukraine in this volume.

sold into similar channels of distribution; and (4) whether they are simultaneously present in the market.[26] In five-year reviews, the relevant inquiry is whether there likely would be a reasonable overlap of competition even if none currently exists because the subject imports are absent from the U.S. market. We consider these four factors with respect to the domestic like product and subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.

Fungibility: Rebar is a fungible product within standard specifications. All rebar sold in the United States, including subject, nonsubject, and domestically produced merchandise, meets ASTM specifications, and these standards have been met since the original period of investigations.[27] All U.S. producers and importers, and many purchasers reported rebar made in each of the subject countries to be "always" interchangeable with rebar made in the United States and with rebar made in each of the other subject countries.[28] While many purchasers expressed a preference for domestically produced rebar,[29] we find that a sufficient number of market participants reported interchangeability between domestically produced rebar and subject imports from each country in order for us to consider the product fungible.[30]

Channels of distribution: Both domestic producers and subject producers sold to distributors and end users during the original investigations, although the domestic industry was more likely to sell to end users, and subject imports were more likely to be sold to distributors.[31] While subject imports were largely absent from the U.S. market during the current and previous periods of review, the domestic industry continued to sell the majority of its shipments to end users with a minority of sales to distributors, while importers of nonsubject product sold primarily to distributors with some sales to end users.[32] Therefore, rebar shipments by both the domestic industry and importers of subject merchandise would likely continue to overlap in both of the major channels of distribution.

Geographic overlap: U.S.-produced rebar is sold throughout the United States.[33] During the original investigations, rebar from each subject country was imported into at least five ports of entry; Houston-Galveston, Texas was a major point of entry for imports from each subject country.[34] In these second reviews, the largest ports of entry for nonsubject imports were Houston-Galveston, Texas, Laredo, Texas, San Juan, Puerto Rico, New Orleans, Louisiana, Miami, Florida, Baltimore, Maryland, and El Paso, Texas.[35] In these second reviews, however, China was the only source of subject imports, and its imports entered through ports in Chicago, Illinois, Detroit, Michigan, Houston-Galveston, Texas, Los Angeles, California, New Orleans, Louisiana, San Francisco, California, San Juan, Puerto Rico, and Savannah, Georgia.[36]

Simultaneous presence in the U.S. market: During the original investigations, the U.S. product and subject imports were simultaneously present in various quantities between 1998 and 2000. China was the only source of subject imports present during the current period of review, and only Belarus, China, Poland, and Latvia were present in the U.S. market during the previous period of review. Nonetheless, the consistent presence of the domestic product and nonsubject imports in the U.S. market

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[26] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996)).

[27] CR at II-28, PR at II-19; USITC Pub. 3425 at 15; CR/PR at Table I-1.

[28] CR at II-31, PR at II-21; CR/PR at Table II-8.

[29] CR at II-31, PR at II-21.

[30] See e.g. CR/PR at Table II-10, in which the quality of the domestic product was considered comparable with subject imports from each country by a majority of purchasers.

[31] USITC Pub. 3933 at 16.

[32] CR at II-1 to II-2; PR at II-1; CR/PR at Table II-1.

[33] CR/PR at Table II-2.

[34] CR at IV-8 to IV-9; PR at IV-9.

[35] CR at II-2 to II-3, PR at II-2.

[36] CR/PR at IV-8; PR at IV-7.

throughout the current period of review indicates that subject imports would likely be simultaneously present if they were to enter the market upon revocation of the antidumping duty orders.[37]

Conclusion: On balance, we find that subject imports from each country would be fungible, move in the same channels of distribution, and compete in the same geographic markets during the same periods. We therefore conclude that there likely would be a reasonable overlap of competition among subject imports from all seven countries and between subject imports and the domestic like product in the event of revocation.

3. Conditions of Competition and Other Considerations[38] [39]

We consider whether other factors such as likely differing conditions of competition for the subject imports warrant us deciding not to exercise our discretion to cumulate subject imports from certain countries.[40]

Latvia and Poland. We find similarities in the conditions of competition in the U.S. market with respect to Latvia and Poland such that it is appropriate to cumulate subject imports from these countries with each other, but not with subject imports from other countries.

Both Latvia and Poland joined the European Union in 2004.[41] None of the other subject countries are EU member states. Since joining the EU, both Latvia and Poland have shifted their focus to a significant extent to the internal EU market and other markets in the EU network of preferential trade agreements which offer zero tariffs for EU members only.[42] The vast majority of Latvia's shipments are

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[37] CR/PR at Table I-1.

[38] For his findings regarding the likely conditions of competition facing other subject imports upon revocation, *see* Separate and Dissenting Views of Commissioner Daniel R. Pearson regarding Belarus, China, Moldova, and Ukraine.

[39] For her findings regarding the likely conditions of competition facing other subject imports upon revocation, *see* Separate and Concurring Views of Commissioner Meredith M. Broadbent regarding Belarus, China, Moldova, and Ukraine.

[40] The list of factors that the Commission has cited in five-year reviews in determining not to exercise its discretion to cumulate subject imports include, but are not limited to, the following: differences in likely volume trends, differences in product mix, differences in prices or average unit values, differences in foreign productive capacity, and differences in tariff treatment in U.S. or third-country markets. See, e.g., Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, -320, -325-327, -348, and -350 (Second Review), and 731-TA-573, -574, -576, -578, -582-587, -612, and -614-618 (Second Review), USITC Pub. 3899 (Vol. I) at 4 and 50 (January 2007) (Cut-to-Length Plate) (did not cumulate subject imports from Romania based on corporate affiliation with a major U.S. producer, excess capacity, and tariff treatment in other markets); Id. at 8 (Corrosion-Resistant Steel) (did not cumulate subject imports from Canada based on differences in market conditions for production and sourcing); Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review), USITC Pub. 3626 at 16-17 (Sept. 2003) (did not cumulate subject imports from South Africa because of differences in volume trends and average unit values during period of review, differences in capacity, and differences in treatment in other U.S. trade remedy matters); Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Review), USITC Pub. 3384 at 9 (Jan. 2001) (did not cumulate based on differences in product mix, AUVs, and capacity); Uranium from Russia, Ukraine, and Uzbekistan, Inv. Nos. 731-TA-539-C, E, and F (Review), USITC Pub. 3334 at 23-24 (Aug. 2000) (did not cumulate Russian and Uzbek imports because they entered the United States in different forms and had different current and likely volume trends); Stainless Steel Wire Rod from Brazil, France, India, and Spain, Inv. Nos. 701-TA-178, 731-TA-636-638 (Review), USITC Pub. 3321 at 14 (July 2000) (did not cumulate French imports because of differences in volume trends, AUVs, and tariff treatment in other markets); Certain Steel Wire Rope from Japan, Korea, and Mexico, Inv. Nos. AA1921-124, 731-TA-546-547 (Review), USITC Pub. 3259 at 11-12 (Dec. 1999) (did not cumulate based on differences in volume, product mix, and capacity).

[41] See, e.g., USITC Pub. 3933 at IV-28, IV-37.

[42] See CR/PR at Table IV-19 and IV-20 (Latvia) and IV-29 and IV-30 (Poland). In the original investigations, Latvia's principal export markets after the United States included ***. Memorandum INV-Y-087 at VII-14. While

exported, but its exports have been concentrated in the EU market since 2004.[43] With respect to Poland, a large percentage of its shipments have continued to be shipped to its home market.[44] While Poland is also a significant exporter, the record shows that its exports have consistently been shipped almost entirely to EU members since the previous review period.[45] Subject producers in Latvia and Poland have significant incentives to ship to the EU, such as close proximity, preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, no possibility that trade remedy measures will be applied to intra-EU shipments, and relatively high prices.[46] While Latvia and to a lesser extent Poland do ship significant volumes of rebar outside of the EU, these exports have gone almost exclusively to Algeria, a surging market where EU members have a unique preferential access that non-EU members do not have, and Russia, a large, fast-growing neighbor to Latvia.[47] These incentives likely will continue to exist in the reasonably foreseeable future. Because the common market of the European Union and its associated benefits are uniquely attractive to the two subject EU members, we find that subject imports from Latvia and Poland would likely compete differently than other subject imports in the U.S. market. Thus, we exercise our discretion to cumulate subject imports from Latvia and Poland, but do not cumulate subject imports from Latvia and Poland with other subject imports.

Indonesia. The following factors indicate significant differences in the conditions of competition facing Indonesian producers compared to those faced by producers in the other subject countries.

Subject import penetration from Indonesia differed from that of the other subject countries during the original period of investigation. Indonesia fully exited the U.S. market in 2000, whereas imports from other subject countries continued to have a U.S. market presence in that year.[48] We determine that Indonesia's export pattern in the original investigations was affected by the Asian financial crisis, which resulted in a short-term collapse in demand for rebar in the previously expanding Asian markets.[49] While Indonesia's steel industry had traditionally been oriented toward its domestic market, the Asian financial crisis had the combined effect of depressing Indonesian domestic demand and causing depreciation of the Indonesian rupiah relative to the U.S. dollar, temporarily making the U.S. market an attractive export destination for rebar from Indonesia in 1998 and 1999.[50] This trend reversed itself in 2000, however, as Indonesia's exports to the United States completely ceased.[51]

Unlike the rebar industries in other subject countries, Indonesia's industry has dramatically reduced capacity levels since the original period of investigation. In 2000, Indonesia's combined capacity was reportedly 4.8 million short tons, with 28 firms producing rebar.[52] By 2012, ***.[53] In addition, unlike the rebar industries in other subject countries, Indonesia is focused entirely on its home market. During the current period of review, Indonesia's exports peaked at 20,086 short tons in 2011.[54] Production was nearly identical to domestic consumption between 2009 and 2012, and imports did not

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Poland was focused on its home market during the original investigations, its principal export markets after the United States included ***. Memorandum INV-Y-087 at VII-18, Table VII-8.

[43] USITC Pub. 3933 at Table IV-23; CR/PR at Table IV-20.

[44] CR/PR at Table IV-29. Reported home markets sales as a share of total Polish shipments increased from *** percent to *** percent over the period of review. Internal consumption as a share of total Polish shipments decreased from *** percent to *** percent. Id.

[45] USITC Pub. 3933 at Table IV-31; CR/PR at Table IV-30.

[46] See, e.g., LM's Prehearing Brief at 11-12, 22; Hearing Transcript at 175-176 (Zaharin).

[47] CR/PR at Table IV-20 (Latvia's export data); CR/PR at IV-34 and Table IV-51 (Algeria); CR at IV-79-80, PR at IV-79 (Russia).

[48] CR/PR at Table I-1. Subject imports from Indonesia increased from 44,504 short tons in 1998 to 69,261 short tons in 1999 before declining to zero in 2000. Id.

[49] Memorandum INV-EE-061 at IV-42.

[50] USITC Pub. 3425 at V-3 and VII-4.

[51] CR/PR at Table I-1.

[52] CR at IV-26, PR at IV-19.

[53] CR at IV-26, PR at IV-19.

[54] CR/PR at Table IV-16.

enter the market at any level of significance.[55] ***.[56] The anomalous pattern of exports during the original investigation combined with sharply decreased capacity and an overwhelming focus on the home market lead us to conclude that the conditions of competition with respect to Indonesia are sufficiently different so as to provide a reasonable basis for us to decline to exercise our discretion to cumulate subject imports from Indonesia with those from the other subject countries.[57]

III. No Likelihood of Continuation or Recurrence of Material Injury upon Revocation of the Orders on Cumulated Subject Imports from Latvia and Poland

A. Likely Volume of Subject Imports

In the original investigations, subject imports from Latvia and Poland fluctuated irregularly, rising from 150,233 short tons in 1998 to 314,678 short tons in 1999, and then falling slightly to 276,997 short tons in 2000. After the orders were imposed, subject imports from Latvia and Poland declined from pre-order levels but ranged from between 45,904 short tons in 2002 to 129,184 short tons in 2004. Following Latvia and Poland's accession to the EU in mid-2004, U.S. imports from the two countries fell to 36,646 short tons in 2005 and to a miniscule 129 short tons in 2006.[58] There have been no imports of subject merchandise from Latvia and Poland during the current period of review.[59]

In these current five year reviews, several factors support our conclusion that the cumulated volume of subject imports from Latvia and Poland would likely not be significant if the orders were revoked. Taken on a cumulated and individual basis, the two countries' industries are characterized by high capacity utilization despite some growth in overall capacity,[60] indicating that there would be little excess capacity which could be utilized to increase exports of subject merchandise to the U.S. market if the orders on these two countries were revoked. A demonstrated orientation toward home markets and the EU (including markets where EU members have unique privileges) since accession leads us to conclude that the two subject industries are not likely to divert significant volumes of shipments from established markets to the U.S. market.[61]

Latvia has a single producer, Liepajas Metalurgs ("LM"), which responded to the foreign producer questionnaire and participated as an interested party. Between 2007 and 2010, LM had capacity levels that were similar to those of the previous review period,[62] but its capacity declined to *** short tons in 2011 before increasing to a *** short tons in 2012.[63] Its capacity utilization never fell below ***

[55] CR/PR at Table IV-14 and Table IV-17.

[56] CR/PR at Table IV-15. All of Indonesia's export shipments during the current period of review were shipped to neighboring countries in Southeast Asia and the Southwestern Pacific. CR/PR at Table IV-16.

[57] We note that even though China has reportedly low exports when compared to domestic shipments, the size of exports relative to those from Indonesia is sufficient to differentiate the two countries. Moreover, China increased its capacity substantially during the period of review and since the original investigation, whereas Indonesia's capacity has sharply declined.

[58] CR/PR at Table I-1. After 2001, most of the cumulated subject import volume was from Latvia.

[59] CR/PR at Table I-1.

[60] CR/PR at Table IV-19 and Table IV-29. Combined reported capacity increased by *** percent, from *** short tons in 2007 to *** short tons in 2009, and *** through the remaining years to reach *** short tons in 2012. Capacity utilization *** from *** percent in 2007 to *** percent in 2009 (a year characterized by *** and low demand), but was *** percent after 2010 and reached *** percent in 2012. Id.

[61] See, e.g., CR/PR at Table IV-19 and Table IV-20 (Latvia) and Table IV-30 (Poland).

[62] CR/PR at Table IV-18 and Table IV-19. LM's capacity was *** short tons in 2006, a level that remained stable between 2001 and 2006. Memorandum INV-EE-061 at Table IV-22. Between 2007 and 2010, LM's capacity increased from *** short tons to *** short tons. CR/PR at Table IV-19.

[63] CR/PR at Table IV-19. ***. CR at IV-30, PR at IV-23.

throughout the period of review, and was *** percent in 2012.[64] LM's excess capacity was *** short tons in 2012, or *** percent of apparent U.S. consumption.[65]

In the current reviews, domestic producers identified six potential producers of rebar in Poland, of which two, ArcelorMittal Warszawa ("AMW") and CMC Poland sp. Z o.o. ("CMC Poland"), responded to the Commission's foreign producer questionnaire. These two firms are estimated to have accounted for *** percent of rebar production in Poland in 2012.[66] We note that the limited foreign industry data on the record does not provide for analysis of the entire industry. The two responding firms ***.[67] As a result, allocated capacity to produce rebar increased by *** percent, rising to *** short tons in 2012, despite only a slight increase in total plant capacity.[68] Therefore, while these firms have demonstrated a willingness to shift capacity from alternative products to the production of rebar, their ability to do so has become increasingly constrained over the period of review. Furthermore, as capacity allocated to produce rebar ***, production *** over the period of review. Capacity utilization ***.[69] Because of the Polish industry's reported ***, we also note that *** in 2012.[70] The reporting Polish firms therefore do not have substantial excess capacity.

Both Latvia and Poland's industries have been able to sustain capacity increases or shifts in capacity from alternative products by boosting production to near-capacity levels. Neither country's industry reports significant inventories.[71] The extent to which Latvia and Poland will increase exports of subject merchandise to the U.S. market upon revocation of the order therefore depends on the willingness and ability to divert capacity away from alternative products and markets. We find that both countries have since their accession to the EU in 2004 exhibited a consistent pattern of shipping the vast majority of subject merchandise to their home markets or to markets where they have a comparative advantage as EU members.

Because Latvia has a small home market, LM's primary focus necessarily has been on exports since the original period of investigation.[72] LM exported *** of its production, and exports increased as a share of total shipments from *** percent in 2007 to *** percent in 2012.[73] LM's export focus has shifted considerably toward its EU partners as its economy has integrated within the common market. In 2001, LM's exports to the EU as a share of total shipments was *** percent, but this share increased to *** percent in 2005, the first full year after Latvia's EU accession.[74] During the current period of review, LM has remained focused on the EU market even as demand has fluctuated. LM's shipments to the EU fell by *** percent between 2007 and 2009 due to the economic downturn. However, exports to the EU returned to *** levels in 2011 despite significant supply constraints in that year caused by ***.[75] LM's

[64] CR/PR at Table IV-19.

[65] CR/PR at Table IV-19 and Table C-1.

[66] CR at IV-46, PR at IV-30. In comparison, domestic producers identified four potential producers of rebar in Poland during the first reviews, of which one responded accounting for an estimated *** percent of Polish rebar production in 2005. USITC Pub. 3933 at IV-35; Memorandum INV-EE-061 at IV-58.

[67] CR/PR at Table IV-32.

[68] CR/PR at Tables IV-29 and IV-32. The two Polish producers reported that merchant bar production decreased from *** short tons in 2007 to *** short tons in 2012, while production of other bar products decreased from *** short tons in 2007 to *** short tons in 2012. CR/PR at Table IV-32.

[69] CR/PR at Table IV-29.

[70] CR/PR at Table IV-32.

[71] CR/PR at Table IV-19 and Table IV-29. LM's reported end-of-period inventories were equivalent to *** percent of shipments in 2012. The reported end-of-period inventories of the two Polish firms were equivalent to *** percent of shipments.

[72] CR/PR at Table IV-18.

[73] CR/PR at Table IV-19.

[74] Memorandum INV-EE-061 at Table IV-22.

[75] CR/PR at Table IV-19.

exports to the EU decreased by *** percent in 2012 as EU consumption levels decreased by *** percent.[76]

While LM's EU exports have fluctuated with shifts in European demand since 2009, the vast majority of Latvia's non-EU exports have been shipped to Algeria.[77] Algeria is also one of Poland's largest non-EU export destinations.[78] The European Union is exempt from a 15 percent Algerian tariff on rebar, and EU exporters therefore hold a significant comparative advantage in the Algerian rebar market relative to non-EU exporters.[79] Algeria has been the world's top importer of rebar since 2007, and its imports have almost doubled over the period of review even as global imports have decreased.[80] In 2009, when demand in Europe and elsewhere declined and LM's exports to the EU fell sharply, Algerian imports expanded.[81] As a result, Latvia's exports to Algeria reached 422,339 short tons in 2009, and have remained at high levels since that time as EU demand has been in recovery.[82] Similarly, Poland's exports to Algeria increased from 6,595 short tons in 2008 to 58,087 short tons in 2009 and 83,639 short tons in 2010 before falling to 16,518 short tons in 2012.[83] Latvia's industry also exported small quantities to Peru (3.4 percent of exports in 2012) and Russia (2.7 percent), while Poland's industry has exported shipments to Norway (2.3 percent of exports in 2012) and Russia (1.8 percent).[84] Both Russia and Peru have sustained strong demand for rebar since 2009, driven by strong private and public investment in infrastructure and, in the case of Russia, residential construction.[85] Russia and Norway are both EU neighbors. Therefore, we note that Latvia and Poland have consistently supplemented shipments to EU partners with shipments to Algeria, where they have a comparative advantage due to their EU membership, and to other rapidly growing or neighboring partners to a far lesser extent.

Responding Polish firms sold the majority of their shipments in their home market. Home market shipments *** during the period of review, rising from *** short tons in 2007 to *** short tons in 2012, while internal consumption and transfers also increased.[86] Exports accounted for between *** percent and *** percent of total shipments during the period of review.[87] Of these exports, *** percent were

[76] CR/PR at Table IV-19 and Table IV-44.

[77] CR/PR at Table IV-20.

[78] CR/PR at Table IV-30.

[79] CR/PR at IV-34. To put a 15 percent tariff in context, Algeria's unit value for imported rebar from all partners was $616 per short ton in 2012, meaning that an additional tariff would be over $90 per short ton. CR/PR at Table IV-51. Algeria's 15 percent tariff therefore offers a considerable competitive barrier between exports from the EU and those from non-EU countries, including those in the Middle East. Id.

[80] CR/PR at Table IV-51. Algeria's imports increased from 1.75 million short tons in 2007 to 3.33 million short tons in 2012. Id. Algeria has benefited from increased consumption of rebar in recent years, and has not experienced the same degree of political unrest as other countries in the Middle East, which has muted some growth in the region. Hearing Transcript at 216-217 (Zaharin).

[81] CR/PR at Table IV-51.

[82] CR/PR at Table IV-20. Latvia's exports to Algeria fell sharply in 2011 to 104,815 short tons, compared to 339,289 short tons in 2010. Id. This occurred despite Algeria's imports from all partners increasing by 31.5 percent in 2011. CR/PR at Table IV-51. This drop occurred because of a temporary drop in LM's capacity in 2011 which corresponded to an increase in the volume and share of shipments to the European Union. CR/PR at Table IV-19. This indicates that Latvia serves the EU market primarily and shifts excess supply to Algeria as its alternative market depending on availability.

[83] CR/PR at Table IV-30.

[84] CR/PR at Table IV-20.

[85] CR at IV-79-81, PR at IV-42-43. Russia is also a neighbor to Latvia to the East, and shares the Baltic Sea coast in both the St. Petersburg region to the North as well as the Kaliningrad enclave region to the South.

[86] CR/PR at Table IV-29.

[87] CR/PR at Table IV-29. Based on staff's estimate that the two responding firms accounted for *** percent of Polish production in 2012 at *** short tons, actual Polish production can be calculated at roughly *** short tons. CR/PR at Table IV-29; CR at IV-46, PR at IV-30. Global Trade Atlas data shows that Poland's exports were 1.1 million short tons in 2012, indicating that Poland's export orientation may be higher than the reported data indicates.

shipped to other EU countries, a proportion which remained consistent throughout the period of review.[88] Poland's focus on EU markets is further illustrated by considering trade data from Global Trade Atlas, which accounts for all Polish exports. In 2012, nearly 90 percent of Polish exports were shipped to just seven EU countries. Poland's focus on the EU market was constant throughout the period of review.[89]

RTAC argues that Latvia and Poland's current markets will not remain as attractive as the U.S. market for several reasons. First, it argues that demand in the European Union and Poland in particular has not recovered from the global economic crisis beginning in 2008, and that recent austerity measures utilized to deal with high levels of public debt will cause rebar demand to remain comparably weak for the foreseeable future.[90] We find that EU demand did *** between 2009 and 2011, and *** in 2012;[91] however, EU demand is projected to *** percent between 2012 and 2015, compared to projected North American *** percent over the same period.[92] Overall EU consumption remains larger than U.S. demand, and growth trends differ markedly between regions within the EU. Rebar demand in EU countries in Eastern and Northern Europe—the primary markets served by Latvia and Poland—has been less affected than demand in the peripheral southern countries by the Eurozone debt crisis, ongoing tight credit conditions, and austerity measures that affect infrastructure investment.[93] Poland's reported home market shipments and its exports to all five of its top EU partners increased *** since 2007, and were barely affected by the 2009 crisis.[94] Similarly, LM's exports to the EU recovered strongly between 2009 and 2011, and fell only modestly in 2012, indicating that its Eastern and Northern EU partners experienced a stronger recovery from the recession and were less affected by more recent austerity measures.[95]

Second, RTAC argues that stronger prices in the U.S. market will provide an incentive for subject producers to shift exports currently sent to other markets to the United States, particularly because trading companies ship rebar, a commodity product, to whichever markets offer the highest spot prices.[96] With respect to relative prices, the record shows that the AUVs for the export markets for Latvia and Poland generally have been comparable to those in the U.S. market throughout the period of review.[97] We expect that more rapid demand growth in Europe than in the United States, as noted above, will lead to higher EU market prices for rebar than in the U.S. market, as was the case in 2007 and the first half of 2008.[98] Furthermore, despite any temporary price differentials that may emerge, subject producers in Latvia and Poland have significant incentives to ship within the EU and these incentives are expected to continue in the reasonably foreseeable future. The EU market offers close proximity, preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, no possibility of trade

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CR/PR at Table IV-30. This discrepancy is irrelevant to our finding that Polish shipments are overwhelmingly oriented toward the home and EU markets, as discussed below.

[88] CR/PR at Table IV-29.

[89] CR/PR at Table IV-30.

[90] RTAC's Prehearing Brief at 72-76; RTAC's Posthearing Brief at Exh. 1 at 49-53.

[91] CR/PR at Table IV-44.

[92] CR/PR at Table IV-45. ***.

[93] CR at IV-78-79, PR at IV-43.

[94] CR/PR at Table IV-29 and Table IV-30.

[95] CR/PR at Table IV-20. RTAC also has argued that two of Latvia's alternative export markets—Algeria and Russia—have recently expanded or announced planned expansion of local capacity to produce rebar. RTAC's Prehearing Brief at 66-67. However, none of this additional capacity has yet to come online, and demand growth in both markets has been strong enough to sustain both substantial imports and increased domestic capacity for the foreseeable future. CR at IV-79-80, PR at IV-42-43.

[96] RTAC's Prehearing Brief at 91-92, 98-103; RTAC's Posthearing Brief at 14-15, Exh. 1 at 34-38.

[97] CR/PR at Table C-1, Table IV-20, Table IV-30. Latvia's official FOB unit values for rebar exports to all partners were $28 per short ton less than the AUVs for domestically produced U.S. shipments in 2012. CR/PR at Table C-1 and Table IV-20. Poland's official FOB unit values for rebar exports to all partners were $44 per short ton less than the AUV's for domestically produced U.S. shipments in 2012. CR/PR at Table C-1 and Table IV-30.

[98] CR/PR at Tables IV-47-49.

remedy measures being imposed on shipments within the EU, and stable demand.[99] We note that four nonsubject EU countries—Spain, Italy, Portugal, and Germany—were also among the top ten rebar exporters in the world in 2012.[100] If, as RTAC argues, the U.S. market's attractiveness outweighs the advantages of the EU market, we would expect that these major European exporters would have sought to ship significant volumes to the United States, particularly as they did not face competition from subject imports. Instead, not one of these nonsubject European countries exported to the United States in any significant way during the period of review.[101]

Third, RTAC asserts that specific circumstances affecting LM make it more likely to export rebar to the U.S. market than to its established markets. RTAC argues that LM's exports to Poland, its primary EU export destination, will decrease due to VAT- compliance issues that are now under investigation.[102] In addition, RTAC asserts that LM's longstanding partnership with Stemcor, a global trading company, has transformed into a relationship where Stemcor "will likely take a role in helping to manage the company" as LM resolves financial difficulties, including its substantial debts to Stemcor.[103] RTAC further argues that LM has shut down significant amounts of capacity in 2013 due to lack of orders, and that the Government of Latvia is committed to maintaining LM's continuity due to its status as a major employer in Latvia.[104] RTAC concludes that with greater stakeholder involvement and the global reach of Stemcor, LM will quickly divert rebar to the United States in order to become a profitable, viable business and regain capacity.[105]

We do not find these arguments persuasive. LM has provided evidence that Latvian tax authorities have found no evidence of improper conduct by LM associated with any VAT-evasion schemes in Poland.[106] More importantly, LM continued to ship significant shipments to Poland in 2012 despite public discussion of the issue throughout most of the year.[107] It is more likely that the decrease in LM's shipments to Poland in 2012 was due to a temporary drop in EU demand in that year which is expected to rebound in the reasonably foreseeable future.[108] While LM projects that its shipments to Poland in 2013 will be *** percent of its 2012 levels, it attributes this decrease to the production curtailments that LM undertook between April and June of 2013, the result of a significant liquidity crisis.[109] The cause of this liquidity crisis and the corresponding shutdown has been debated by RTAC and LM, with RTAC attributing the shutdown to a lack of orders and LM attributing it to high energy costs imposed by the Government of Latvia.[110] However, as RTAC acknowledges, the primary cause of LM's financial difficulties is likely its heavy cost structure, not its revenue stream.[111] In fact, the record shows that LM's shipments were higher in 2012 ***, and its export markets are projected to increase in

[99] See, e.g., LM's Prehearing Brief at 11-12, 22; Hearing Transcript at 175-176. As noted above, Latvia and Poland's other established markets, most notably Algeria, offer comparative advantages to EU producers that other global markets and the United States do not, including tariff advantages over non-EU suppliers, proximity, and/or rapid growth for the foreseeable future.

[100] CR/PR at Table IV-50. Spain was the third largest exporter in the world in 2012, followed by Italy (fourth), Portugal (sixth), and Germany (ninth). Id.

[101] CR/PR at IV-1, Table IV-1.

[102] RTAC's Prehearing Brief at 31-35, RTAC's Posthearing Brief at 12-13, Exh. 1 at 45-52, Exhs. 32-38.

[103] RTAC's Posthearing Brief at Exh. 1 at 37.

[104] RTAC's Posthearing Brief at Exh. 1 at 39-44.

[105] Id.

[106] LM's Posthearing Brief at Q-11-12.

[107] CR/PR at Table IV-20. The Polish Steel Association issued a letter to the Director General of Eurofer asking Eurofer to initiate steps to combat VAT fraud for intra-EU rebar trading on March 13, 2012. RTAC's Prehearing Brief at Exh. 18.

[108] CR/PR at Table IV-44 and Table IV-45.

[109] LM's Posthearing Brief at 9, Q-11-12.

[110] RTAC's Posthearing Brief at Exh. 1 at 42; LM's Posthearing Brief at 9, Q-11-12.

[111] See e.g., RTAC's Posthearing Brief at Exh. 1 at 41.

each year between 2012 and 2015.[112] Therefore, we do not find evidence on the record to conclude that LM's recovery from its current financial difficulties would be most likely dealt with through an aggressive effort to export to the United States. This approach would diverge considerably from the behavior that has prevailed since Latvia's accession to the EU. We further note that LM has been in business with Stemcor for seventeen years and we do not find sufficient evidence on the record that would lead us to conclude that LM's relationship with Stemcor is likely to fundamentally change in 2013 in a manner that would lend toward a shift in export behavior.[113] Furthermore, we do not find evidence on the record that would lead us to conclude that LM will shift its export behavior as a result of any involvement with the Government of Latvia. Therefore, with respect to LM's financial difficulties and how its managers hope to overcome them, we do not find that LM is likely to fundamentally change the geographic distribution of its exports.

Fourth, RTAC argues that the Polish industry faces aggressively priced imports from Latvia in its home market, which will force it to become increasingly export-oriented.[114] It is true that Poland has become increasingly export-oriented, with exports increasing from 450,154 short tons in 2007 to 1.09 million short tons in 2012 as the industry has found export growth opportunities in nearby EU member countries such as the Czech Republic, Germany, Slovakia, and Sweden.[115] Poland's imports, however, declined from 470,025 short tons to 167,486 short tons over the same period.[116] As noted above, the Polish industry's reported home shipments have also increased, rising from *** short tons in 2007 to *** short tons in 2012.[117] There is therefore no evidence that Poland's shipments have been forced to find alternative markets due to increased import competition. We conclude that Polish export growth has been driven by other factors.

Thus, we find that revocation of the orders on rebar from Latvia and Poland will likely not change the fundamental advantages both countries have in one of the largest markets in the world, the EU, as well as in some of the fastest growing markets in the world, particularly Algeria. The U.S. market may draw some additional volume of subject imports from Latvia and Poland, but we do not find it likely that these imports will approach the levels that were reached in 2000 during the pre-accession original period of investigation. We consequently conclude that any likely increase in subject imports from Latvia and Poland would not be significant either in absolute terms or relative to production or consumption in the United States if the orders were revoked.

B. Likely Price Effects of Subject Imports

In the original investigations, rebar from Latvia and Poland undersold the domestic like product in most comparisons.[118] In the previous reviews, price data for Latvia were not sufficient to establish a trend, but generally oversold domestic rebar.[119] There were no price comparisons for imports from Latvia

[112] CR/PR at Table IV-19, Table IV-44, and Table IV-45.

[113] RTAC's Posthearing brief, Exhs. 1, 37 (showing that RTAC's assertion that LM has been in business with Stemcor for seventeen years).

[114] RTAC's Prehearing Brief at 42-43.

[115] CR/PR at Table IV-30. Exports to Czech Republic increased by 300.8 percent over the period of review, exports to Germany increased by 182.1 percent, exports to Slovakia increased by 56.5 percent, and exports to Sweden increased by 57.4 percent. Id.

[116] CR/PR at Table IV-31.

[117] CR/PR at Table IV-29.

[118] In the original investigations, there were 93 instances of subject imports from Latvia and Poland underselling the U.S. product, with average margins ranging from 16.2 and 32.4 percent, and a single instance of overselling at a margin of 4.0 percent. CR at V-14, PR at V-12.

[119] In the first reviews, there were 17 instances of subject imports from Latvia underselling the U.S. product, with average margins ranging from 0.3 to 22.8 percent, and 31 instances of overselling at margins ranging from 0.9 to 35.8 percent. CR at V-15, PR at V-12.

and Poland in these reviews, nor were there any price comparisons for imports from Poland in the previous reviews.[120]

As during the original investigations and the first reviews, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in the purchasing decisions.[121] However, we find that the price effects from the cumulated subject imports from Latvia and Poland likely will not be significant both based on our finding that the volume of these cumulated subject imports likely will not be significant and because we find no incentive for producers in these countries to price aggressively any volumes they do sell or offer to sell in the U.S. market.

RTAC argues that all subject industries would have an incentive to undersell the domestic like product at significant margins, as they did during the original period of investigations, if the orders were revoked. RTAC argues that U.S. market prices are higher than the AUVs of subject producers' exports to other markets, which allows them to sell at higher prices in the U.S. market while still underselling U.S. prices.[122] Notwithstanding our conclusion that the comparative advantages inherent with EU membership have prevented Latvia and Poland's subject merchandise from being shipped far from their primary markets, we find that U.S. domestic prices are not sufficiently higher than those in Latvia and Poland's existing export markets to support a conclusion of likely aggressive pricing behavior from those subject industries. As noted above in our discussion of Likely Volume Effects, U.S. and EU prices have been higher than each other at different times, and they generally have been relatively close even as EU prices have dropped below U.S. prices in most comparisons toward the end of the current period of review.[123] Similarly, Latvian and Polish rebar shipped to established export markets was priced at a level comparable to the U.S. domestic price for rebar.[124] Moreover, RTAC acknowledges that freight costs and port fees total between *** per short ton,[125] while LM states that these costs total between *** per short ton.[126] These costs do not include U.S. inland transportation charges, which vary depending on where the worksite of the project is and can range from $5 to $33 per short ton.[127] These additional costs weighed against the transactional benefits inherent in Latvia and Poland's nearby existing markets make it unlikely that subject industries in those countries would have incentive or ability to undersell the U.S. domestic like product.

Based on these findings as well as our finding that the volume of cumulated subject imports from Latvia and Poland is not likely to be significant, we do not find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from these subject countries are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that the subject imports from Latvia and Poland are not likely to have significant price effects if the orders were revoked.

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[120] CR at V-8, PR at V-6. USITC Pub. 3933 at V-8.

[121] See e.g., CR/PR at Table II-5 (in which 13 of 22 responding purchasers consider price to be the most important factor used in purchasing decision); CR/PR at Table II-6 (in which 20 of 22 responding purchasers consider price to be very important); and CR/PR at Table II-8 (in which 7 of 7 U.S. producers, 5 of 5 importers, and majorities of purchasers consider rebar produced in the United States and in the subject countries to be always or frequently interchangeable).

[122] RTAC's Prehearing Brief at 109-110.

[123] CR/PR at Tables IV-47-49.

[124] CR/PR at Table C-1, Table IV-20, Table IV-30. On an FOB basis (not including freight and port charges), Latvia's export unit values were between $63 less than U.S. domestic AUVs (2009) and $49 more (2008). CR/PR at Table C-1 and Table IV-20. Poland's export unit values were between $78 less than U.S. domestic AUVs (2009) and $72 more (2008). CR/PR at Table C-1 and Table IV-30. The lowest estimate for freight and port costs provided by parties was higher than any U.S. positive price gap in each year but 2009. RTAC's Posthearing Brief at 4-6.

[125] RTAC's Posthearing Brief at 4-6.

[126] LM's Posthearing Brief at 3-5.

[127] CR at V-6, PR at V-5.

C. Likely Impact of Subject Imports

The record of these reviews indicates that the U.S. market for rebar experienced a significant decrease in demand in 2008 and particularly 2009 as a result of the economic recession and contraction in the private construction sectors.[128] This slowdown of the U.S. rebar market resulted in a decline in many of the industry's financial and performance indicators, including production, operating income, and employment.[129] However, rebar demand measured by apparent U.S. consumption has increased in each year since 2009,[130] as private non-residential construction spending stabilized throughout 2010 and 2011 and then increased in 2012.[131] Apparent U.S. consumption increased by 26.2 percent between 2009 and 2012.[132] As a result, the domestic industry experienced improvement across virtually all indicators between 2009 and 2012. Production increased by 22.5 percent between 2009 and 2012, while the volume of U.S. shipments increased by 18.8 percent and the value of net sales increased by a remarkable 58.3 percent.[133] Capacity utilization increased by 12.5 percentage points between 2009 and 2012. Employment fell by 11.4 percent as productivity increased by 22.0 percent, but hours worked, wages paid, and hourly wages increased.[134] Operating margins dropped from a profit of 21.6 percent in 2007 to a loss of 0.5 percent in 2009 and 0.6 percent in 2010, but the industry regained profitability in 2011 and achieved a 5.4 percent operating margin in 2012.[135]

The industry is not yet the highly profitable industry that it was in the previous review period and in 2007, but it has done remarkably well considering the significant contraction in demand that occurred. It recovered to the point of reasonable profitability as early as 2011 following minimal operating losses in 2009 and 2010, and it maintained stable capacity throughout the worst years. Furthermore, the improvements sustained since 2009 will continue as the health of the U.S. industry tracks demand growth, which is projected to continue to improve.[136] Therefore, we do not find the industry to be vulnerable.

Moreover, the conditions that have kept the industry resilient as it weathered the recession and bounced back to healthy profitability are not likely to change in the foreseeable future. The U.S. industry underwent major restructuring and consolidation since the original investigations, primarily during the first review period when the number of producers consolidated from 21 to 10, and also during the most recent review period as that number has fallen to seven.[137] The U.S. industry is also vertically integrated, and *** operate scrap metal recycling and processing facilities in order to protect themselves from price volatility and supply shortages.[138]

The U.S. industry's U.S. shipments accounted for between 80.9 and 92.5 percent of the U.S. market during the period of review, and market share did not fall below 77.3 percent during the original period of investigation.[139] These high market shares have therefore been sustainable even during periods of elevated import competition. The majority of purchasers reported that a desire to buy U.S. product was an important factor in their firms' purchases, citing, among other factors, domestic sourcing required by law, customer preference for U.S. product, and longstanding relationships.[140] According to consolidated

[128] CR at II-17-18, PR at II-12-13.
[129] CR/PR at Table C-1.
[130] Id.
[131] CR at II-18, PR at II-12-13.
[132] CR/PR at Table C-1.
[133] CR/PR at Table C-1. Export shipments, while relatively small compared to domestic shipments, increased by *** percent. Id.
[134] CR/PR at Table C-1.
[135] CR/PR at Table C-1.
[136] CR at II-20, PR at II-14.
[137] CR/PR at Figure I-5.
[138] CR/PR at III-1.
[139] CR/PR at Table I-1.
[140] CR at II-31, PR at II-21. LM argues that Buy America(n) provisions are "one element of the broad commercial preference for buying rebar from domestic sources." LM's Posthearing Brief at Q-16. "Buy America" and "Buy

questionnaire responses from U.S. purchasers, at least half of all purchases were made pursuant to some domestic sourcing requirement, including 28 percent that were required by law.[141] In addition, rebar sold in the U.S. market is generally shipped within short distances with rebar sold either produced to order or from inventories with short lead times, making local supply preferable.[142] Three U.S. producers (***) own purchasing firms that operate as fabricators and/or distributors, and these purchasers accounted for *** percent of reported domestic purchases and *** percent of imports.[143] The U.S. industry is therefore largely insulated from import competition, and the structure of its operations makes it resilient to unexpected shocks.

Consistent with our findings that the likely volume and likely price effects of subject imports from Latvia and Poland will not be significant, we find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the orders were revoked. Based on the stable and growing demand in the United States and the current healthy condition of the domestic industry, the small volumes of subject imports from Latvia and Poland that may appear in the U.S. market upon revocation would not be likely to have a significant adverse impact on the domestic industry.

IV. No Likelihood of Continuation or Recurrence of Material Injury upon Revocation of the Order on Subject Imports from Indonesia

A. Likely Volume of Subject Imports

In these current five year reviews, several factors support our conclusion that the volume of subject imports from Indonesia would likely not be significant if the order were revoked. First, it appears likely that the increase in subject imports from Indonesia during the original period of investigation was due to a temporary collapse in demand in Asia, including in Indonesia's home market, as a result of the Asian financial crisis. While no Indonesian foreign producer responded in these reviews, available data indicates that Indonesia's capacity has declined and domestic demand is increasing. Furthermore the industry is not export-oriented, as the volume of exports from Indonesia is very low. Thus, we find that subject imports from Indonesia likely would not increase significantly following revocation of the antidumping duty order.

In the original investigations, subject imports from Indonesia fluctuated irregularly, rising from 44,504 short tons in 1998 to 69,261 short tons in 1999, before declining to zero short tons in 2000.[144] Indonesia's export pattern in the original investigations appears to have been affected by the Asian financial crisis, which resulted in a short-term decline in demand for rebar in the previously expanding

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American" Buy America refers to two U.S. laws that require domestic sourcing of various products, including rebar, in federally funded projects, with some exceptions. These requirements are therefore a factor for purchasers supplying public non-residential construction projects, including the construction of highways, bridges, transit systems, and terminals. "Buy America" requirements apply to iron and steel products and their coatings that are purchased for the Federal-aid highway construction program. Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy American" is a separate and distinct program from "Buy America," and has completely different rules. The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are unreasonable" or that their purchase would be "inconsistent with the public interest." CR at II-24, PR at II-16-17.

[141] Calculated using weighted average of domestic purchasers' questionnaire responses at Question III-12.

[142] CR at V-5-6, PR at V-5; CR at II-29, PR at II-20.

[143] CR/PR at II-24-25.

[144] CR/PR at Table I-1.

Asian markets[145] While Indonesia's steel industry had traditionally been oriented toward its domestic market, the Asian financial crisis had the combined effect of depressing Indonesian domestic demand and causing depreciation of the Indonesian rupiah relative to the U.S. dollar.[146] Indonesia's home market shipments improved in 2000, and its exports to the United States ceased.[147]

Indonesia's capacity levels have dropped significantly since the original period of investigation. According to the Indonesian Ministry of Industry and Trade, Indonesia's combined capacity was 4.8 million short tons in 2000, with 28 firms producing rebar.[148] The record is somewhat limited with regard to the number of firms and capacity of the Indonesian industry since the original period of investigations.[149] ***.[150] We rely on the two sources of data on the record covering the Indonesian industry as a whole— the Ministry of Trade and Industry and *** — in order to assess Indonesia's capacity. Using these two sources, we note that the Indonesian industry *** of its capacity from the original investigations.[151]

In addition, the Indonesian industry appears focused entirely on its home market. During the current period of review, Indonesia's exports peaked at 20,086 short tons in 2011, and were lower than 10,000 short tons in all other years.[152] Production was nearly identical to domestic consumption between 2009 and 2012, and imports did not enter the Indonesian market at any level of significance, meaning that Indonesia has not experienced any outside pressure from imports that would lead it to divert shipments to export markets.[153] While ***.[154] The trace amount of what Indonesia has exported during the current period of review was shipped to neighboring countries in Southeast Asia and the Southwestern Pacific,[155] where f.o.b. export unit values were considerably higher than the average unit value of U.S. domestic shipments in each year.[156] Given this pattern of home market orientation, lack of import competition in the home market, and low levels of exports to regional partners, we find little evidence that Indonesia's shipments will likely be diverted to the United States in the reasonably foreseeable future.

Based on the evidence presented above, we conclude that the likely increase in subject imports from Indonesia would not be significant either in absolute terms or relative to production or consumption in the United States if the order were revoked.

B. Likely Price Effects of Subject Imports

In the original investigations, rebar from Indonesia undersold the domestic like product in all or most comparisons.[157] There were no price comparisons for imports from Indonesia in these reviews or the previous reviews.[158]

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[145] Memorandum INV-EE-061 at IV-42.
[146] USITC Pub. 3425 at V-3 and VII-4.
[147] CR/PR at Table I-1.
[148] CR at IV-26, PR at IV-19.
[149] No Indonesian rebar producer responded to the Commission's foreign producer questionnaire in the first reviews or the current reviews. CR at IV-24, PR at IV-18. Based on available information, it appears as if there is at least one new producer of rebar in Indonesia since the original period of investigations, Ispat Indo, which has rebar rolling capacity totaling approximately *** short tons. CR at IV-26, PR at IV-19.
[150] CR at IV-26, PR at IV-19.
[151] Id.
[152] CR/PR at Table IV-16.
[153] CR/PR at Table IV-14 and Table IV-17.
[154] CR/PR at Table IV-15.
[155] CR/PR at Table IV-16.
[156] CR/PR at Table IV-16; CR/PR at C-1.
[157] CR at V-14, PR at V-12. In the original investigations, there were 24 instances of subject imports from Indonesia underselling the U.S. product, with average margins ranging from 18.1 and 30.9 percent. Id.
[158] CR/PR at V-8; USITC Pub. 3933 at V-8.

As was the case during the original investigations and the first reviews, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in the purchasing decisions.[159] However, we find that the price effects from the subject imports from Indonesia likely will not be significant both based on our finding that the volume of these subject imports likely will not be significant and because we find no incentive for producers in this country to price aggressively any volumes they do sell or offer to sell in the U.S. market.

RTAC argues that all subject industries would have an incentive to undersell the domestic like product at significant margins, as they did during the original period of investigations, if the orders were revoked in order to capture U.S. market share. RTAC argues that U.S. market prices are higher than the AUVs of subject producers' exports to other markets, which allows them to sell at higher prices in the U.S. market while still underselling U.S. prices.[160] Given our conclusion that the Indonesian industry is unlikely to divert any significant quantities from its significantly diminished capacity to serve the U.S. market, we do not find that subject producers from Indonesia have incentive to price aggressively in order to move significant volumes into the U.S. market. As noted above in our discussion of Likely Volume Effects, we have evidence that the Indonesian rebar shipped to its current export markets was priced at a level that was generally much higher than the U.S. domestic price for rebar.[161]

Based on these findings as well as our finding that the volume of subject imports from Indonesia is not likely to be significant, we do not find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from Indonesia are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that the subject imports from Indonesia are not likely to have significant price effects in the reasonably foreseeable future if the order were revoked.

C. Likely Impact of Subject Imports

For the reasons already discussed in section III. C above, we do not find the domestic industry to be vulnerable.

Consistent with our findings that the likely volume and likely price effects of subject imports from Indonesia will not be significant, we find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the order were revoked. Based on the stable and growing demand in the United States and the current healthy condition of the domestic industry, the small volumes of subject imports from Indonesia that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

V. Conclusion

For the foregoing reasons, we find that revocation of the antidumping duty orders on rebar from Latvia, Poland, and Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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[159] See e.g., CR/PR at Table II-5 (in which 13 of 22 responding purchasers consider price to be the most important factor used in purchasing decision); CR/PR at Table II-6 (in which 20 of 22 responding purchasers consider price to be very important); and CR/PR at Table II-8 (in which 7 of 7 U.S. producers, 5 of 5 importers, and majorities of purchasers consider rebar produced in the United States and in the subject countries to be always or frequently interchangeable).

[160] RTAC's Prehearing Brief at 109-110.

[161] CR/PR at Table C-1, Table IV-16. On an f.o.b. basis (not including freight and port charges), Indonesia's export unit values were between $24 and $313 more than U.S. domestic AUVs throughout the period of review. Id.

Separate and Concurring Views of Commissioner Meredith M. Broadbent Regarding Belarus, China, Moldova, and Ukraine

I. Introduction

Based on the record in these five-year reviews, I determine that revocation of the antidumping duty orders on subject imports of steel concrete reinforcing bar ("rebar") from Belarus, China, Moldova, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I join the Views of the Commission regarding the background of these reviews, domestic like product, domestic industry, the legal standard governing five-year reviews, and conditions of competition. I write jointly with Commissioner Pearson to discuss no discernible adverse impact, likely reasonable overlap of competition, certain cumulation considerations with regard to Latvia, Poland, and Indonesia, and my analysis of the statutory factors with regard to Latvia, Poland, and Indonesia. I write separately here to discuss certain cumulation considerations and my analysis of the statutory factors with regard to Belarus, China, Moldova, and Ukraine.

II. Cumulation

As discussed in my shared views with Commissioner Pearson regarding Indonesia, Latvia, and Poland, I did not find that subject imports from any subject country would have no discernible adverse impact on the U.S. market if the orders were lifted. I also find a reasonable overlap of competition among the domestic like product and subject rebar imports from each of the seven subject countries. However, I find that subject imports from Latvia and Poland are likely to compete under similar conditions of competition in the reasonably foreseeable future, if the orders were revoked, due to a strong orientation toward their home and shared EU market, as well as some markets which offer comparative advantages to EU members only. I also find that subject imports from Indonesia are likely to compete under distinct conditions of competition in the reasonably foreseeable future due to the Indonesian industry's sharp decline in capacity from the original period of investigation as well as a nearly complete focus on the Indonesian home market. I consequently exercise my discretion to cumulate subject imports from Latvia and Poland separately from other countries, and I do not cumulate subject imports from Indonesia with any other country.[1]

If the orders were revoked, I find that subject imports from Belarus, China, Moldova, and Ukraine would not be likely to compete under similar conditions of competition with subject imports from Latvia, Poland, or Indonesia in the reasonably foreseeable future. Belarus, Moldova, and Ukraine are highly export-oriented.[2] China, while not export-oriented, is a very large exporter in terms of absolute volume.[3] All subject countries also undersold the domestic like product during the original investigations.[4] Based on these similarities, I find it likely that they will compete under similar conditions of competition with one another in the reasonably foreseeable future if the orders were revoked.

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[1] See the Separate and Dissenting Views of Commissioner Daniel R. Pearson and Commissioner Meredith M. Broadbent Regarding Latvia, Poland, and Indonesia.

[2] Belarus exported *** percent of shipments in 2012. CR/PR at Table IV-4. Moldova exported *** percent of shipments in 2012. CR/PR at Table IV-24; Ukraine exported *** percent of shipments in 2012. CR/PR at Table IV-34.

[3] Between 2007 and 2012, the industry in China shipped rebar to 167 export destinations, and it exported 275,332 short tons in 2012. CR/PR at Table IV-10; CR at IV-18; PR at IV-12. This figure does not include any exports of rebar from China that may have been exported as hot-rolled alloy bar (6,568,340 short tons in 2012) rather than as concrete reinforcing bar. CR/PR at Table IV-12. RTAC alleges that much of the product exported from China reported as hot-rolled alloy bar is in fact rebar. RTAC's Prehearing Brief at 25; RTAC's Posthearing Brief at Exh. 1 at 24-28, Exh. 19.

[4] CR at V-14-15, PR at V-12.

Unlike Latvia and Poland, however, these four subject countries are not part of the European Union. The European Union is a single market, and offers preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, and no possibility that trade remedy measures will be applied to intra-EU shipments.[5] In addition, EU member countries benefit from a zero duty on rebar in Algeria, the largest importer in the world.[6] Therefore, Belarus, China, Moldova, and Ukraine do not ship primarily within a Customs Union or with FTA partners like Latvia and Poland, nor do they ship almost exclusively to the home market like Indonesia.

Thus, I find that subject imports from Belarus, China, Moldova, and Ukraine will be likely to compete under similar conditions of competition if the orders were revoked. Accordingly, I exercise my discretion to cumulate subject imports from Belarus, China, Moldova, and Ukraine.

III. Revocation of the Antidumping Duty Orders on Belarus, China, Moldova, and Ukraine Is Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

A. Likely Volume of Subject Imports

During the original investigations, the rebar industries in Belarus, China, Moldova, and Ukraine ("subject countries") collectively exported a significant volume of rebar to the United States that met common ASTM standards and was competitive with the domestic like product. Subject imports gained market share rapidly and significantly.[7] Among the industries in the subject countries, only China and Belarus continued to export to the U.S. market after the orders were imposed, although at nominal volumes.[8] During the current period of review, subject import volumes from China have been minimal, never exceeding 2,385 short tons in any year.[9]

Several rebar producers in subject countries did not respond to the Commission's questionnaires. For purposes of my analysis of the likely volume of subject imports from Belarus, Moldova, and Ukraine in these second reviews, I considered aggregated data from those firms that submitted questionnaire responses. The aggregated data do not include information for certain producers in Ukraine and thus understate data for the rebar industry in that country by approximately *** percent.[10] I also considered available information on the subject rebar industry in China, as no firm in that industry has submitted questionnaire data since the original investigations.

Collectively, the industries in these subject countries have significant capacity to produce rebar.[11] Those firms submitting data collectively reported that their capacity utilization fluctuated during the period of review but was lower in 2012 than in 2007. Their unused capacity in 2012 was equivalent to *** percent of the U.S. market in 2012.[12] The rebar industries in these subject countries collectively

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[5] See, e.g., LM's Prehearing Brief at 11-12, 22; Hearing Transcript at 175-176 (Zaharin).

[6] CR at IV-34, n. 47, PR at IV-24, n. 47.

[7] USITC Pub. 3425 at 15; CR/PR at Table I-1. The volume of cumulated subject imports during the original investigations increased from *** short tons in 1998 to *** short tons in 1999 and *** short tons in 2000, and their market share increased from *** percent in 1998 to *** percent in 1999 and *** percent in 2000. CR/PR at Table I-1.

[8] CR/PR at Table I-1.

[9] CR/PR at Table IV-1. There were no subject imports during 2012. *Id.*

[10] CR at IV-54, PR at IV-34.

[11] The rebar industries in Belarus, Moldova, and Ukraine reported a combined capacity of *** short tons in 2012, which does not include data for all producers in Ukraine. Available information suggests that the industry in China had capacity capable of producing at least *** short tons in 2012. CR/PR at Tables IV-4, IV-7, IV-24, and IV-34.

[12] Derived from CR/PR at Tables C-1, IV-4, IV-24, and IV-34. The rebar industries in Belarus, Moldova, and Ukraine reported a combined capacity utilization of *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012. CR/PR at Tables IV-4, IV-24, and IV-34.

export a large percentage of their production,[13] sell rebar to multiple export markets, and have been able to shift exports from one market to another during the period of review.[14] While the rebar industries in Moldova and Belarus shipped the majority of exports to neighboring markets, China and Ukraine shipped to a wider variety of destinations.[15]

The subject industries face a diverse set of demand expectations for their home and primary export markets in the reasonably foreseeable future. Belarus and Moldova ship the vast majority of their rebar shipments to the Commonwealth of Independent States ("CIS") countries, including their home markets, and to a lesser extent countries within the European Union.[16] Both countries' largest export partner (Russia) has experienced robust growth due to construction spending, and this trend is likely to continue due to strong investment in the residential and transportation infrastructure sectors.[17] The rebar industry in Ukraine also exports a large share of its shipments to the rapidly growing CIS market, but many of its largest markets are in the Middle East and North Africa which have mixed projections for demand growth due to a combination of infrastructure spending in some countries and political turmoil in others.[18] The Chinese industry largely serves its home market, which is very large compared to other regional markets but faces risks due to a combination of overcapacity and slowing demand.[19] Despite some region-specific divergence in demand growth, the global market for rebar is depressed compared to pre-recession levels while capacity has generally remained high.[20] Within this context, the U.S. market remains a relatively large market with relatively high prices, and therefore likely remains attractive to the subject industries in Belarus, China, Moldova, and Ukraine.[21] Absent the discipline of the orders, these subject industries would likely have an incentive to divert substantial volumes of shipments to the U.S. market.

Consequently, based on the record in these reviews, I conclude that the volume of cumulated subject imports from Belarus, China, Moldova, and Ukraine would likely be significant relative to production and consumption in the United States and that cumulated subject imports from Belarus, China, Moldova, and Ukraine would likely regain significant U.S. market share if the orders were revoked.

In 2012, the rebar industries in these subject countries collectively had *** short tons of excess capacity. This figure does not take into account excess capacity available in China or those producers in Ukraine that did not submit questionnaire responses. Derived from CR/PR at Tables C-1, IV-4, IV-24, and IV-34.

[13] CR/PR at Tables IV-4, IV-24, and IV-34 (Belarus, Moldova, and Ukraine (not including China) collectively exported *** percent of total shipments in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, *** percent in 2011, and *** percent in 2012).

[14] CR/PR at Table IV-5, Table IV-12, Table IV-25, and Table IV-35 (showing rebar exports to multiple countries from Belarus, China, Moldova, and Ukraine).

[15] Between 2007 and 2012, the rebar industries in the subject countries shipped rebar to the following number of destinations: 17 (Moldova); 54 (Belarus); 80 (Ukraine); and 167 (China). CR at IV-14, IV-18, IV-43, and IV-58, PR at IV-9, IV-12, IV-28, and IV-35.

[16] CR/PR at Tables IV-5 and IV-25.

[17] CR/PR at Table IV-44 and IV-45 (showing CIS demand projected to increase by *** percent by 2015 over 2012 levels); CR at IV-79, PR at IV-42-43 (describing strong demand in Russia).

[18] CR/PR at Table IV-35 (showing Ukrainian exports to its top ten destinations); CR/PR at Table IV-44 and Table IV-45 (showing Middle East demand projected to increase by *** percent between 2012 and 2015); CR at IV-79-80, PR at IV-43 (describing mixed demand in the Middle East).

[19] CR/PR at Table IV-44 and Table IV-45 (showing Asian demand projected to grow by *** percent between 2012 and 2015); CR at IV-81, PR at IV-43 (describing weakening demand in China).

[20] CR at IV-78, PR at IV-42 (describing low global demand).

[21] CR/PR at Table IV-44 (U.S. market is relatively large compared to other global markets), Table IV-45 (U.S. market is projected to be relatively large and growing), Tables IV-47 to IV-49 (showing relatively high prices of U.S. market); CR at IV-70; PR at IV-41 (indicating that domestic producers and most importers reported U.S. prices to be higher than other markets, and other importers reported U.S. prices to be at least comparable to other global markets). The relative U.S. market price is less a factor in my determination than the size of the U.S. market, as freight costs are likely a factor in the regional segmentation of the global rebar market.

B. Likely Price Effects

Price is an important purchasing factor in the U.S. rebar market, although availability and quality also were highly ranked by purchasers.[22] Half of the responding purchasers (11 of 22) reported that quality was one of the three most important factors.[23] Meeting ASTM standards was the characteristic that U.S. purchasers most frequently reported they used to ascertain quality.[24] The domestic industry and the rebar industries in all subject countries sold rebar meeting ASTM standards in the U.S. market during the original investigations.[25] As for availability, purchasers ranked domestic products to be "superior" for availability as compared to imports from the four subject countries,[26] but cumulated subject imports from Belarus, China, Moldova, and Ukraine have had a considerably smaller U.S. market presence after imposition of the orders.[27] Indeed, many market participants reported that differences other than price do not play an important role in their decision whether to purchase domestic products or rebar imported from subject countries, although many purchasers also reported that non-price factors were "always" or "frequently" a factor in the purchasing decision.[28] There is sufficient evidence that the U.S. rebar market is susceptible to significant import penetration on the basis of price.

Given the commodity nature of this product, the importance of price in purchasing decisions as discussed above, and the fact that most U.S. sales are spot sales negotiated on a transaction-by-transaction basis,[29] I find that cumulated subject imports from Belarus, China, Moldova, and Ukraine are likely to compete in the U.S. market based primarily on price in the event these orders under review were revoked.

In these second reviews, the Commission requested U.S. producers and importers of rebar to provide quarterly data for the total quantity and value of their shipments to U.S. distributors of four pricing products from January 2007 through December 2012.[30] Six U.S. producers provided price data, with all producers providing data for all products and all quarters for the requested period.[31] Producer price data accounted for 61.7 percent of the quantity of U.S. commercial shipments during this period.[32] No responding importer reported price data for rebar from China, the only source of U.S. imports of subject rebar during this period.[33]

During the period of review, prices for the domestically produced product generally increased through the third quarter of 2008, decreased through the second quarter of 2009, coincident with the severe economic downturn at the time, and then increased generally through the second quarter of 2011.[34]

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[22] CR at II-26; PR at II-18; USITC Pub. 3933 at 24-30; USITC Pub. 3425 at 18-19, 27. When asked to rate the importance of 15 purchasing factors, at least 20 of 22 responding purchasers reported that availability, price, quality meets industry standards, and reliability of supply were important considerations. CR at II-27; PR at II-19; CR/PR at Table II-6. When asked to rank purchasing factors, over half of the responding purchasers (13 of 22) reported that price was the most important factor in their purchases; it was also the most commonly reported second-most important factor, and all responding purchasers reported it was one of the top three factors. Availability was the most commonly reported third-most important factor. CR at II-26; PR at II-18.

[23] CR at II-26; PR at II-18; CR/PR at Table II-5.

[24] CR at II-28; PR at II-19. Given that subject imports have had a limited U.S. market presence since imposition of the orders, it is not unexpected that purchasers reported not knowing if subject products meet minimum quality standards. CR at II-36; PR at II-25 to II-26; CR/PR at Table II-11.

[25] USITC Pub. 3425 at 15.

[26] CR at II-33, PR at II-23; CR/PR at Table II-8.

[27] CR/PR at Table I-1.

[28] CR/PR at Table II-12.

[29] CR at V-6 to V-7; PR at V-5.

[30] The pricing products were as follows: (1) Straight ASTM A615, No. 3, grade 60 rebar; (2) Straight ASTM A615, No. 4, grade 60 rebar; (3) Straight ASTM A615, No. 5, grade 60 rebar; and (4) Straight ASTM A615, No. 6, grade 60 rebar. CR at V-8; PR at V-6.

[31] CR at V-8; PR at V-6.

[32] CR at V-8; PR at V-6.

[33] CR at V-8; PR at V-6.

[34] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

Thereafter, prices were stable through the end of 2011.[35] Over the course of 2012, prices for each of the four pricing products declined relative to fourth quarter 2011 levels.[36] Overall, between the first quarter of 2007 and the last quarter of 2012, prices for these four products increased by 18.0 to 19.1 percent, although the period highs were reached during the third quarter of 2008.[37] The trends in pricing data collected in these reviews were similar to the trends in U.S. f.o.b. mill price data from ***.[38]

In the original investigations, there were 102 possible price comparisons between the domestic like product and rebar imported from Belarus, China, Moldova, and Ukraine, and subject imports undersold the domestic like product in 96 of those instances at underselling margins that ranged from 3.6 percent to 33.5 percent.[39] After the antidumping duty orders were imposed, the volume of cumulated subject imports from Belarus, China, Moldova, and Ukraine declined, and these subject imports had a limited U.S. market presence in the first reviews and these second reviews.[40] No pricing comparisons were available for these second reviews.[41] As previously stated, upon revocation the volume of cumulated subject imports from Belarus, China, Moldova, and Ukraine will likely be significant due to the excess capacity of the rebar industries in these subject countries, their export orientation to a variety of both regional and non-regional destinations, and the relative attractiveness of the U.S. market. In these circumstances, the propensity by the rebar producers in the subject countries to undersell the domestic product in the original investigations in order to gain market share would likely recur. I consequently conclude that there would likely be significant price underselling should the antidumping duty orders from Belarus, China, Moldova, and Ukraine be revoked.

Because price is critical to some purchasing decisions in the U.S. market, the likely significant volume of low-priced subject imports from Belarus, China, Moldova, and Ukraine upon revocation would force the domestic industry to lower prices,[42] limit price increases in the event that scrap costs increase, or lose sales in this price-sensitive market where prices have not yet fully recovered. Hence, I conclude that the increased cumulated subject imports from Belarus, China, Moldova, and Ukraine likely would have significant price-depressing or price-suppressing effects if the orders were revoked.

C. Likely Impact

For the reasons discussed in section III.C of my separate and dissenting views shared with Commissioner Pearson, I do not find the domestic industry to be vulnerable.[43]

As explained above, I find that cumulated subject imports from Belarus, China, Moldova, and Ukraine would likely be significant in the reasonably foreseeable future if the orders under review were revoked. The domestic industry supplies the majority of the U.S. market,[44] and because subject imports

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[35] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[36] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[37] CR at V-8; PR at V-6; CR/PR at Table V-1, Figures V-5 to V-8.

[38] CR at V-15; PR at V-12; CR/PR at Figure V-9 (showing prices generally increasing through mid-2008, decreasing through 2009, increasing in 2010, stabilizing in 2011, and then declining modestly in 2012).

[39] CR at V-14; PR at V-12.

[40] CR at I-1; PR at I-1.

[41] CR at V-14; PR at V-12. RTAC, however, reported that producers in China continued to offer to sell subject rebar to purchasers in the U.S. market during the period of review. RTAC's Prehearing Br. at 26-27.

[42] As discussed in the joint conditions of competition section analysis, projects requiring domestic sourcing do not account for a large portion of the U.S. market, the size of these projects has diminished in recent periods, and the domestic industry does not differentiate its prices for such sales. Consequently, the likely significant underselling by cumulated subject imports would affect prices of all of the domestic industry's sales.

[43] See Separate and Dissenting Views of Commissioner Daniel R. Pearson and Commissioner Meredith M. Broadbent Regarding Latvia, Poland, and Indonesia.

[44] During these second reviews, the domestic industry's market share was 80.9 percent in 2007, 88.4 percent in 2008, 92.5 percent in 2009, 91.7 percent in 2010, 89.7 percent in 2011, and 87.2 percent in 2012. CR/PR at Table C-1.

are generally substitutable for the domestic like product in the segments of the market that do not require domestic supply, any increase in cumulated subject imports from Belarus, China, Moldova, and Ukraine would likely lead to declines in the domestic industry's production, shipments, market share, and employment.

I have further found that these additional volumes of cumulated subject imports from Belarus, China, Moldova, and Ukraine would be priced in a manner that would likely undersell the domestic like product to a significant degree and have significant depressing or suppressing effects on prices of the domestic like product. Consequently, to compete with the likely additional volumes of these subject imports, the domestic industry would need to cut prices, forego needed price increases, or lose sales, as it did in the original investigations. The resulting loss of revenues would likely cause deterioration in the financial performance of the domestic industry. Further deterioration in financial performance would result in likely reductions in employment and, ultimately, likely losses in output and market share.

I consequently find that revocation of the orders on subject imports from Belarus, China, Moldova, and Ukraine would likely have a significant adverse impact on the domestic industry.

I have also considered the role of factors other than subject imports so as not to attribute likely injury from other factors to the subject imports, notwithstanding that respondents did not identify any such factors. Nonsubject imports' share of the market fluctuated from a period low of 7.5 percent in 2009 to a period high of 19.1 percent in 2007.[45] Consequently, given the substitutability of rebar from all sources, if the orders were revoked, the likely significant volume of cumulated subject imports from Belarus, China, Moldova, and Ukraine would compete with both the domestic like product and nonsubject imports. The continued presence of nonsubject imports in the U.S. market would not preclude subject imports from Belarus, China, Moldova, and Ukraine from taking market share from the domestic industry or forcing the domestic industry to lower prices in order to compete, as was the case in the original investigations.

I also considered the likely role of demand in the reasonably foreseeable future. Overall, demand declined between 2007 and 2012, but it is expected to increase moderately in the future.[46] The moderate level of increased demand likely in the reasonably foreseeable future, while likely to affect the domestic industry's condition positively, would not preclude the domestic industry from incurring an adverse impact due to the likely significant volume and price effects of the cumulated subject imports from Belarus, China, Moldova, and Ukraine.

For the foregoing reasons, I determine that revocation of the antidumping duty orders on rebar from Belarus, China, Moldova, and Ukraine would likely have a significant adverse impact on the domestic industry if the orders were revoked.

IV. Conclusion

For the foregoing reasons, I determine that revocation of the antidumping duty orders on rebar from Belarus, China, Moldova, and Ukraine would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

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

[46] See, generally, CR at II-17-23, PR at II-11-16.

SEPARATE AND DISSENTING VIEWS OF COMMISSIONER DANIEL R. PEARSON REGARDING BELARUS, CHINA, MOLDOVA, AND UKRAINE

I. INTRODUCTION

Section 751(d)(2) of the Tariff Act of 1930, as amended ("the Act"), requires that the U.S. Department of Commerce ("Commerce") revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission ("Commission") determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.[1] Based on the record in these second five-year reviews, I determine that material injury would not be likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of steel concrete reinforcing bars ("rebar") from Belarus, Moldova, and Ukraine were revoked. I also determine that material injury would be likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on subject imports of rebar from China were revoked.

I join my colleagues' discussion regarding domestic like product, domestic industry, the legal standard governing five-year reviews, and conditions of competition. I write separately to discuss cumulation and my analysis of the statutory factors.

II. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[2]

Cumulation is therefore discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.[3] Because of the prospective nature of five-year reviews and the Commission's discretion with respect to cumulation, I consider three issues in deciding whether to exercise my discretion to cumulate the subject imports: (1) whether imports from the subject countries are likely to face similar conditions of competition with regard to their participation in the U.S. market for rebar if the orders under review were terminated;[4] (2) for those subject imports which are likely to

[1] 19 U.S.C. § 1675(d)(2).
[2] 19 U.S.C. § 1675a(a)(7).
[3] 19 U.S.C. § 1677(7)(G)(I).
[4] See, e.g., Allegheny Ludlum Corp. v. United States, Slip Op. 06-188 at 17 (Ct. Int'l Trade Dec. 22, 2006) (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews).

compete under similar conditions of competition, whether those imports are likely to compete with each other and with the domestic like product;[5] and (3) if based on that analysis I intend to exercise my discretion to cumulate one or more subject countries, I then analyze whether I am precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry.[6] My focus in a five-year review is not merely on current conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.[7]

B. Background

In the original investigations, five of the six Commissioners cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine but did not cumulate subject imports from China for purposes of their regional/national material injury analysis.[8] With respect to subject imports from the countries other than China, all six Commissioners found that rebar is a highly fungible product since all rebar produced, sold, or used in the United States meets certain common requirements, such as ASTM specifications. They also noted that the majority of producers, importers, and purchasers viewed rebar to be interchangeable regardless of origin. They also found that domestic and imported rebar was sold to both distributors and fabricators. Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg also found the geographic overlap requirement was satisfied because domestic rebar was sold in the region and that subject imports were sold or marketed throughout the region. Commissioners Miller, Hillman, and Devaney found that domestic rebar and subject imports competed within a majority of the states. All six Commissioners found that the domestically produced product and subject imports from all sources were simultaneously present in either the regional or national market as appropriate.[9]

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[5] The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996). In five-year reviews, the relevant inquiry is whether there likely would be competition after revocation of the orders, even if none currently exists.

[6] 19 U.S.C. § 1675a(a)(7). I note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry. SAA, H.R. Rep. No. 103-316, vol. I (1994).

[7] The first of three statutory requirements for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: July 2, 2012. 77 Fed. Reg. 39218 (July 2, 2012).

[8] Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, 882 (Final), USITC Pub. 3425 (May 2001) at 16, 27. One Commissioner cumulated subject imports from all subject countries.

[9] USITC Pub. 3425 at 16, 25.

With respect to China, five of the six Commissioners found that imports from China were negligible for present material injury purposes. The Commission, however, found that China would imminently account for more that 3 percent of all subject merchandise sold into the region or U.S. market as appropriate. Although the Commission found that rebar from China was interchangeable with domestically produced rebar and rebar from the other subject countries and competed against both domestic and imported rebar, the Commission declined to exercise its discretion to cumulate subject imports from the other subject countries. Specifically, the Commission found that the volume and price trends exhibited by subject imports from China and other subject imports were significantly different. The Commission found that the volume and U.S. market share of subject imports from China into the region/United States rose sharply over the 1998-2000 period, while the volumes of subject imports from the other countries fluctuated. At the same time, the Commission found that although all subject imports undersold the domestic like product, the margins of underselling by subject imports from China were significantly higher.[10]

C. Analysis

In these reviews, I do not exercise my discretion to cumulate subject imports from China and Ukraine with each other or with other subject countries for purposes of my injury analysis. I do, however, exercise my discretion to cumulate subject imports from Belarus and Moldova.

1. Competition and Other Considerations

I first consider whether factors, such as likely differing conditions of competition for the subject imports, would lead me to decline to exercise my discretion to cumulate subject imports from certain countries.[11]

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[10] Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001) at 10-14.

[11] The list of factors that the Commission has cited in five-year reviews in determining not to exercise its discretion to cumulate subject imports include, but are not limited to, the following: differences in likely volume trends, differences in product mix, differences in prices or average unit values, differences in foreign productive capacity, and differences in tariff treatment in U.S. or third-country markets. See, e.g., Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, -325-327, -348, and -350 (Second Review), and 731-TA-573, -574, -576, -578, -582-587, -612, and -614-618 (Second Review), USITC Pub. 3899 (Vol. I) at 4 and 50 (January 2007) (Cut-to-Length Plate) (did not cumulate subject imports from Romania based on corporate affiliation with a major U.S. producer, excess capacity, and tariff treatment in other markets); *Id.* at 8 (Corrosion-Resistant Steel) (did not cumulate subject imports from Canada based on differences in market conditions for production and sourcing); Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review), USITC Pub. 3626 at 16-17 (Sept. 2003) (did not cumulate subject imports from South Africa because of differences in volume trends and average unit values during period of review, differences in capacity, and differences in treatment in other U.S. trade remedy matters); Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Review), USITC Pub. 3384 at 9 (Jan. 2001) (did not cumulate based on differences in product mix, AUVs, and capacity); Uranium from Russia, Ukraine, and Uzbekistan, Inv. Nos. 731-TA-539-C, E, and F (Review), USITC Pub. 3334 at 23-24 (Aug. 2000) (did not cumulate Russian and Uzbek imports because they entered the United States in different forms and had different current and likely volume trends); Stainless Steel Wire Rod from Brazil, France, India, and Spain, Inv. Nos. 701-TA-178, 731-TA-636-638 (Review), USITC Pub. 3321 at 14 (July 2000) (did not cumulate French imports because of differences in volume trends, AUVs, and tariff treatment in other markets); Certain Steel Wire Rope from Japan, Korea, and Mexico, Inv. Nos. AA1921-124, 731-TA-546-547 (Review), USITC Pub. 3259 at 11-12 (Dec. 1999) (did not cumulate based on differences in volume, product mix, and capacity).

a. China

The following factors indicate significant differences in the conditions of competition facing Chinese producers as compared to producers in the other subject countries.

In the original investigations, the Commission did not cumulate subject imports from China with subject imports from the remaining countries because imports from China were negligible.[12] Moreover, the Commission determined that the U.S. domestic industry was threatened with material injury by reason of subject imports from China, whereas it determined that the domestic industry was materially injured by the other subject countries.[13] The Commission found that the volume and price trends exhibited by subject imports from China and other subject imports differed significantly. Whereas the volume and U.S. market share of subject imports from China rose sharply over the period examined, the volumes of subject imports from the other countries generally fluctuated. In particular, subject imports from China increased from zero in 1998 to 17,547 short tons in 1999, and then increased nearly tenfold in 2000 to 163,124 short tons.[14] Between 1999 and 2000, no other subject country's imports (except those from Poland, which were quite small) more than doubled and imports from some of the subject countries actually declined.[15] Moreover, underselling margins of subject imports from China were somewhat higher than those for other subject imports.[16]

While the Chinese industry had the largest capacity of all subject countries in the original investigations, during the current review period and the first 5-year review period the Chinese industry has significantly increased its production (and likely its capacity) in comparison to other subject countries. For example, whereas the Ukrainian, Polish, and Indonesian industries have reduced their capacities slightly and the other subject industries have either kept their capacity virtually steady or increased their capacity moderately, the Chinese industry *** its production from 29.5 million short tons in 2000 to *** short tons in 2006, and then doubled its production again, to *** short tons in 2012.[17]

Moreover, while China, given the size of its industry, exports a significant volume of rebar (275,332 short tons in 2012), its rebar production exceeds its consumption by only a small amount, indicating that it is not particularly export-oriented.[18] Thus, exports from China accounted for only *** percent of its production in 2012.[19] Finally, the sheer size of the Chinese industry both absolutely and in relation to the size of the other subject country industries suggests that I should view subject imports from China separately in my analysis of the likelihood of recurrence or continuation of injury to the U.S. rebar industry. In 2012, rebar production in China was estimated at over *** short tons.[20] This total is over *fifty* times larger than the next largest subject country industry, that of Ukraine at *** short tons.[21]

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[12] See USITC Pub. 3425 at 13.

[13] See USITC Pub. 3425; USITC Pub. No. 3440.

[14] CR/PR at Table I-1.

[15] CR/PR at Table I-1. Imports from Indonesia, Latvia, and Moldova declined.

[16] USITC Pub. 3440 at 7-9; 10-14.

[17] CR/PR at Table IV-7. The Ukrainian industry reduced its capacity from *** short tons in 2006 to *** short tons in 2012, and the Polish industry reduced its capacity from *** short tons in 2000 to *** short tons in 2012. CR/PR at Tables IV-28 and IV-33. The Indonesian industry is apparently much smaller currently than it was in 2000; according to the Indonesian Ministry of Industry and Trade, Indonesia's combined capacity was 4.8 million short tons in 2000, compared to *** short tons of production in 2012. CR at IV-26, PR at IV-19; CR/PR at Table IV-13. The Latvian and Moldovan industries registered small increases in capacity from 2000 to 2012. CR/PR at Tables IV-18 & IV-23. The Belarus industry increased capacity moderately. These industries are all much smaller than the Chinese industry. CR/PR at Table IV-3.

[18] CR/PR at Tables IV-8 (***) & IV-10-11 (Global Trade Atlas data). Global Trade Atlas data indicate net exports from China of 197,589 short tons in 2012. RTAC has argued that exports from China are understated and that subject product is being exported under a different HTS category. RTAC prehearing brief at 24-25.

[19] CR/PR at Table IV-7.

[20] *Id*.

[21] CR/PR at Table IV-33.

Logically, if I can decline to exercise my discretion to cumulate imports from a country if its capacity or production is extremely small in relation to other subject country industries, I can apply the same principle in declining to exercise my discretion to cumulate imports from a country whose production is extremely large relative to production or capacity in other subject countries. In this instance, given the sheer size of the Chinese industry and even assuming China did not become more export-oriented over time, if the order on China were revoked the volumes exported to the U.S. market would likely be substantial in comparison to the size of the U.S. market.[22]

On balance, I find that the conditions of competition with respect to China are sufficiently different so as to provide a reasonable basis for me not to exercise my discretion to cumulate subject imports from China with those from the other subject countries.

b. Ukraine

The following factors indicate significant differences in the conditions of competition facing Ukrainian producers as compared to producers in the other subject countries.

Unlike the rebar industries in the other subject countries, the Ukrainian industry has undergone significant changes in corporate ownership since the original investigations. During the period examined in the first reviews, one of the Ukrainian firms producing rebar during the original investigations, Krivoi Rog Mining & Metallurgical Integrated Works ("Krivorozhstal"), was privatized and brought under the control of the multinational Mittal Steel Group of steel companies.[23] This firm, now named ArcelorMittal Kryviy Rih ("AMK") accounted for about *** percent of Ukrainian production in 2012.[24] In April 2007, ArcelorMittal acquired Border Steel, now ArcelorMittal Vinton, as a part of its acquisition of Border's parent company, Mexican producer Sicartsa.[25] ArcelorMittal Vinton operates a mill in Canutillo, TX, and accounted for *** percent of U.S. production in 2012.[26] Inasmuch as both ArcelorMittal Vinton and AMK are 100-percent owned by ArcelorMittal S.A. (Luxembourg), there is a corporate link between the Ukrainian and U.S. industries that, with one exception, distinguishes the Ukrainian industry from the other subject country industries.[27]

Further, like most of the other European producers, Ukraine is export dependent; in 2012, its largest producer (AMK) exported more than *** percent of its shipments.[28] As was the case in the first reviews, however, Ukraine's exports are more widely divergent than those from the other four European producers, *i.e.*, they are not focused on nearby regional markets such as the EU (in the case of Latvia and Poland) or the CIS (in the case of Belarus and Moldova). Although Ukraine does ship a substantial amount of rebar to neighboring Russia, in 2012 its most important export destination was Iraq, with other

[22] In fact, *** data predict that net exports from China will increase steadily in the reasonably foreseeable future. CR/PR at Table IV-9.

[23] USITC Pub. 3933 at IV-41.

[24] CR at IV-54, PR at IV-34.

[25] USITC Pub. 3933 at Table I-11.

[26] CR/PR at Table I-3.

[27] That exception is the industry in Poland, where ArcelorMittal and U.S. producer CMC also own mills. In Poland, however, the ownership stake of U.S. firms amounts to only a minority (*** percent) of Polish production, in contrast to Ukraine, where the ownership stake of ArcelorMittal accounts for *** percent of production. In addition, as discussed in my joint opinion with Commissioner Broadbent concerning imports from Indonesia, Latvia, and Poland, the similarities between the Polish and Latvian industries are stronger than any similarities between the Polish and Ukrainian industries, leading me to cumulate imports from Poland with imports from Latvia rather than with those from Ukraine.

[28] CR/PR at Table IV-34.

Middle Eastern destinations such as Lebanon and Egypt playing important roles as export markets during the period.[29]

Finally, the record also indicates that the capacity of the Ukrainian industry is both considerably larger than that of the other subject countries (except China) and has actually declined since the last reviews, in contrast to all other subject countries (except possibly Indonesia).[30] In 2012, among subject countries other than China, the capacity of the Ukrainian industry was approximately *** times as large as the next largest subject country industries (Belarus and Indonesia).[31]

For these reasons, I find that the conditions of competition with respect to Ukraine are sufficiently different so as to provide a reasonable basis for me to decline to exercise my discretion to cumulate subject imports from Ukraine with those from the other subject countries.

c. Belarus and Moldova

In the first reviews, the principal reason that I exercised my discretion to cumulate imports from these countries was their intense export focus on markets in their "region," namely Russia and the former CIS countries.[32] This pattern still holds true in these reviews. For example, for Belarus, in 2012, nearly 75 percent of its exports were shipped to Russia or Lithuania (mostly to Russia).[33] Moldova's exports were even more concentrated, with approximately 85 percent of its exports going to Russia alone in 2012.[34] As before, subject producers in Belarus and Moldova have significant incentives to ship to markets in their region, such as close proximity and continued strong demand. In addition, the industries in these countries are relatively small (although the industry in Belarus is over *** the size of the Moldovan industry) and imports from these sources did not surge markedly in the original investigations.[35] [36]

Thus, while I find that there are some differences in the conditions of competition facing Belarus and Moldova, I find that the similarities in their export orientation outweigh these differences.

2. Likelihood of a Reasonable Overlap of Competition

In assessing likely competition for purposes of cumulation in original investigations, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4)

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[29] CR/PR at Table IV-35. Between 2009 and 2012, exports of rebar from Ukraine to Iraq increased steadily from 506,492 short tons to 978,768 short tons. During the same period, exports to Lebanon fluctuated between 158,906 and 209,042 short tons, and exports to Egypt declined irregularly from 102,528 to 72,573 short tons.

[30] CR at IV-26, PR at IV-19; CR/PR at Tables IV-3, IV-7, IV-13, IV-18, IV-23, IV-28, & IV-33.

[31] *Id*.

[32] USITC Pub. 3933 at 58.

[33] CR/PR at Table IV-5. In 2012, of a total of 923,766 short tons of rebar exports, 602,170 short tons were exported to Russia, and 90,480 short tons were exported to Lithuania.

[34] CR/PR at Table IV-25. In 2012, the Moldovan industry exported a total of 116,473 short tons, 98,945 of which were exported to Russia. Another 16,082 short tons were exported to Ukraine. *Id*.

[35] CR/PR at Table I-1. During the period examined in the original investigations, imports from Belarus increased irregularly from *** short tons in 1998 to *** short tons in 2000, and imports from Moldova declined steadily from 187,271 short tons in 1998 to 181,492 short tons in 2000.

[36] Again, the same might be said of the Polish industry; however, for reasons outlined in my opinion, joined by Commissioner Broadbent, concerning imports from Indonesia, Latvia, and Poland, I find that it is more appropriate to cumulate imports from Poland with imports from Latvia than it would be to cumulate imports from Poland with either imports from Belarus or Moldova.

simultaneous presence.[37] In five-year reviews, the relevant inquiry is whether there likely would be a reasonable overlap of competition even if none currently exists because the subject imports are absent from the U.S. market. I consider these four factors in addition to those discussed above with respect to subject imports from Belarus and Moldova. Because I have found that unique conditions of competition apply individually to China and Ukraine, I do not consider the issue of likely reasonable overlap of competition with respect to subject imports from China and Ukraine.

In the original investigations, the majority of the Commission cumulated subject imports from all subject countries with the exception of China, based on a reasonable overlap of competition. Record evidence indicates that there is still a considerable degree of fungibility among subject imports from Belarus and Moldova and domestic production and between subject imports from Belarus and Moldova.[38] Responding producers and importers were unanimous in reporting that both imports from Belarus and imports from Moldova were "always" interchangeable with U.S. production. Purchasers were more evenly split, with 5 of 10 purchasers reporting that imports from Belarus were either "always" or "frequently" interchangeable with U.S. production, and 6 of 10 purchasers drawing the same conclusions regarding imports from Moldova.[39] No respondents indicated that imports from Belarus and Moldova were anything but "always" interchangeable. Moreover, during the original investigations, the Commission found that subject imports from Belarus and Moldova and domestic production moved in similar channels of distribution, were simultaneously present in the market, and were sold in the same or similar geographic regions.[40] There is no evidence that these factors have changed in these reviews, if only because there have been no imports from either source during the period of review. Thus, I determine that there would be a reasonable overlap of competition among the domestic like product and subject imports from Belarus and Moldova in the event the orders are revoked.

3. Likelihood of No Discernible Adverse Impact

I consider all relevant factors in analyzing "no discernible adverse impact" in these reviews. In doing so, I do not find that subject imports from Belarus or Moldova are likely to have no discernible adverse impact in the event of revocation of the antidumping duty orders.[41]

In these reviews, Belarus and Moldova possess significant capacity both to produce and to export subject merchandise in appreciable volumes.[42] Prior to the imposition of the antidumping duty orders, subject imports from each country were present in the U.S. market, and I find that subject imports from each country are likely to have at least some presence in the U.S. market upon revocation of the orders. As rebar is a commoditized steel product, rebar manufactured in each of the subject countries does not differ from the types of rebar produced in the United States, and is substitutable for, and competitive with,

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[37] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd,* Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), *aff'd,* 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996)).

[38] CR/PR at Table II-8.

[39] *Id.*

[40] USITC Pub. 3425 at 15.

[41] Because I decline to cumulate subject imports from China or Ukraine with each other or with those from any other subject countries on the basis of differences in likely conditions of competition, I find it unnecessary to decide the issue of no discernible adverse impact with respect to China or Ukraine. Cf. Top-of-the-Stove Stainless Steel Cooking Ware from Korea, Inv. Nos. 701-TA-267 and 731-TA-304 (Review) (Remand), USITC Pub. 3485 (Jan. 2002) at 5 (declining to address criterion of no discernible adverse impact in the absence of evidence of a reasonable overlap of competition).

[42] In 2012, the capacity of the Belarusian industry was *** short tons and it exported 923,766 short tons of rebar. CR/PR at Tables IV-3 & IV-5. Similarly, in 2012, the capacity of the Moldovan industry was *** short tons, and it exported 116,473 short tons of rebar. CR/PR at Tables IV-23 & IV-25.

domestically produced rebar.[43] Competition is likely to be based, in large part, on price, in light of the importance of price in purchasing decisions.[44] Moreover, rebar producers in these subject countries undersold U.S. producers virtually consistently during the original investigation period.[45]

Accordingly, I do not conclude that the subject imports from Belarus or Moldova would have no discernible adverse impact on the U.S. market if the orders were lifted. I therefore am not precluded from exercising my discretion to cumulate subject imports from these countries.

D. Conclusion

I thus determine, based on unique conditions of competition with respect to China and Ukraine, not to exercise my discretion to cumulate subject imports from China and Ukraine with each other or with those from any of the other subject countries for purposes of my analysis. With respect to Belarus and Moldova, I do not find that there would likely be no discernible adverse impact upon revocation from imports from each country. I also find that there would likely be a reasonable overlap of competition among subject imports from each of those countries and the domestic like product as well as between subject imports from each country. I also find similarities in other conditions of competition in the U.S. market with respect to Belarus and Moldova such that it is appropriate to cumulate subject imports from these countries with each other, but not with subject imports from any other subject country.

Accordingly, I consider subject imports from China and Ukraine separately from each other and all other subject imports, and I cumulate subject imports from Belarus and Moldova and consider them separately from all other subject imports.

III. NO LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDERS ON CUMULATED SUBJECT IMPORTS FROM BELARUS AND MOLDOVA

A. Likely Volume of Subject Imports

In the original investigations, the subject imports from Belarus and Moldova fluctuated irregularly, rising from *** short tons in 1998 to *** short tons in 1999 and *** short tons in 2000.[46] After the orders were imposed, during the period examined in the first reviews, subject imports from Belarus virtually ceased with the exception of small volumes in 2002, while those from Moldova completely ceased. During the period examined in these reviews, there have been no imports of rebar from either Belarus or Moldova.[47] The combined reported capacity of these subject countries' producers was *** short tons in 2012.[48]

In these current five year reviews, several factors support my conclusion that the cumulated volume of subject imports from Belarus and Moldova would likely not be significant if the orders were revoked. With regard to the specifically enumerated statutory factors, the Commission has full coverage of both industries, each of which is comprised of only one firm. Capacity in these countries is higher than at the time of the original investigations (particularly so for Belarus).[49] The record does not indicate that

[43] CR/PR at Table II-8.
[44] CR/PR at Table II-6. Of 22 responding firms, 20 ranked price as a "very important" purchase factor.
[45] CR at V-14, PR at V-12.
[46] CR/PR at Table I-1.
[47] *Id*.
[48] CR/PR at Tables IV-3 & IV-24.
[49] Current (2012) capacity in Belarus is *** short tons, compared with *** short tons at the end of the period examined in the original investigations (2000). For Moldova, 2012 capacity is *** short tons, compared with *** short tons in 2000. CR/PR at Tables IV-3, IV-23.

any capacity expansions are planned in Moldova. In fact, before the Moldovan firm MSW withdrew from participation in the proceedings it indicated that it planned to idle production for the foreseeable future.[50] On the other hand, the Belarus producer BMZ is constructing a new bar mill that will begin operation in 2014, but denies that the mill will produce rebar.[51] Cumulated excess capacity is approximately *** tons by year-end 2012, which is equivalent to *** percent of U.S. apparent consumption in that year.[52] Inventories as a percent of shipments were very low for both Belarus and Moldova.[53] During the period of review, both the Belarusian and Moldovan industries became slightly less export-oriented, but both retained their strong export orientation.[54] There is no indication on the record that rebar exports from these countries are subject to any tariff or nontariff barriers, or to current investigations in any other countries. There is scope for product-shifting in Moldova, but not in Belarus.[55]

Although at first blush it would appear that I could conclude from the above analysis that the volume of cumulated imports from Belarus and Moldova would be significant upon revocation, I do not do so because I note that, similar to the situation in the first reviews, these countries are intensely focused on the Russian and former CIS markets, markets that appear to be growing. In particular, in 2012 the Belarusian industry shipped three-quarters of its exports to either Russia or Lithuania (65 percent to Russia alone).[56] These markets grew strongly during the period of review and are predicted to continue to do so. The record indicates that in Russia, rebar demand is expected to remain robust due to increased investment in the residential and transport infrastructure sectors.[57] Rebar consumption in the CIS states increased *** percent between 2009 and 2012, and is expected to increase another *** percent through 2014.[58] Given these trends, it would not appear rational, despite these countries' export orientation, for them to redirect their shipments to the U.S. market when their closer, more traditional markets continue to exhibit steady growth. In addition, significant surges from the Moldovan industry are unlikely given its expressed intent to idle production for the foreseeable future. Although I am mindful that the Moldovan industry could re-start production fairly readily, I do not find that this would necessarily result in a significant surge in exports to the United States, inasmuch as the Moldovan producer did not increase exports to the United States during the original investigation.[59]

Thus, although revocation of the orders on rebar from Belarus and Moldova likely will result in some additional volume of subject imports into the United States, I do not believe that the additional volume will be significant in light of the continuing strong demand in the current principal markets for these countries' rebar industries. Consequently, I conclude that any likely increase in subject imports from Belarus and Moldova would not be significant either in absolute terms or relative to production or consumption in the United States if the orders were revoked.

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[50] CR at IV-40, PR at IV-27. RTAC indicated that its understanding was that this idling of production was due to lack of "attractive" orders, but that MSW retained the ability to start production up quickly. CR at IV-40, n.54, PR at IV-27, n.54.

[51] CR at IV-11, PR at IV-8. RTAC disputes this and claims that ***. CR at IV-11, n.13, PR at IV-8, n.13.

[52] CR/PR at Tables IV-4 (Belarus), IV-24 (Moldova), & C-1.

[53] CR/PR at Tables IV-4 (Belarus) & IV-24 (Moldova). For Belarus, the ratio of inventories to shipments was less than *** percent in all years of the period of review except for 2007. For Moldova, this ratio fluctuated between *** and *** percent over the period of review.

[54] With regard to Belarus, the ratio of exports to total shipments declined irregularly from *** percent in 2007 to *** percent in 2012. CR/PR at Table IV-4. With regard to Moldova, the ratio of exports to total shipments fell steadily from *** percent in 2007 to *** percent in 2012. CR/PR at Table IV-24.

[55] CR at IV-15 & IV-45, PR at IV-10 & IV-29.

[56] CR/PR at Table IV-5.

[57] CR at IV-79, PR at IV-42-43.

[58] Rebar consumption in the CIS states increased from *** short tons in 2009 to *** short tons in 2012. CR/PR at Table IV-44. Looking ahead, rebar consumption in the CIS states is expected to increase from *** short tons in 2013 to *** short tons by 2017. CR/PR at Table IV-45.

[59] Exports from Moldova to the U.S. market declined steadily from 187,271 short tons in 1998 to 181,492 short tons in 2000. CR/PR at Table I-1.

B. Likely Price Effects of Subject Imports

In the original investigations, rebar from Belarus and Moldova undersold the domestic like product in the vast majority of comparisons.[60] Given that there were no imports from Belarus or Moldova in these reviews, there were no price comparisons between U.S. shipments and imports from Belarus and Moldova.

As noted above in my discussion of cumulation, I continue to find, as I did in the original investigations, that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.[61] I find, however, that the price effects from the cumulated subject imports from Belarus and Moldova likely will not be significant both based on my finding that the volume of these cumulated subject imports likely will not be significant and because I find no incentive for producers in these countries to price aggressively any volumes they do sell or offer to sell in the U.S. market.

According to the pricing data collected in these reviews, U.S. prices of rebar spiked in 2008, then plummeted to period lows in 2009 and the first part of 2010 (in line with the recession) before gradually increasing over the remainder of the period.[62] For all four pricing products, prices were slightly higher at the end of the period than at the beginning. With regard to U.S. consumption, in direct contrast to the situation in the first reviews, demand clearly decreased during the period examined in these reviews, mirroring sharp declines in residential and nonresidential construction brought about by the "Great Recession."[63] Public sources, however, are generally upbeat about prospects for future demand. For example, the American Institute of Architects (AIA) projects nonresidential construction spending to increase 5.0 percent in 2013 and to increase further to 7.2 percent in 2014.[64] U.S. producer *** forecasts an increase in rebar consumption in 2013 of 1.3 percent and 4.3 percent in 2014.[65] Moreover, healthy majorities of U.S. producers and purchasers expect U.S. demand to increase through 2014.[66] Notably, no market participants expect a decline in demand for rebar through 2014.[67] These trends suggest that U.S. prices are likely to hold up quite well in the reasonably foreseeable future, making it more difficult for the likely modest levels of imports from Belarus and Moldova to have price-depressing or price-suppressing effects in the U.S. market.

The record also indicates that global demand is likely to remain strong and growing in the reasonably foreseeable future, including in regions, such as Europe and the CIS, in which Belarusian and Moldovan producers have traditionally concentrated their shipments.[68] Because demand trends in the home and regional markets of Belarus and Moldova are strong and are comparable to demand trends in the U.S. market, I do not find it likely that any increased volumes from Belarus and Moldova in the event of revocation (the level of which I do not expect to be significant, as explained above) would be likely to

[60] For Belarus, there were 29 instances of underselling and 3 instances of overselling, with average margins of underselling ranging from 3.5 to 18.3 percent. For Moldova, there were 36 instances of underselling and no instances of overselling, with average margins of underselling ranging from 15.2 to 29.2 percent. CR at V-14, PR at V-12.

[61] CR/PR at Tables II-6 & II-8.

[62] CR/PR at Figures V-5, V-6, V-7, & V-8.

[63] Apparent U.S. consumption of rebar declined overall from 9.6 million short tons in 2007 to 7.0 million short tons in 2012. CR/PR at Table I-5.

[64] CR at II-20, PR at II-14.

[65] CR at II-21, PR at II-14.

[66] Five of seven reporting producers and 15 of 18 reporting purchasers expected demand to increase through 2014. CR/PR at Table II-3.

[67] *Id.*

[68] Rebar consumption in Europe is expected to increase from *** short tons in 2013 to *** short tons in 2017, whereas rebar consumption in the CIS states is expected to increase from *** short tons in 2013 to *** short tons in 2017. CR/PR at Table IV-45.

be sold at prices that significantly undersell the domestic like product or that significantly suppress or depress prices for the domestic like product.

Based on these findings as well as my finding that the volume of cumulated subject imports from Belarus and Moldova is not likely to be significant, I do not find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from these subject countries are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. Consequently, I conclude that the subject imports from Belarus and Moldova are not likely to have significant price effects if the orders are revoked.

C. Likely Impact of Subject Imports

The record of these reviews indicates that, after issuance of the orders on the subject countries and a decline in subject import levels, the domestic industry initially made only modest gains in market share, but then began a robust recovery, showing dramatic improvement in indicators such as production, U.S. shipments, and net sales, through 2006. Between 2001 and 2006, production increased overall 25.3 percent, the quantity of U.S. shipments increased 23.6 percent, and the quantity of net sales increased 25.1 percent.[69]

In the period examined in these reviews, however, the industry's fortunes were directly affected by the "Great Recession" which began shortly after the start of the period. In 2007, the industry maintained its high profitability levels reached at the end of the period examined in the first reviews, with margins exceeding 21 percent, but in 2009 and 2010, in response to the impact of the recession, suffered small operating losses. Since 2010, however, the industry has recovered its profitability, to single-digit levels.[70] Over the six-year period, the industry suffered substantial declines in production, shipment volume and value, and employment levels.[71] On the other hand, unit values have held up quite well through the recession, and are actually higher currently than they were in 2007.[72] U.S. industry market share was also higher at the end of the period, actually peaking during the recession years of 2009 and 2010.[73]

As discussed in my joint opinion with Commissioner Broadbent concerning imports from Indonesia, Latvia, and Poland, I do not consider this industry to be vulnerable. In making this determination, I put primary emphasis on the state of U.S. demand going forward. As noted above, market participants and public sources alike are unanimous in predicting steady increases in demand for rebar in the reasonably foreseeable future. In that sense, it can be said that there is "room" for more imports in the market and, thus, the industry would not be vulnerable to the small or moderate increases in imports that would be likely from sources such as Belarus and Moldova.

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[69] USITC Pub. 3933 at Table C-1.

[70] The industry's ratio of operating income to net sales was 21.6 percent in 2007 and 14.7 percent in 2008. This ratio turned negative in 2009 (0.5 percent) and 2010 (0.6 percent), and was 4.8 percent in 2011 and 5.4 percent in 2012. CR/PR at Table C-1.

[71] U.S. production fell from 7,932,289 short tons in 2007 to 7,669,513 short tons in 2008, then more rapidly to 5,356,488 short tons in 2009. It then began to climb, reaching a level of 6,564,137 short tons in 2012, that was 17.2 percent lower than at the start of the period. The volume of U.S. shipments demonstrated a similar pattern. The value of U.S. shipments was $4.5 million in 2007 and rose to $5.5 million in 2008, before falling sharply to $2.5 million in 2009. It then rose steadily, reaching a level of $3.9 million in 2012, that was 12.8 percent below the 2007 level. Employment in the rebar industry, as measured by the number of production and related workers, fell consistently from 2007 through 2011 from 5,791 workers in 2007 to 3,833 workers in 2011, before recovering slightly in 2012. CR/PR at Table C-1.

[72] Unit values of U.S. shipments, on a per-ton basis, were $581 in 2007, $751 in 2008, $484 in 2009, $541 in 2010, $653 in 2011, and $647 in 2012. CR/PR at Table C-1.

[73] The market share of the U.S. industry increased from 80.9 percent in 2007 to 92.5 percent in 2009, before declining slowly to 87.2 percent by 2012. CR/PR at Table C-1.

Accordingly, consistent with my findings that the likely volume and likely price effects of subject imports from Belarus and Moldova would not be significant, I find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the orders were revoked. Given the expected demand in the United States and global markets and the fact that the domestic industry is experiencing a surprisingly strong recovery from a severe economic recession, the small volumes of subject imports from Belarus and Moldova that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

D. Conclusion

Hence, I find that revocation of the antidumping duty orders on subject imports from Belarus and Moldova would not be likely to lead to the continuation or recurrence of material injury to the U.S. rebar industry within a reasonably foreseeable time.

IV. NO LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM UKRAINE

A. Likely Volume of Subject Imports

In the original investigation, the volume of subject imports of rebar from Ukraine increased in each year of the period of investigation. U.S. imports from Ukraine rose from 3,074 short tons in 1998 to 95,904 short tons in 1999, and then grew further to 168,054 short tons in 2000.[74] Their market share also grew steadily from less than *** percent in 1998 to *** percent in 1999, then to *** percent in 2000, as apparent domestic consumption rose overall.[75]

As with several other subject countries in these reviews, subject imports from Ukraine disappeared from the U.S. market after the orders were put in place.[76] In these reviews, the Commission received a response only from AMK; however, as noted above, AMK apparently accounts for *** percent of rebar production in Ukraine.[77] Capacity fluctuated during the period of review along a declining trend, ending up lower than at the start.[78] The industry, however, is still quite large compared to all other subject country industries (except China). As a result, excess capacity in 2012 amounted to approximately *** tons, which accounted for *** percent of U.S. apparent consumption in that year.[79] As a ratio to production, inventories are very low.[80] AMK does not face any trade barriers in third countries, and became gradually more export-oriented over the period of review.[81] AMK did not provide any information concerning its potential for product shifting. Although Russia is an important export market for AMK, in 2012 its largest export market was Iraq.[82]

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[74] CR/PR at Table I-1.
[75] *Id.*
[76] *Id.*
[77] CR at IV-54, PR at IV-34.
[78] AMK's capacity increased slightly from *** short tons in 2007 to *** short tons in 2008, then consistently declined throughout the remainder of the period, ending up at *** short tons in 2012. CR/PR at Table IV-34.
[79] CR/PR at Tables IV-34 & C-1.
[80] The ratio of inventories to shipments fluctuated between *** and *** percent of production during the period of review. CR/PR at Table IV-34.
[81] A quota imposed by the EU on imports of rebar from Ukraine was abolished in 2008. CR at IV-60, PR at IV-37. AMK's ratio of exports to total shipments increased irregularly from *** percent in 2007 to *** percent in 2012. CR/PR at Table IV-34.
[82] CR/PR at Table IV-35.

As noted above in my discussion concerning cumulation, during the period of investigation the largest Ukrainian producer and the only one that apparently shipped substantial volumes to the U.S. market is no longer an independent actor wholly owned and operated by a government entity but rather is a branch of a world-wide steel company with over 10 mills producing rebar, including five in North America.[83] In these reviews, as I did in the first five-year reviews, I find that the inclusion of the largest Ukrainian producer under the ArcelorMittal corporate umbrella is a significant change in conditions of competition that makes it unlikely that Mittal will ship rebar to the United States so as to have a negative impact on the U.S. rebar market. ArcelorMittal owns several rebar-producing facilities in North America, including the former Border Steel, Inc. (now ArcelorMittal Vinton) in Canutillo, TX, which accounted for *** percent of U.S. rebar production in 2012 and ***.[84] As a general matter, I find it unlikely, in situations where a foreign producer is owned and controlled by a transnational entity, that such a producer would sell into any country (including the United States) in which it has an affiliated firm so as to disrupt market conditions in that location by, for example, rapidly increasing shipments or lowering prices. Rather, I find it more likely that such affiliations would tend to reduce competition among the sister companies so as not to cause price reductions in the home markets of any of the related firms.

Domestic parties argue that ArcelorMittal's U.S. production is so small that the earnings for the worldwide corporation could be enhanced by exporting a substantial quantity of rebar from AMK for sale in the United States, in that any possible loss of revenues experienced by ArcelorMittal Vinton could be more than offset by increased revenues accruing to AMK.[85] I am mindful of the fact that ArcelorMittal's investment in the U.S. industry, as it pertains to rebar, is far less significant than its investment in the Ukrainian industry. Nonetheless, despite this disparity in level of investment between the two markets, I still find it unlikely that AMK would sell to the United States as to disrupt the U.S. market. First, to the extent that AMK sold rebar to the U.S. market at low prices, those prices would likely negatively affect prices of other steel products where ArcelorMittal has a more substantial U.S. presence, causing harm to ArcelorMittal. A U.S. producer of a broad range of steel products, such as AMUSA, would certainly be reluctant to import aggressively a product for which it is only a small U.S. producer, if there were a risk that such imports could lead to price declines in other steel products. Second, and perhaps more important, in industries such as the steel industry where there are a limited number of major U.S. players producing a wide variety of steel products, it would not be economically rational for any one of those players to disrupt a market for any one product, because to do so would invite retaliation from its competitors in products that would be more important to that player. Indeed, my conclusion concerning the likelihood that AMK would disrupt the U.S. market upon revocation is buttressed by the fact that when Canada revoked its antidumping duty order against imports from Ukraine in 2006 (subsequent to the ArcelorMittal takeover of Krivorozhstal), there was no massive surge of imports into the Canadian market.[86]

Therefore, on the basis of the low ratio of inventories to total shipments, the lack of trade barriers in third countries, the industry's significant focus on other export markets, such as those in Russia and the Middle East, that are lucrative based on strong current and anticipated demand, and, most important, because of the corporate alignment of the major Ukrainian producer, I find that the likely volume of subject imports of rebar from Ukraine would not be significant if the antidumping duty order were revoked.

[83] USITC Pub. 3933 at Table IV-34 & IV-42.

[84] CR/PR at Table I-3.

[85] RTAC prehearing brief at 47-48.

[86] CR/PR at Table IV-35. In 2006, the Ukrainian industry shipped only 17,659 tons to Canada, which had just revoked its antidumping order against imports from Ukraine. USITC Pub. 3933 at Table IV-35. Canada is not even one of Ukraine's ten largest export markets as of 2012. CR/PR at Table IV-35.

B. Likely Price Effects of Subject Imports

During the original investigation, subject imports of rebar from Ukraine predominantly undersold domestic merchandise.[87] As Ukraine did not ship to the United States during the period of review, there are no pricing data for Ukraine in the current record. For reasons outlined above in my discussion of the likely volume of subject imports from Ukraine, however, I do not find that any imports from Ukraine subsequent to revocation of the order will have adverse price effects. I find that the ownership of the predominant Ukrainian production facility by ArcelorMittal during the period of review makes it unlikely that any increased volumes would be sold at prices that would adversely affect the U.S. market. ArcelorMittal would not want to sell rebar in the U.S. market at prices that would disrupt the operations of its U.S. affiliate, ArcelorMittal Vinton, its other rebar-producing North American affiliates, or its U.S. facilities producing other steel products. In addition, while price is an important factor in purchasing decisions, other factors are equally important, such as availability and reliability of supply.[88]

Based on the recovery in U.S. prices over the period of review from the period lows experienced during the severe economic recession,[89] as well as my finding that revocation of the antidumping duty order on subject imports from Ukraine will likely not result in significant increased volumes of subject rebar to the United States, I find that any limited increase in the volume of subject imports from Ukraine upon revocation is not likely to result in significant adverse price effects.

C. Likely Impact of Subject Imports

In line with my findings regarding the likely volume and price effects of subject imports from Ukraine, I find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the order were revoked. As discussed in my views on revocation of the orders on imports from Belarus and Moldova, demand for rebar in the U.S. market is projected to remain strong. Therefore, the small volume of subject imports from Ukraine that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

D. Conclusion

Consequently, I find that revocation of the antidumping duty order on subject imports from Ukraine is not likely to lead to the continuation or recurrence of material injury to the U.S. rebar industry within a reasonably foreseeable time.

V. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM CHINA

A. Likely Volume of Subject Imports

In the original investigation, the Commission did not cumulate subject imports from China with subject imports from the remaining countries because imports from China were negligible for present

[87] With regard to imports from Ukraine, there were 23 instances of underselling and 1 instance of overselling, with average margins of underselling ranging from 16.2 to 29.0 percent. CR at V-14, PR at V-12.

[88] Price was ranked as a "very important" purchase factor by 20 of 22 responding purchasers. Availability, however, was ranked as "very important" by 21 out of 22 responding purchasers, and reliability of supply was ranked as "very important" by 20 of 22 purchasers. CR/PR at Table II-6.

[89] CR/PR at Figures V-5, V-6, V-7, & V-8.

material injury purposes.[90] The Commission found, however, that China would imminently account for more than 3 percent of all subject merchandise sold into the region or U.S. market (as appropriate), and the Commission determined that the U.S. domestic industry was threatened with material injury by reason of subject imports from China.[91] After the order was imposed, subject imports from China virtually ceased. During the period examined in the first reviews, Chinese exporters shipped minimal amounts (never exceeding 169 short tons) during the period of review, and during the period examined in these reviews, Chinese firms shipped 2,385 short tons of rebar in calendar year 2007 and nominal amounts in the remaining calendar years.[92]

I base my conclusion that the volume of subject imports from China likely would be significant if the order were revoked on several factors. As in the first reviews, the Commission received no data in these reviews from Chinese exporters.[93] Even so, available data indicate that China is by far the world's largest producer of rebar.[94] Although there are no data on Chinese capacity, there are data on the record on Chinese production, both historical and projected. These data show steady increases in production from 2012 out to 2017.[95] RTAC has alleged that Chinese rebar capacity more than doubled between 2006 and 2012, and China had *** short tons of unused capacity in 2012, which is over *** times the size of the entire U.S. market in that year.[96] Unlike any other subject country industry, the Chinese industry has substantially increased both its capacity and production of rebar since the original investigations. The Chinese industry has *** its production from 29.5 million short tons in 2000 to *** million short tons in 2006, and then *** it again to reach *** million tons in 2012.[97] Accordingly, total Chinese production in 2012 was equivalent to over *** times apparent U.S. consumption and over *** times U.S. production for the same year.[98] While the record lacks information concerning anticipated capacity expansions, *** reports that Chinese production is projected to increase over the next several years, from *** short tons in 2013 to *** short tons in 2016.[99] In addition, while Chinese consumption is anticipated to increase, *** projects that China will remain a significant net exporter, becoming increasingly more export-oriented, in the reasonably foreseeable future.[100] [101]

As I noted in my analysis of whether to cumulate China with the other subject countries, the Chinese industry primarily serves its home market. Exports from China accounted for only *** percent of its production in 2012.[102] Even if China is not particularly export-oriented, however, its industry is so huge that, to the extent it does export, it has the potential to do so in large volumes. Indeed, as recently

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[90] See Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, 882 (Final), USITC Pub. 3425 (May 2001) at 13.

[91] See USITC Pub. 3425; Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001). Imports of rebar from China increased from zero short tons in 1998 to 17,547 short tons in 1999 to 163,124 short tons in 2000. USITC Pub. 3933 at Table I-1.

[92] USITC Pub. 3933 at Table I-1. Imports from China during the period examined in these reviews were 2,385 short tons in 2007, 39 tons in 2008, 43 tons in 2009, 31 tons in 2010, 118 tons in 2011, and 0 tons in 2012. CR/PR at Table I-1.

[93] CR at IV-16, PR at IV-11.

[94] CR/PR at Table IV-41.

[95] CR/PR at Table IV-9.

[96] CR at II-8, PR at II-6; RTAC prehearing brief at 24.

[97] CR/PR at Table IV-7.

[98] In 2012, apparent U.S. consumption was 6,987,682 short tons and U.S. production was 6,564,137 short tons. CR/PR at Tables IV-7 and C-1.

[99] CR/PR at Table IV-9.

[100] *Id.*

[101] There are no data on inventories or on the scope for product shifting for Chinese producers, nor is there evidence that Chinese producers are currently subject to antidumping duty orders in third-country markets.

[102] CR/PR at Table IV-7.

as 2007, China exported as much as 6.2 million tons of rebar.[103] Moreover, total worldwide net exports from China are expected to climb over the next four years, in contrast to the period of review, when they declined.[104]

Further, in the original investigations the Chinese industry, which was at the time much smaller, demonstrated the ability to increase rapidly its exports to the U.S. market.[105] Because of the complete lack of data on this record concerning imports from China, we must assume that the Chinese industry will react to the lifting of the order in the same way it acted during the original investigation. If the industry does react in the same manner, given its massive size it is reasonable to assume that volumes of imports would be very large. There is also some evidence that the Chinese industry will be getting even larger in the reasonably foreseeable future.[106]

Thus, given China's projected expansion of exports, its potentially large export volume, its substantial increase in subject exports to the United States in the original investigations, along with its enormous capacity, subject imports from China likely would increase significantly following revocation of the antidumping duty order. Consequently, I conclude that the likely increase in subject imports from China would be significant either in absolute terms or relative to production or consumption in the United States if the order were revoked.

B. Likely Price Effects of Subject Imports

In the original investigations, rebar from China undersold the domestic like product in all comparisons.[107] Moreover, the Commission found that subject imports from China undersold the domestic like product at a greater rate than other subject imports.[108] In these reviews, even though there were small volumes of imports from China, there were no price comparisons between U.S. domestic shipments and imports from China.

As noted above, I continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.[109] While U.S. prices have recovered from the impact of the severe economic recession in 2008-09, and the outlook for demand for rebar in the U.S. market is positive (which would result in strengthening prices), because prices in the Chinese home market and other Asian markets in 2012-13 in comparison to those in the United States showed a fairly significant gap (approximately *** per short ton), I find it likely that the increased volumes from China in the event of revocation would be likely to be sold at prices that significantly undersell the domestic like product.[110] Given China's export volume, its substantial capacity, and the

[103] CR/PR at Table IV-10.

[104] Chinese net exports are expected to increase from *** short tons in 2013 to *** short tons in 2017. CR/PR at Table IV-9. Net exports from China declined overall from *** short tons in 2009 to *** short tons in 2012. CR/PR at Table IV-8.

[105] During the period examined in the original investigations, imports from China increased sharply from zero in 1998 to 17,547 short tons in 1999, to 163,124 short tons in 2000. CR/PR at Table I-1.

[106] Domestic parties alleged that Chinese rebar producers are adding capacity in large amounts; for example, they alleged that in 2011, Shougang Changzhi Iron & Steel Co. commissioned a new rebar production line with a one million metric ton capacity. CR at IV-18, PR at IV-12.

[107] With regard to imports from China, there were 20 instances of underselling and no instances of overselling, with average margins of underselling ranging from 20.5 to 32.2 percent. CR at V-14, PR at V-12.

[108] USITC Pub. 3440 at 7-9; 10-14.

[109] CR/PR at Tables II-6 & II-8.

[110] MEPS data show that in 2012 and the first three months of 2013, ex-mill rebar prices in the U.S. market ranged between $*** and $*** per ton, whereas rebar prices in the Chinese market ranged between $*** and $*** per ton. CR/PR at Table IV-47. In addition, *** data show that during the same time period, spot prices in the U.S. market ranged between $*** and $*** per ton, whereas spot prices in the "Far East" market ranged between $*** and $*** per ton, and spot prices in the Chinese market ranged between $*** and $*** per ton. CR/PR at Table IV-48.

attractiveness of the U.S. market compared to China's traditional markets, I find that subject producers from China would have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as my finding that the volume of subject imports from China is likely to be significant, I find that there is likely to be significant underselling by these subject imports as compared to the domestic like product and that imports from China are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. Hence, I conclude that subject imports from China are likely to have significant price effects if the order were revoked.

C. Likely Impact of Subject Imports

As instructed by the statute, I 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 were revoked.

For the reasons already discussed above, I do not find the domestic industry to be vulnerable. Nonetheless, I find that subject imports from China would be likely to have a significant adverse impact on the industry if the antidumping order on rebar from China were revoked. For reasons outlined above, I determine that, in the event of revocation, the volume of imports from China would be significant. Given the commodity-like nature of rebar, it is likely that such significant volumes would compete in the U.S. market largely on the basis of price. Consequently, given the likely significant volumes from China, and despite continued positive demand prospects in the U.S. market, one would expect to see price declines in that market in the reasonably foreseeable future. Given that during the latter part of the period of review the improvement in the domestic industry's financial condition was at least partially attributable to improving price levels (both in terms of increases in the unit value of shipments and rising product prices), it is reasonable to conclude similarly that consistent declines in price levels would eventually lead to a deterioration in the financial condition of the industry. Hence, I conclude that, in the event the order on rebar from China were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, and return on investment.

D. Conclusion

Accordingly, I find that revocation of the antidumping duty order on subject imports from China would be likely to lead to the continuation or recurrence of material injury to the U.S. rebar industry within a reasonably foreseeable time.

PART I: INTRODUCTION

BACKGROUND

On July 2, 2012, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty orders on steel concrete reinforcing bar ("rebar") from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On October 5, 2012, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

[1] 19 U.S.C. 1675(c).

[2] *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, 77 FR 39254, July 2, 2012. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review*, 77 FR 39218, July 2, 2012.

[4] *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Notice of Commission Determinations to Conduct Full Five-Year Reviews*, 77 FR 64127, October 18, 2012. On October 5, 2012, the Commission found that the domestic interested party group response to its notice of institution (77 FR 39254, July 2, 2012) was adequate and that the respondent interested party group responses with respect to Latvia and Moldova were adequate, and decided to conduct full reviews of the antidumping duty orders on rebar from Latvia and Moldova. The Commission found that the respondent interested party group response with respect to Belarus, China, Indonesia, Poland, and Ukraine was inadequate. However, the Commission determined to conduct full reviews concerning the orders on rebar from Belarus, China, Indonesia, Poland, and Ukraine to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders on subject imports from Latvia and Moldova.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy, as well as Commissioners' votes on whether to conduct expedited or full reviews, are available at the Commission's website (www.usitc.gov). For further details, see Appendix A. Appendix B presents the witnesses appearing at the Commission's hearing.

Effective date	Action
September 7, 2001	Commerce's antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, Korea and Ukraine after the original investigations (66 FR 46777)
August 9, 2007	Commerce's continuation of antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine after first five-year reviews (72 FR 44830); Commerce's revocation of the antidumping duty order on rebar from Korea (72 FR 44830)
July 2, 2012	Commission's institution of five-year reviews (77 FR 39254)
	Commerce's initiation of five-year reviews (77 FR 39218)
October 5, 2012	Commission's determinations to conduct full five-year reviews (77 FR 64127, October 18, 2012)
November 23, 2012	Commerce's final results of expedited five-year reviews of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine (77 FR 70140)
November 27, 2012	Commission's scheduling of the reviews (77 FR 71631, December 3, 2012)
April 25, 2013	Commission's hearing
June 13, 2013	Commission's vote
July 2, 2013	Commission's determinations

The Original Investigations

On June 28, 2000, the Rebar Trade Action Coalition (RTAC), Washington, DC, filed petitions with Commerce and the Commission alleging that a regional industry in the United States was materially injured and threatened with material injury by reason of dumped imports of rebar from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela.[6] In its preliminary determinations transmitted to Commerce on August 14, 2000, the Commission terminated its investigations with respect to Austria, Japan, Russia, and Venezuela.[7]

In May and July 2001, the Commission issued affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.[8] The Commission was evenly divided regarding the issue of a regional industry.[9]

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

[7] *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela, Inv. Nos. 731-TA-872-883 (Preliminary),* USITC Publication 3343, August 2000. In its preliminary investigations, the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Austria, Japan, Russia, and Venezuela were not sufficiently concentrated in the region and concluded that there was no reasonable indication that a regional industry in the United States was materially injured or threatened with material injury. Ibid., p. 3.

[8] *Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, May 2001 and *Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final),* USITC Publication 3440, July 2001.

[9] In the original investigations, three Commissioners (Commissioners Koplan, Okun, and Bragg) based their determinations on a regional industry analysis of a 30-state region consisting of Wisconsin, Illinois, Missouri, Arkansas, and Louisiana, all states east of these states, as well as Puerto Rico, the District of Columbia, and Texas, whereas three (Commissioners Miller, Hillman, and Devaney) based their determinations on a national industry analysis. Commissioners Koplan, Okun, and Bragg concluded that the case involved an isolated market because regional producers sold all or almost all of their rebar production within that region and a very low portion of regional consumption was served by domestic producers located outside the region. Additionally, they found that subject imports from each of the eight subject countries were sufficiently concentrated in the region based on a comparison of subject imports' market share in the region to subject imports' market share outside of the region as well as a consideration of the proportion of total subject imports that entered the region during the original investigation period. *Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873 to 874 & 877 to 879 (Final),* USITC Publication 3440, July 2001, pp. 3-4 and *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, May 2001, pp. 7-11. Commissioners Miller, Hillman, and Devaney did not conduct their material injury analysis on a regional industry basis because they did not find the 30-state proposed region to be an "isolated" market for several reasons: (1) the proposed region encompassed over half of the United States and accounted for nearly 70 percent of apparent consumption; (2) U.S. producers' average unit values for domestic rebar sales were similar inside and outside the region; and (3) rebar's low value-to-weight characteristic did not restrict the geographic market where rebar was distributed since 13.0 percent of U.S. shipments were transported over 500 miles. USITC Publication 3440, p. 10 and USITC Publication 3425, p. 23.

The First Reviews[10]

In July 2007, following affirmative determinations by Commerce,[11] the Commission completed full five-year reviews of the subject orders.[12] The Commission determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, while revocation of the antidumping duty order on rebar from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[13] Commerce consequently revoked the antidumping order on rebar from Korea[14] and continued the antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, effective August 9, 2007.[15]

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[10] In the first reviews, the Commission found that appropriate circumstances did not exist to conduct a regional industry analysis, so it based its determinations on a national industry analysis. In deciding that it was not appropriate to conduct a regional industry analysis in the first reviews, the five-Commissioner majority explained that neither rebar's value-to-weight ratio nor transportation costs necessarily limited marketing of the product to an isolated and insular area. Moreover, a substantial portion of domestic and imported rebar sales was shipped long distances. Although regional producers shipped the vast majority of their production within the region and regional demand was not supplied to any significant degree by domestic producers outside the region, the Commission found that this was less a result of the existence of an isolated or insulated market than a function of the large geographic area encompassed by the proposed region. They concluded that if the orders were revoked, imports were likely to increase to areas outside as well as inside the proposed region, such that imports were not likely to be concentrated in the region. *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873 to 875, 877 to 880 & 882 (Review),* USITC Publication 3933, July 2007, pp. 10-11. Commissioner Okun also conducted a national industry analysis in the first reviews, but for different reasons. She found that the facts supporting her finding of an isolated market in the original investigations had not changed by the time of the first reviews, but she concluded that if the orders were revoked, subject imports (particularly those from China) were no longer likely to be concentrated in the region. USITC Publication 3933, p. 10 fn. 33.

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

[12] *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review),* USITC Publication 3933, July 2007.

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

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

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

Summary Data

Table I-1 presents a summary of data from the original investigations, first five-year reviews, and current second five-year reviews. U.S. import data are based on official Commerce statistics, with the exception of data on imports from Belarus from 1998 to 2000, which are based on questionnaire responses of U.S. importers of rebar from Belarus at the time of the original investigations because petitioners and the respondent from Belarus agreed that the official statistics understated U.S. imports of rebar from Belarus.[16] In the first reviews, it was determined that "from September 2003 until late 2004, virtually all rebar from Latvia entered the United States under an HTS subheading that was not at the time considered to be subject to antidumping duties. In late 2004, Customs informed the importer that this subheading was indeed subject to antidumping duties, and the importer began paying deposits on its imports."[17] U.S. import data presented in table I-1 include these entries.

[16] Memorandum INV-Y-087, May 1, 2001, p. IV-2, fn. 4.

[17] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review),* USITC Publication 3933, July 2007, p. 19, fn. 106.

Table I-1
Rebar: Comparative data from the original investigations and the first and second reviews, 1998-2012
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1998	1999	2000		2001	2002	2003	2004	2005
U.S. consumption quantity:									
Amount	***	***	***		7,735,092	7,368,986	8,492,487	8,718,690	8,868,598
U.S. producers' share	***	***	***		77.6	83.4	88.1	77.2	83.6
U.S. importers' share:									
Belarus	***	***	***		0.0	0.0	0.0	0.0	0.0
China	***	***	***		(1)	(1)	0.0	(1)	(1)
Indonesia	***	***	***		0.0	0.0	0.0	0.0	0.0
Latvia	***	***	***		0.4	0.6	0.6	1.4	0.4
Moldova	***	***	***		0.0	0.0	0.0	0.0	0.0
Poland	***	***	***		0.3	0.0	0.0	0.1	0.0
Ukraine	***	***	***		0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources[2]	***	***	***		0.7	0.6	0.6	1.5	0.4
All other sources[2]	***	***	***		21.6	16.0	11.3	21.4	16.0
Total imports	***	***	***		22.4	16.6	11.9	22.8	16.4
U.S. consumption value:									
Amount	***	***	***		2,000,487	1,873,951	2,394,862	3,920,696	4,128,649
U.S. producers' share	***	***	***		80.6	85.3	88.2	76.4	85.0
U.S. importers' share:									
Belarus	***	***	***		0.0	0.0	0.0	0.0	0.0
China	***	***	***		(1)	(1)	0.0	(1)	(1)
Indonesia	***	***	***		0.0	0.0	0.0	0.0	0.0
Latvia	***	***	***		0.3	0.6	0.6	1.1	0.4
Moldova	***	***	***		0.0	0.0	0.0	0.0	0.0
Poland	***	***	***		0.3	0.0	0.0	0.1	0.0
Ukraine	***	***	***		0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources[2]	***	***	***		0.6	0.6	0.6	1.2	0.4
All other sources[2]	***	***	***		18.7	14.0	11.2	22.5	14.6
Total imports	***	***	***		19.4	14.7	11.8	23.6	15.0
U.S. imports from:									
Belarus:									
Quantity	***	***	***		0	2,820	0	0	0
Value	***	***	***		0	577	0	0	0
Unit value	$***	$***	$***		(3)	$205	(3)	(3)	(3)

Table continued on next page.

Table I-1--*Continued*

Item	2006		2007	2008	2009	2010	2011	2012
U.S. consumption quantity:								
Amount	9,875,423		9,604,076	8,268,422	5,538,851	5,939,054	6,117,449	6,987,682
U.S. producers' share	75.1		80.9	88.4	92.5	91.7	89.7	87.2
U.S. importers' share								
Belarus	0.0		0.0	0.0	0.0	0.0	0.0	0.0
China	0.0		([1])	([1])	([1])	([1])	([1])	0.0
Indonesia	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources[2]	0.0		([1])	([1])	([1])	([1])	([1])	0.0
All other sources[2]	24.9		19.0	11.6	7.5	8.3	10.3	12.8
Total imports	24.9		19.1	11.6	7.5	8.3	10.3	12.8
U.S. consumption value:								
Amount	4,957,637		5,499,655	6,220,264	2,711,534	3,195,489	3,975,506	4,492,485
U.S. producers' share	78.1		82.2	88.3	91.4	92.2	90.1	87.7
U.S. importers' share:								
Belarus	0.0		0.0	0.0	0.0	0.0	0.0	0.0
China	0.0		([1])	([1])	([1])	([1])	([1])	0.0
Indonesia	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources[2]	0.0		([1])	([1])	([1])	([1])	([1])	0.0
All other sources[2]	21.9		17.8	11.7	8.6	7.8	9.9	12.3
Total imports	21.9		17.8	11.7	8.6	7.8	9.9	12.3
U.S. imports from:								
Belarus:								
Quantity	0		0	0	0	0	0	0
Value	0		0	0	0	0	0	0
Unit value	([3])		([3])	([3])	([3])	([3])	([3])	([3])

Table I-1--*Continued*
Rebar: Comparative data from the original investigations and the first and second reviews, 1998-2012
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1998	1999	2000		2001	2002	2003	2004	2005
China:									
Quantity	0	17,547	163,124		47	21	0	169	60
Value	0	3,360	36,268		23	13	0	173	18
Unit value	(3)	$191	$222		$492	$635	(3)	$1,027	$299
Indonesia:									
Quantity	44,504	69,261	0		0	0	0	0	0
Value	9,708	17,411	0		0	0	0	0	0
Unit value	$218	$251	(3)		(3)	(3)	(3)	(3)	(3)
Latvia:									
Quantity	97,002	303,997	207,705		33,662	45,904	50,522	121,881	36,646
Value	34,013	60,153	41,965		6,761	10,720	14,316	42,001	15,059
Unit value	$351	$198	$202		$201	$234	$283	$345	$411
Moldova:									
Quantity	187,271	183,803	181,492		0	0	0	0	0
Value	5,847	40,228	38,473		0	0	0	0	0
Unit value	$312	$219	$212		(3)	(3)	(3)	(3)	(3)
Poland:									
Quantity	53,231	10,681	69,292		26,884	0	0	7,303	0
Value	15,034	2,049	13,959		5,943	0	0	2,789	0
Unit value	$282	$192	$201		$221	(3)	(3)	$382	(3)
Ukraine:									
Quantity	3,074	95,904	168,054		0	0	0	0	0
Value	826	18,412	33,783		0	0	0	0	0
Unit value	$269	$192	$201		(3)	(3)	(3)	(3)	(3)
Subtotal, subject sources:									
Quantity	***	***	***		60,593	48,745	50,522	129,353	36,706
Value	***	***	***		12,727	11,310	14,316	44,963	15,077
Unit value	$***	$***	$***		$210	$232	$283	$348	$411
All other sources:									
Quantity	761,904	1,050,924	711,476		1,670,220	1,177,809	962,562	1,861,470	1,415,652
Value	197,319	101,895	161,332		375,204	263,224	269,131	881,861	602,889
Unit value	$259	$97	$227		$225	$223	$280	$474	$426
Total:									
Quantity	***	***	***		1,730,812	1,226,554	1,013,084	1,990,822	1,452,358
Value	***	***	***		387,932	274,535	283,447	926,824	617,966
Unit value	$***	$***	$***		$224	$224	$280	$466	$425

Table continued on next page.

Table I-1--*Continued*

Item	2006		2007	2008	2009	2010	2011	2012
China:								
Quantity	3		2,385	39	43	31	118	0
Value	4		1,222	38	32	24	116	0
Unit value	$1,303		$513	$983	$745	$787	$986	(3)
Indonesia:								
Quantity	0		0	0	0	0	0	0
Value	0		0	0	0	0	0	0
Unit value	(3)		(3)	(3)	(3)	(3)	(3)	(3)
Latvia:								
Quantity	0		0	0	0	0	0	0
Value	0		0	0	0	0	0	0
Unit value	(3)		(3)	(3)	(3)	(3)	(3)	(3)
Moldova:								
Quantity	0		0	0	0	0	0	0
Value	0		0	0	0	0	0	0
Unit value	(3)		(3)	(3)	(3)	(3)	(3)	(3)
Poland:								
Quantity	129		0	0	0	0	0	0
Value	50		0	0	0	0	0	0
Unit value	$387		(3)	(3)	(3)	(3)	(3)	(3)
Ukraine:								
Quantity	0		0	0	0	0	0	0
Value	0		0	0	0	0	0	0
Unit value	(3)		(3)	(3)	(3)	(3)	(3)	(3)
Subtotal, subject sources:								
Quantity	133		2,385	39	43	31	118	0
Value	54		1,222	38	32	24	116	0
Unit value	$411		$513	$983	$745	$787	$986	(3)
All other sources:								
Quantity	2,454,275		1,829,160	962,258	413,677	495,402	630,995	897,462
Value	1,084,640		979,561	730,041	232,220	249,417	393,178	551,056
Unit value	$442		$536	$759	$561	$503	$623	$614
Total:								
Quantity	2,454,407		1,831,546	962,297	413,720	495,432	631,113	897,462
Value	1,084,694		980,784	730,079	232,252	249,441	393,295	551,056
Unit value	$442		$535	$759	$561	$503	$623	$614

Table I-1--*Continued*
Rebar: Comparative data from the original investigations and the first and second reviews, 1998-2012
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1998	1999	2000	2001	2002	2003	2004	2005
U.S. producers:								
Capacity quantity	7,894,486	8,311,304	8,392,708	7,886,652	7,993,078	8,424,774	8,154,261	8,367,112
Production quantity	6,069,910	6,226,289	6,444,053	6,146,866	6,354,037	7,501,223	7,076,073	7,541,574
Capacity Utilization	76.9	74.9	76.8	77.9	79.5	89.0	86.8	90.1
U.S. shipments:								
Quantity	5,753,110	6,182,533	6,308,658	6,004,280	6,142,432	7,479,403	6,727,868	7,416,240
Value	1,760,831	1,701,922	1,705,969	1,612,555	1,599,417	2,111,414	2,993,872	3,510,682
Unit value	$306	$275	$270	$269	$260	$282	$445	$473
Export shipments:								
Quantity	125,986	112,508	135,690	***	***	***	***	***
Value	39,036	29,367	35,720	***	***	***	***	***
Unit value	$310	$261	$263	$***	$***	$***	$***	$***
Ending inventory quantity	700,006	630,355	631,653	601,153	617,597	441,762	619,492	533,925
Inventory/total shipments	11.9	10.0	9.8	***	***	***	***	***
Production workers	4,134	4,247	4,216	3,967	3,827	3,897	3,719	3,909
Hours worked (*1,000*)	8,949	9,015	8,773	8,438	8,093	8,938	8,149	8,390
Wages paid (*1,000 dollars*)	187,156	198,411	202,146	211,855	215,541	237,579	238,024	265,621
Hourly wages	$20.91	$22.01	$23.04	$25.11	$26.63	$26.58	$29.21	$31.66
Productivity (*tons per 1,000 hours*)	658	668	712	729	785	839	868	899
Net sales:								
Quantity	5,888,924	6,342,811	6,472,547	6,190,355	6,338,939	7,615,292	7,016,005	7,533,213
Value	1,802,793	1,744,029	1,750,282	1,657,996	1,654,343	2,137,694	3,029,572	3,531,181
Unit value	$306	$275	$270	$268	$261	$281	$432	$469
Cost of goods sold	1,613,285	1,536,041	1,605,071	1,455,311	1,503,097	1,946,966	2,398,760	2,717,517
Gross profit or (loss)	189,508	207,988	145,211	202,685	151,246	190,728	630,812	813,665
SG&A	([3])	([3])	([3])	92,777	84,938	125,026	164,402	192,145
Operating income or (loss) (*value*)	103,904	105,557	44,562	109,908	66,308	65,702	466,410	621,520
Unit cost of goods sold	$274	$242	$248	$235	$237	$256	$342	$361
Unit operating income or (loss)	$18	$17	$7	$18	$10	$9	$66	$83
Cost of goods sold/sales (*percent*)	89.5	88.1	91.7	87.8	90.9	91.1	79.2	77.0
Operating income or (loss)/sales (*percent*)	5.8	6.1	2.5	6.6	4.0	3.1	15.4	17.6

Table I-1--*Continued*

Item	2006		2007	2008	2009	2010	2011	2012
U.S. producers:								
Capacity quantity	8,615,640		9,814,516	9,814,413	9,671,520	9,398,878	9,242,659	9,663,799
Production quantity	7,704,871		7,932,289	7,669,513	5,356,488	5,902,047	6,068,574	6,564,137
Capacity Utilization	89.4		80.8	78.1	55.4	62.8	65.7	67.9
U.S. shipments:								
Quantity	7,421,016		7,772,530	7,306,125	5,125,131	5,443,622	5,486,336	6,090,220
Value	3,872,943		4,518,871	5,490,185	2,479,282	2,946,048	3,582,211	3,941,429
Unit value	$522		$581	$751	$484	$541	$653	$647
Export shipments:								
Quantity	***		***	***	***	***	***	***
Value	***		***	***	***	***	***	***
Unit value	$***		$***	$***	$***	$***	$***	$***
Ending inventory quantity	597,345		542,788	514,797	370,148	348,948	454,757	508,550
Inventory/total shipments	***		***	***	***	***	***	***
Production workers	4,066		5,791	4,714	4,450	3,933	3,833	3,944
Hours worked (*1,000*)	8,650		9,209	8,975	7,987	7,701	7,696	8,024
Wages paid (*1,000 dollars*)	284,103		309,598	325,596	275,113	268,671	274,140	301,350
Hourly wages	$32.85		$33.62	$36.28	$34.45	$34.89	$35.62	$37.56
Productivity (*tons per 1,000 hours*)	891		861	855	671	766	789	818
Net sales:								
Quantity	7,742,037		7,959,326	7,840,213	5,427,985	5,813,508	6,003,091	6,501,637
Value	4,006,813		4,606,489	5,799,436	2,662,761	3,142,456	3,907,728	4,214,958
Unit value	$518		$579	$740	$491	$541	$651	$648
Cost of goods sold	2,965,198		3,479,873	4,776,296	2,522,341	3,033,340	3,573,458	3,836,958
Gross profit or (loss)	1,041,615		1,126,615	1,023,140	140,420	109,118	334,270	378,000
SG&A	213,854		131,864	173,195	154,693	129,299	145,783	148,457
Operating income or (loss) (*value*)	827,761		994,752	849,946	(14,272)	(20,182)	188,487	229,544
Unit cost of goods sold	$383		$437	$609	$465	$522	$595	$590
Unit operating income or (loss)	$107		$125	$108	($3)	($3)	$31	$35
Cost of goods sold/sales (*percent*)	74.0		75.5	82.4	94.7	96.5	91.4	91.0
Operating income or (loss)/sales (*percent*)	20.7		21.6	14.7	(0.5)	(0.6)	4.8	5.4

Footnotes continued on next page.

[1] Less than 0.05 percent.
[2] For comparison purposes, U.S. imports from Korea are included in nonsubject imports throughout 1998-2012, although such imports were subject to the original investigations and first reviews. U.S. imports from Korea accounted for *** percent of apparent U.S. consumption, by quantity, in 1998; *** percent in 1999; and *** percent in 2000.
[3] Not applicable/available.

Note.--Data for Latvia for 2001-06 are for imports entered under HTS subheading 7214.20.00 plus imports entered under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. ***. All other import data presented are from official Commerce statistics for imports entered under HTS subheading 7214.20.00. To maintain comparability, data do not include imports of alloy steel rebar entered under HTS subheading 7228.30.8010. U.S. imports of alloy steel rebar from China classified under HTS 7228.30.8010 totaled 88 short tons in 2010, 338 short tons in 2011, and 1,199 short tons in 2012. U.S. imports of alloy steel rebar from all other sources totaled 12 short tons in 2010, 22 shorts tons in 2011, and 2,708 short tons in 2012.

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. Data for 1998-2000 are derived from information presented in table C-4 of the staff report from the original investigations. During the original investigations, petitioners and the respondent from Belarus agreed that the official statistics understated U.S. imports from Belarus. Accordingly, the U.S. import data from Belarus tor 1998-2000 are from the questionnaire responses of U.S. importers of rebar from Belarus. INV-Y-087, May 1, 2001, p. IV-2, fn. 4.

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

PREVIOUS AND RELATED TITLE VII INVESTIGATIONS

The Commission has conducted four other antidumping duty investigations concerning rebar. In March 1964, the U.S. Tariff Commission issued an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation No. AA1921-33).[18] In February 1970, the Commission issued an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).[19] There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Commission issued a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).[20]

More recently, in 1997 the Commission issued a final affirmative determination concerning LTFV imports of rebar from Turkey.[21] Commerce issued an antidumping duty order on April 17, 1997.[22]

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

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

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

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

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

In 2003, the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to a U.S. regional industry within a reasonably foreseeable time.[23] In December 2008, following partial revocation by Commerce of the antidumping duty order with respect to four Turkish manufacturers/exporters, the Commission issued a negative determination in its second five-year review concerning rebar from Turkey.[24] Commerce published its revocation of the antidumping duty order on rebar from Turkey on January 5, 2009, with an effective date of March 26, 2008.[25]

PREVIOUS AND RELATED GLOBAL SAFEGUARD INVESTIGATIONS

In 2001, the Commission determined that rebar was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles, and recommended an additional *ad valorem* duty decreasing from 10 percent to 4 percent over four years.[26] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to rebar consisted of an additional tariff for a period of three years and one day (15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year).[27] Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[28] On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by President Bush on imports of certain steel products. The Commission transmitted its report on the evaluation to the President and the Congress on September 19, 2005.

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

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

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

[26] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

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

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

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

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 . . ..*
>
> *(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."

Organization of the Report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for rebar as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of seven U.S. producers of rebar that are believed to have accounted for virtually all domestic production of rebar during 2007-12.[29] U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 15 U.S. importers of rebar that are believed to have accounted for 38.1 percent of the total U.S. rebar imports in 2007; 48.2 percent in 2008; 58.3 percent in 2009; 78.8 percent in 2010; 74.6 percent in 2011; and 66.7 percent in 2012. Foreign industry data and related information are based on the questionnaire responses of six foreign producers of rebar. One producer in Belarus accounting for all rebar production; one producer in Latvia accounting for all rebar production; one producer in Moldova accounting for all rebar production; two producers in Poland accounting for *** percent of total rebar production; and one producer in Ukraine accounting for *** percent of total rebar production submitted questionnaire responses. No rebar producers in China or Indonesia provided questionnaire responses. Responses by U.S. producers, importers, purchasers, and foreign producers of rebar to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation of such orders are presented in appendix D. Appendix E presents the combined data of all foreign producers that provided a questionnaire response.

[29] ***. ***.

COMMERCE'S REVIEWS

Administrative Reviews

Since the original investigations, Commerce has not conducted any administrative reviews with regard to the antidumping duty orders on rebar from Belarus, China, Indonesia, Moldova, Poland, and Ukraine. In the first reviews, Commerce completed four antidumping duty order administrative reviews of rebar from Latvia. The fourth administrative review, published on October 9, 2007, included a cash deposit rate of 5.94 percent for rebar exported by Joint Stock Company Liepajas Metalurgs ("LM").[30] Commerce initiated a fifth administrative review of the antidumping duty order on imports of rebar from Latvia for the period of September 1, 2006 to August 31, 2007,[31] then rescinded the administrative review because there were no entries of subject merchandise exported or shipped by Latvia during the period of review.[32]

Expedited Second Five-Year Reviews

On November 23, 2012, Commerce determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would likely lead to the continuation or recurrence of dumping.[33] Table I-2 presents the likely margins of dumping if the subject orders were to be revoked as calculated by Commerce.

[30] *Notice of Final Results of Antidumping Duty Administrative Review: Steel Concrete Reinforcing Bars From Latvia*, 72 FR 57298, October 9, 2007.

[31] *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 72 FR 61621, October 31, 2007.

[32] *Steel Concrete Reinforcing Bars from Latvia: Rescission of Antidumping Duty Administrative Review*, 73 FR 11869, March 5, 2008.

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

Table I-2
Rebar: Final results of Commerce's original determinations and its first and second five-year reviews of antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine

Order	Producer or exporter	Weighted-average margin (*percent*)		
		Original[1]	First five-year reviews[2]	Second five-year reviews[3]
Belarus (731-TA-873)	Belarus-wide rate	114.53	114.53	114.53
China (731-TA-874)	Laiwu Steel Group	133.00	133.00	133.00
	All others	133.00	133.00	133.00
Indonesia (731-TA-875)	PT Gunung Gahapi Sakti	71.01	71.01	71.01
	PT Bhirma Steel	71.01	71.01	71.01
	Krakatau Wajatama	71.01	71.01	71.01
	PT Jakarta Steel Perdana Industri	71.01	71.01	71.01
	PT Hanil Jaya Metal Works	71.01	71.01	71.01
	PT Pulogadung Steel	71.01	71.01	71.01
	PT Jakarta Cakra Tunggal	71.01	71.01	71.01
	PT The Master Steel Manufacturing Co.	71.01	71.01	71.01
	All others	60.46	60.46	60.46
Latvia (731-TA-878)	Joint Stock Company Liepajas Metalurgs	17.21	17.21	16.99
	All others	17.21	17.21	16.99
Moldova (731-TA-879)	Moldova-wide rate	232.86	232.86	232.86
Poland (731-TA-880)	Stalexport	52.07	52.07	52.07
	All others	47.13	47.13	47.13
Ukraine (731-TA-882)	Ukraine-wide rate	41.69	41.69	41.69

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

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

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

Source: Cited Federal Register notices.

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce defined the imported product subject to the antidumping orders under review in its final results of expedited reviews as follows:

> The product covered by the orders is all steel concrete reinforcing bars sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (''HTSUS'') under item numbers 7214.20.00, 7228.30.8050, 7222.11.0050, 7222.30.0000, 7228.60.6000, 7228.20.1000, or any other tariff item number. Specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating.[34]

Unless specified otherwise, throughout this report the subject imported product as defined by Commerce and its domestically produced counterpart is referred to simply as "rebar."

Tariff Treatment

HTS subheading 7214.20.00 covers straight concrete reinforcing bars and rods, of iron or nonalloy steel, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling. The 2013 general rate of duty for this subheading is free. There are several subheadings, delineated by steel composition, under HTS headings 7222 (products of stainless steel) and 7228 (products of alloy steel) for bars and rods, not further worked than hot-rolled, hot-drawn, or extruded under which concrete reinforcing bars may also be classified. However, with the exception of HTS statistical reporting number 7228.30.8010, noted below, concrete reinforcing bars are not specifically mentioned under any of these subheadings, and any such imports under those subheadings are believed to be minimal.

[34] HTS subheadings will be addressed in the next section of the report entitled "U.S. Tariff Treatment." Commerce stated that although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders remains dispositive.

Beginning with the final results of the expedited and full first five-year sunset reviews of the antidumping duty orders, Commerce explicitly included in the scope definition HTS statistical reporting numbers 7222.11.0050,[35] 7222.30.0000,[36] 7228.20.1000, 7228.30.8050, and 7228.60.6000. This change followed entries of rebar from Latvia under HTS statistical reporting number 7228.30.8050 following the imposition of the antidumping duty order. In 2010, HTS statistical reporting number 7228.30.8050 was discontinued and replaced with HTS statistical reporting numbers 7228.30.8010 and 7228.30.8060.[37] HTS statistical reporting number 7228.30.8010 covers concrete reinforcing bars and rods, of alloy steel, not further worked than hot-rolled, hot-drawn, or extruded. U.S. imports of reinforcing bar classified under HTS 7228.30.8010 are believed to be minimal.[38] The 2013 general rate of duty for all HTS statistical reporting numbers included by Commerce is free.

[35] HTS statistical reporting number 7222.11.0050 (other stainless steel bars or rods, not further worked than hot-rolled, hot-drawn or extruded) was discontinued in 2009 and replaced with HTS statistical reporting numbers 7222.11.0055 (other stainless steel bars or rods, of circular cross-section, with a maximum cross-sectional dimension of less than 152.4 mm) and 7222.11.0080 (other stainless steel bars or rods, or circular cross-section, with a maximum cross-sectional dimension of 152.4 mm or more). HTS statistical reporting number 7222.11.0055 was discontinued in 2011 and replaced with HTS statistical reporting numbers 7222.11.0001 (other stainless steel bars and rods, not further worked than hot-rolled, hot-drawn, or extruded, of circular cross-section, electroslag or vacuum arc remelted) and 7222.11.0056 (other stainless steel bars and rods, not further worked than hot-rolled, hot-drawn, or extruded, of circular cross-section, with a maximum cross-sectional dimension of less than 152.4 mm) (discontinued as of January 1, 2013). HTS statistical reporting number 7222.11.0080 was discontinued in 2011 and replaced with 7222.11.0001 and 7222.11.0081 (other stainless steel bars and rods, not further worked than hot-rolled, hot-drawn, or extruded, of circular cross-section, with a maximum cross-sectional dimension of 152.4 mm or more).

[36] HTS statistical reporting number 7222.30.0000 (other stainless steel bars and rods) was discontinued in 2009 and replaced with HTS statistical reporting numbers 7222.30.0010 (other stainless steel bars and rods with a maximum cross-sectional dimension of less than 152.4 mm) and 7222.30.0080 (other stainless steel bars and rods with a maximum cross-sectional dimension of 152.4 mm or more). HTS statistical reporting number 7222.30.0010 was discontinued in 2011 and replaced with HTS statistical reporting numbers 7222.30.0001 (other stainless steel bars and rods, electroslag or vacuum arc remelted) and 7222.30.0011 (other stainless steel bars and rods, with a maximum cross-sectional dimension of less than 152.4 mm) (discontinued as of January 1, 2013). HTS statistical reporting number 7222.30.0080 was discontinued in 2011 and replaced with HTS statistical reporting numbers 7222.30.0001 and 7222.30.0081 (other stainless steel bars and rods, with a maximum cross-sectional dimension of 152.4 mm or more) (discontinued as of January 1, 2013).

[37] HTS statistical reporting number 7228.30.8050 (other alloy steel bars and rods, not further worked than hot-rolled, hot-drawn, or extruded) was discontinued in 2010 and replaced with HTS statistical reporting numbers 7228.30.8010 (alloy steel concrete reinforcing bars and rods) and 7228.30.8060 (other alloy steel bars and rods). HTS statistical reporting number 7228.30.8060 was discontinued in 2011 and replaced with HTS statistical reporting numbers 7228.30.8015 (other alloy steel bars and rods, with a diameter of less than 76 mm), 7228.30.8040 (other alloy steel bars and rods, with a diameter of 76 mm or more but no exceeding 228 mm), and 7228.30.8070 (other alloy steel bars and rods, with a diameter exceeding 228 mm). Import sources for these "other" HTS statistical reporting numbers are much more varied; small quantities entered from China, Mexico, Poland, and Ukraine. Some imports also entered from Turkey, but less than 15,000 short tons.

[38] U.S. imports of alloy steel concrete reinforcing bars and rods classified under the new (2010) HTS 7228.30.8010 totaled 3,908 short tons in 2012, or less than 0.5 percent of total U.S. imports of concrete reinforcing bar classified under HTS 7214.20.00. U.S. imports of alloy steel rebar from China classified under HTS 7228.30.8010 totaled 88 short tons in 2010, 338 short tons in 2011, and 1,199 short tons in 2012. U.S. imports of alloy steel rebar from all other sources totaled 12 short tons in 2010, 22 shorts tons in 2011, and 2,708 short tons in 2012.

THE DOMESTIC LIKE PRODUCT[39]

Description and Applications

The construction industry uses rebar extensively to reinforce concrete structures. Embedding rebar in concrete enhances the concrete's compressional and tensional strength and controls cracking as concrete shrinks during curing or due to temperature fluctuations. Because the surface protrusions (deformations) on a deformed bar inhibit longitudinal movement relative to the surrounding concrete, rebar resists tension, compression, temperature variation, and shear stresses in reinforced concrete. 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 sold in the U.S. market is generally manufactured to conform to the test standards of the American Society for Testing and Materials ("ASTM") International standards,[40] 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.[41] There are several ASTM specifications for rebar, based on steel composition. Generally, deformed rebars of these various ASTM specifications are interchangeable except for use in seismic areas.[42]

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

Rebar is available in sizes #3 through #18, as specified by ASTM standards. These size indicators are about eight times the respective nominal diameters in inches (e.g., 3/8-inch bar is

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[39] The information in this section of the report is derived from *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008; and *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007.

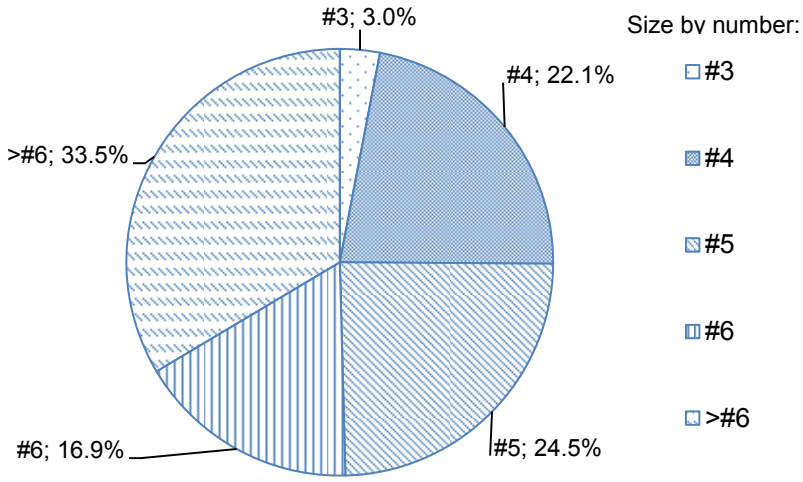
[40] ASTM International is not a product testing or certification organization. Rather, manufacturers can choose voluntarily to indicate on the label or packaging that their products have been tested according to ASTM standards.

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

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

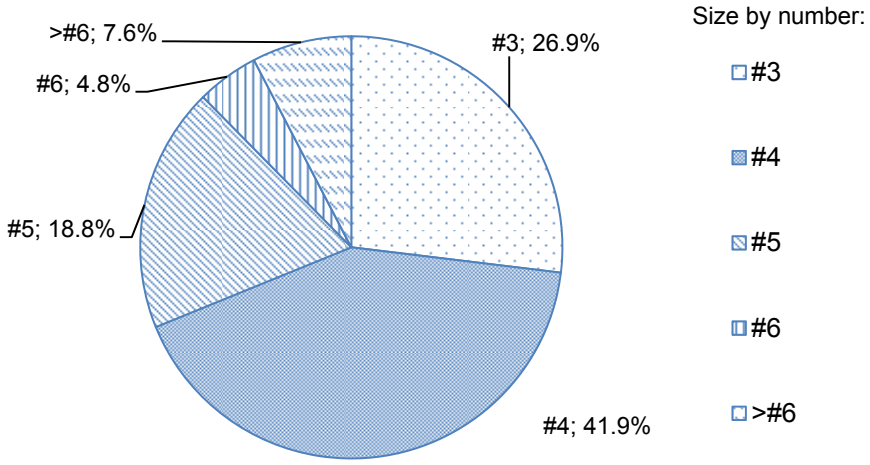
designated as size #3 and 1-inch rebar is designated as size #8),[43] although the relationship diverges somewhat for rebar larger than size #9.[44] Figures I-1 and I-2 present data on U.S. producers' production and U.S. importers' imports of rebar in 2012 by size. U.S. production of rebar was concentrated in sizes #4 through #6, whereas U.S. imports of rebar (from nonsubject countries) were most concentrated in sizes #3 through #5.

Figure I-1
Rebar: U.S. producers' production, by size, in 2012



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

Figure I-2
Rebar: U.S. importers' imports, by size, in 2012



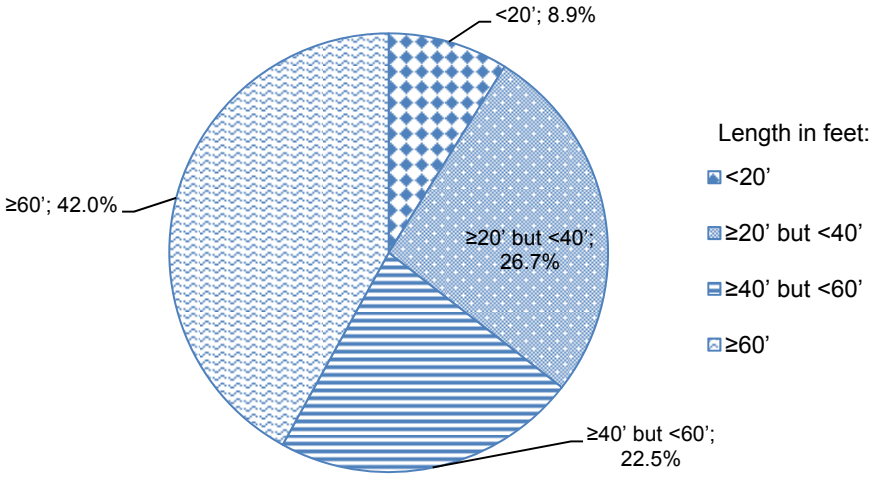
Source: Compiled from data submitted in response to Commission questionnaires.

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

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

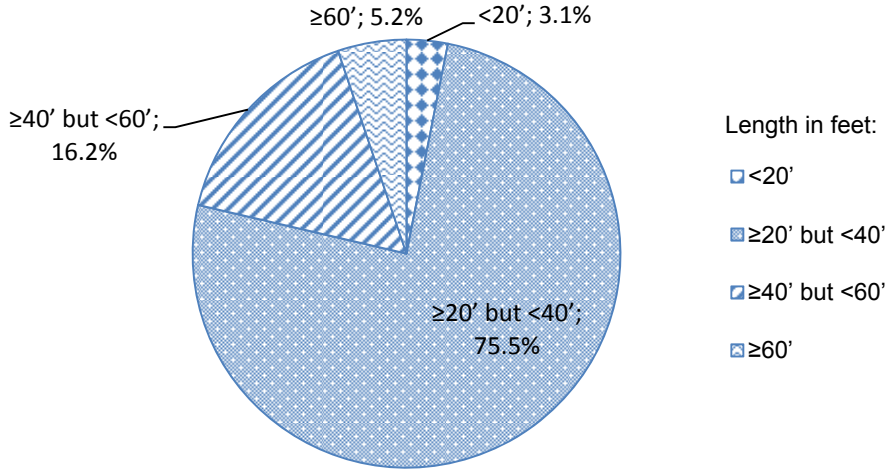
Rebar is available from mills in various lengths, from less than 20 feet to more than 60 feet. According to representatives of two domestic rebar producers, there may be slight differences in prices between 20-, 40-, and 60-foot lengths, but typically prices are the same regardless of length. Nevertheless, prices have been lower in the past for 20-foot lengths to be more competitive with imports.[45] Figures I-3 and I-4 present data on U.S. producers' production and U.S. importers' imports of rebar in 2012 by length. Domestic rebar production is particularly prevalent in lengths of 60 feet or more, whereas U.S. imports of rebar are most concentrated in lengths of 20 to 40 feet. Rebar prices in the Unites States are examined in more detail in Part V.

Figure I-3
Rebar: U.S. producers' production, by length, 2012



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

Figure I-4
Rebar: U.S. importers' imports, by length, 2012



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

[45] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007, p. I-21.

Certain rebar sizes and lengths tend to predominate among end uses. A considerable portion of smaller sizes (i.e., #3-#5) are applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) use all sizes and lengths. The larger sizes (#6 and above) and longer lengths (60 feet or more) are used almost exclusively in heavy construction applications.[46] Overall, according to the Concrete Reinforcing Steel Institute, 73-81 percent of rebar used in the United States is used in nonresidential construction, whereas 19-27 percent of rebar is used in residential construction.[47]

Manufacturing Processes

Rebar mills typically specialize in producing rebar either from (1) billet steel, (2) rail steel, or (3) axle steel, because each involves different starting materials and imposes somewhat different rolling requirements. The most common manufacturing process to produce 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 produced 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, liquid steel is poured from the furnace into a refractory-lined ladle, where any necessary alloys are added to effect the required chemical and physical properties. Molten steel must be cast into billets of the size and shape suitable for the rolling process. In the more common continuous (strand-) casting process, molten steel is poured from the ladle into a tundish (reservoir dam), which controls the rate of flow into the molds of the caster. A solid "skin" forms around the molten steel at the top openings of the mold, and as the columns of partially solidified steel descend through the caster, water sprays rapidly cool the cast steel (which helps minimize compositional segregation) to the point that the strands are completely solidified when emerging from the bottom of the caster. Lengths of continuous-cast billets are flame cut at intervals, and then may be either sent directly for further processing or be cooled on a cooling bed and subsequently stored for later use.

Prior to rolling, newly cast billets, scrapped rails or scrapped railroad axles are heated to rolling temperature in a reheat furnace. The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. 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.[48] After the rolling process, rebar is cut to length before being sent to a cooling bed to be air-cooled.

Rebar can be water-quenched and tempered, rather than air-cooled. Quenched-and-tempered rebar can meet the same physical property requirements of the ASTM A615/A615M specification without the addition of certain alloys to the steel billets that are rolled into rebar, and thus is slightly less expensive to produce. In this process (the Thermex process),[49] hot-rolled rebar passes through a water-quenching stand (a series of water coolers), which rapidly cools the outer case of the rebar. The quench-

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[46] *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008, p. I-25.

[47] Domestic interested parties' posthearing brief, exh. 1, p. 71.

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

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

and-temper treatment causes a dual metallurgical structure to form in the cross-section of the bar, which ultimately produces a rebar with a stronger outer case and a more ductile core. Thus, the Thermex process can achieve high yield strength and improved ductility in the absence of alloying elements that would provide similar physical properties in air-cooled rebar.[50] More than 100 rebar producers throughout the world employ the Thermex process.[51] Both CMC and Gerdau produce rebar using the Thermex process in the United States, while LM produces rebar using the Thermex process in Latvia.[52]

Some U.S. rebar producers produce additional products using the same equipment, machinery, and production workers that are used to produce straight-length rebar, including coiled rebar, merchant bar, special-bar quality (SBQ) bar products, and wire rod. Coiled rebar is produced by steel mills that possess laying heads (coilers). Coiled rebar is used in the same applications as straight-length rebar, but is often preferred by some customers that have their own automatic straightening and cutting machines.[53] Merchant bar products include bars with round, square, flat, angled, and channeled cross sections, and are used by fabricators and manufacturers to produce a variety of products, including steel floor and roof joists, safety walkways, ornamental furniture, stair railings, and farm equipment.[54] SBQ bar products are made from higher-quality carbon and alloy steels that have greater mechanical properties, metallurgical consistency, and dimensional accuracy than do merchant bar products, and are principally used to produce automotive components. Wire rod (delivered in coil form) is used by manufacturers to provide a variety of products, such as chain-link fencing, nails, and wire.[55]

[50] In terms of steel composition, the primary differences between Thermex rebar and non-Thermex rebar are a reduction in carbon, manganese, chromium, and vanadium. These alloying elements generally increase strength and hardness, while reducing ductility and weldability. According to domestic interested parties, the inclusion of alloying elements to produce air-cooled, or conventional, rebar is approximately *** per short ton for the vast majority of rebar sold in the United States. Domestic interested parties' posthearing brief, p. 3.

[51] Hennigsdorfer Stahl Engineering (HSE) website, "Thermex," n.d. (accessed May 8, 2013).

[52] Hearing transcript, pp. 36 (Alvarado) and 45 (Kerkvliet).

[53] Cascade Steel, "Coiled Rebar," (available at http://www.cascadesteel.com/products_coiled_rebar.aspx, retrieved March 5, 2013).

[54] Schnitzer Steel, "Products," (available at http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved March 5, 2013).

[55] Schnitzer Steel, "Products," (available at http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved March 5, 2013).

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product were raised in the original investigations, first reviews, or these second reviews.[56] In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry definitions.[57] In response, the RTAC and its members indicated that they agree with the domestic like product definition used by the Commission in the original investigations and first five-year reviews. [58] The Moldovan interested party did not indicate its position regarding the definition of the domestic like product. No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires for these reviews, and no party advocated a different domestic like product in their briefs.

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigations, the Commission issued producer questionnaires to 15 firms known to produce rebar. Fourteen firms, encompassing 29 mills in which rebar is produced, supplied the Commission with complete information on their rebar operations in the United States and accounted for the vast majority of U.S. production of rebar during 1998 to 2000. During the first reviews, the Commission issued producer questionnaires to nine firms known to be capable of producing rebar. Eight firms, [59] encompassing 25 mills in which rebar are produced, supplied the Commission with complete information on their rebar operations in the United States. These firms accounted for the vast majority of U.S. production of rebar during the period for which data were collected in the first reviews.

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[56] *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, USITC Publication 3425, May 2001, pp. 4-5. *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*, USITC Publication 3933, July 2007, p. 5.

[57] *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine,* 77 FR 39254, July 2, 2012.

[58] Domestic interested parties' submission of July 31, 2012, p. 1-2.

[59] The responding eight firms were: Border Steel, Inc. ("Border Steel"), Cascade Steel Inc. ("Cascade"), Chaparral Steel Co. ("Chaparral"), Commercial Metals Company ("CMC"), Gerdau Ameristeel Corp. ("Gerdau"), Nucor Corp. ("Nucor"), Steel Dynamics Engineered Bar Products Division ("SDI"), and TAMCO Steel ("TAMCO").

In these current proceedings, the Commission obtained data from seven producers.[60] These firms are believed to account for virtually all U.S. production of rebar in 2012. Presented in table I-3 is a list of current domestic producers of rebar, and each company's position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of rebar in 2012.[61]

Two U.S. producers, ***, are related to foreign producers of rebar in the subject countries; one U.S. producer, ***, is related to an U.S. importer *** of the subject merchandise. In addition, as discussed in greater detail below, no U.S. producers directly imported the subject merchandise or purchased the subject merchandise from U.S. importers.

The U.S. rebar industry underwent major restructuring and consolidation since the original investigations, primarily during the period covered by the first reviews. Figure I-5 illustrates the changes in corporate ownership from 2001 to 2012. Nucor and Gerdau remain the largest two producers of rebar in the United States.[62] *** and Byer are the only two producers that have dedicated their facilities for the production of rebar only.

[60] The responding firms in these reviews are: ArcelorMittal USA LLC ("ArcelorMittal"), Byer Steel ("Byer"), Cascade, CMC, Gerdau, Nucor, and SDI. *** reported that they are not U.S. producers of rebar.

[61] There are several other U.S. mills that produce small quantities of stainless steel rebar, a product that is used in more corrosive environments and is comparatively more expensive than carbon steel rebar due to the inclusion of additional alloy elements such as chromium and nickel. North American Stainless (Ghent, KY) expanded production into stainless long-products, including rebar in May 2003. Universal Stainless and Alloy Products acquired former Empire Specialty Steel (Dunkirk, NY) that produced stainless steel rebar. However, Universal's current website does not specifically mention stainless steel rebar among its available products. Carpenter Technology began producing stainless steel rebar at its Talley Metals Technology subsidiary (McBee, SC) in 2007. Valbruna Slater Stainless (Fort Wayne, IN) also produces stainless steel rebar according to its website.

[62] See Part III of this report for more details on changes in the U.S. industry.

Table I-3
Rebar: U.S. producers, positions on the continuation of orders, U.S. production locations, related and/or affiliated firms, and shares of 2012 reported U.S. production

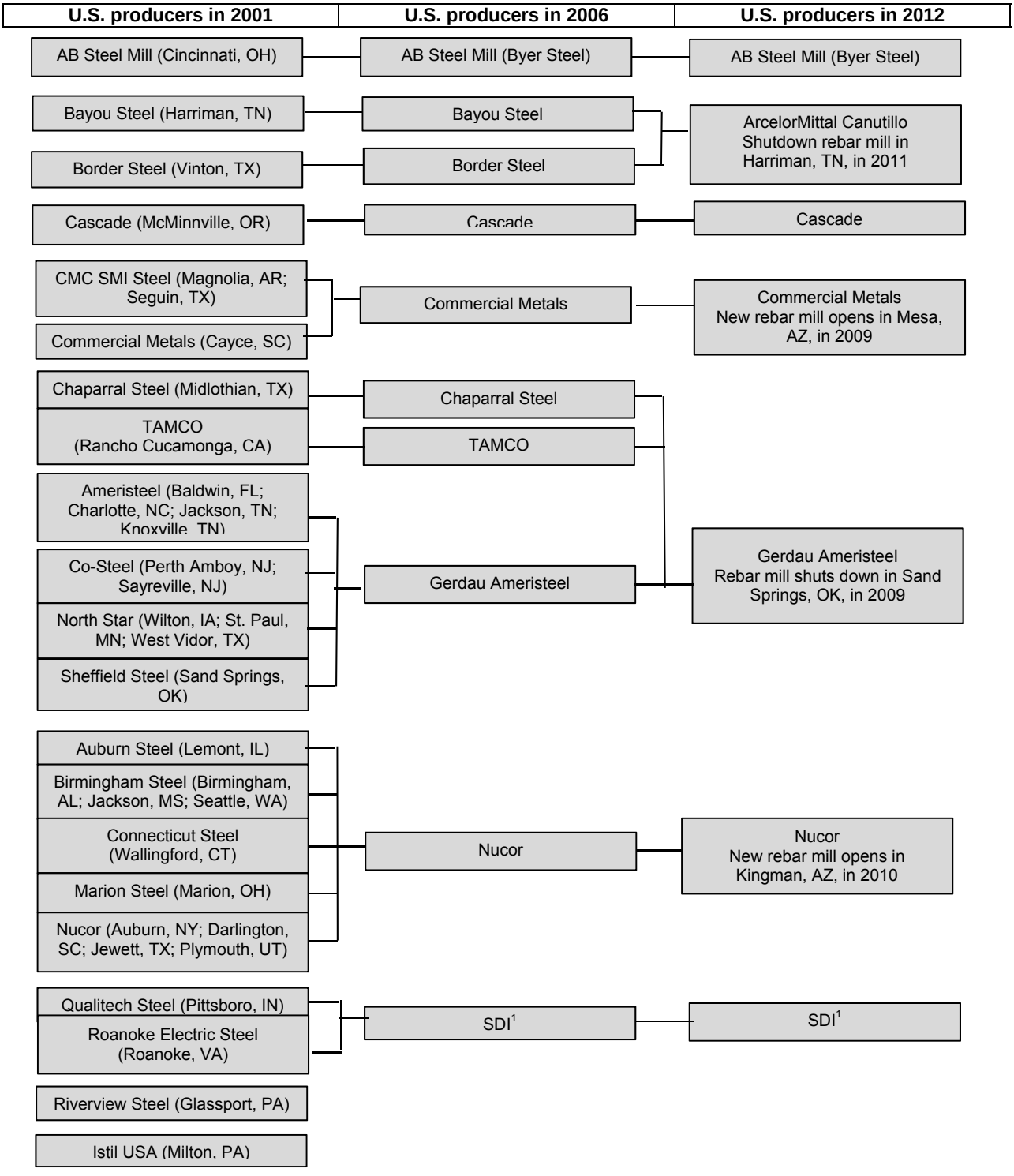
Firm	Position on orders	U.S. plant location(s)	Parent company	Share of production (percent)
ArcelorMittal[1]	***	Canutillo, TX	ArcelorMittal S.A. (Luxembourg)	***
Byer	***	Cincinnati, OH	AB Steel (US)	***
Cascade	***	McMinnville, OR	Schnitzer Steel Industries, Inc. (US)	***
CMC[3]	***	Cayce, SC Magnolia, AR Mesa, AZ Seguin, TX	None	***
Gerdau	***	Baldwin, FL Jackson, TN Charlotte, NC Knoxville, TN Sayreville, NJ St. Paul, MN Wilton, IA West Vidor, TX Midlothian, TX Rancho Cucamonga, CA	Gerdau Ameristeel Corp. (Canada)[4]	***
Nucor	***	Auburn, NY Birmingham, AL Jackson, MS Kankakee, IL Kingman, AZ Marion, OH Darlington, SC Seattle, WA Jewett, TX Plymouth, UT	None	***
SDI[5]	***	Pittsboro, IN Roanoke, VA	None	***

[1] ***.
[2] ***.
[3] ***.
[4] Gerdau Ameristeel Corp. (Canada) is 100% owned by Gerdau S.A. (Brazil).
[5] ***.

Note.–Because of rounding, shares may not total to 100.0 percent.

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

Figure I-5
Rebar: Openings, closings, and consolidations of U.S. producers, 2001, 2006, and 2012



[1] SDI entered the rebar market in 2004 with the upgrade of the Pittsboro, INC bar mill. SDI began producing rebar at its Roanoke, VA, bar mill in 2006.

Sources: Compiled from information submitted in response to Commission questionnaires; *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Second Review)*, Publication 4052, December 2008, p. I-31.

U.S. Importers

In the original investigations, 23 firms supplied the Commission with usable information on their imports of rebar, accounting for 44.1 to 57.9 percent of total rebar imports based on official Commerce statistics during 1998-2000. In the first reviews, 18 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of rebar, accounting for 70 to 84 percent of rebar imports from all sources based on official Commerce statistics during 2001-06. In these current proceedings, the Commission issued importers' questionnaires to 30 firms believed to be importers of rebar,[63] as well as to all U.S. producers of rebar. Usable questionnaire responses were received from 15 companies**,** representing *** percent of total nonsubject imports during 2007-12, based on official Commerce statistics.[64] Table I-4 lists all responding U.S. importers of rebar, their locations, and their shares of nonsubject U.S. imports in 2012.

[63] According to official Commerce statistics, no rebar imports from the subject countries entered into the United States in 2012. Between 2007 and 2012, official Commerce statistics indicate that China was the only subject country source of U.S. imports of rebar. No responding importer in these second reviews reported importing rebar from China during 2007 to 2012.

[64] For further discussion of the relative coverage from each nonsubject source, see Part IV.

Table I-4
Rebar: U.S. importers, source(s) of imports, U.S. headquarters, and share of nonsubject imports in 2012

Firm	Headquarters	Source of nonsubject imports	Share of nonsubject imports (*percent*)
Aceminor USA LLC	Toms River, NJ	***	***
Aldarra Overseas Group Inc.[1]	San Juan, PR	***	***
Cargill Incorporated	Hopkins, MN	***	***
CMC Cometals Steel[2]	Irving, TX	***	***
Coutinho and Ferrostaal Inc.[3]	Houston, TX	***	***
Deacero USA, Inc.[4]	Houston, TX	***	***
Fonderia Steel, LLC[5]	San Antonio, TX	***	***
Intermetal-International Metal	Miami, FL	***	***
Macor Trading Services, Inc.	Brownsville, TX	***	***
Macsteel International USA Corp.[6]	White Plains, NY	***	***
Noble Americas Corp[7]	Stamford, CT	***	***
Pollan Trade, Inc.	New York, NY	***	***
Stemcor[8]	New York, NY	***	***
Ternium International USA Corp[9]	Houston, TX	***	***
ThyssenKrupp Materials NA Inc.[10]	Southfield, MI	***	***
Total			***

[1] Owned by Abeline Corporation (Panama).
[2] Owned by Commercial Metals Company (US), an U.S. producer of subject rebar and related to subject producer CMC Poland sp.z.o.o.
[3] Owned by Villacero Group (Mexico).
[4] Owned by Deacero S.A de C.V. (Mexico).
[5] Owned by Grupo Fonderia SA de CV (Mexico).
[6] Owned by Macsteel International Trading Holdings BV (Netherlands).
[7] Owned by Noble Group Ltd. (Hong Kong).
[8] Owned by Stemcor Holdings Ltd. (United Kingdom).
[9] Owned by Ternium, S.A. (Luxembourg).
[10] Owned by ThyssenKrupp USA (US).

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

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

Several producers in Turkey[65] and Mexico, the two largest sources of imports during 2007 to 2012, served as their own importers of record. Several other importers are part of larger international independent steel trading enterprises.[66] [67] [68]

U.S. Purchasers

The Commission issued purchaser questionnaires to 55 firms that were identified by producers and importers or that had valid contact information from prior Commission proceedings involving rebar. Questionnaire responses were received from 23 firms, each of which reported purchasing rebar since January 1, 2007. Three of these responses are for firms associated with domestic producers. The majority (13) of the 23 responding purchasers categorized themselves as rebar fabricators, 8 as steel distributors, 2 as steel service centers, 2 as building material distributors, 1 as a contractor, and 4 as something other than these choices.[69]

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[65] According to proprietary Customs data, the top U.S. importers of rebar from producers in Turkey were ***.

[66] According to its website, "Coutinho & Ferrostaal is one of the largest independent steel trading companies in the world. The company markets steel products and raw materials throughout the entire steel industry chain. Its services range from pure back-to-back trading transactions to storage, financing, transportation and delivery, toll processing and participation as supplier in large scale construction projects. The company combines the core competencies of CCC Steel and the Ferrostaal Metals Group, the former companies encompassing the trading activities of Villacero, MPC Münchmeyer Petersen & Co., and Ferrostaal AG. This joint venture started in 2008, although the basis companies' history dates back to 1894. Coutinho & Ferrostaal has three central operation hubs located in Hamburg, Essen, and Houston, and subsidiaries, affiliates and branches in 58 cities around the world." Coutinho & Ferrostaal, "About Us", found at http://www.coutinhoferrostaal.com/aboutus.html, retrieved on May 13, 2013.

[67] According to its website, "Aceminor Corporation trades steel products. Aceminor operates through our offices located in Miami, Istanbul and Hong Kong. Our main core of business is to export steel long products to Americas, the Arab world and to Turkey. Main countries we supply from are Ukraine, Romania, Russia, Argentina and Turkey. As an expanding company we are now in search of new producers/traders of steel products: Tubes-pipes, billets, reinforcing rebars, merchant bars, scrap, HR and CR coils, plates and wire rods. We aim to develop long-term cooperation with reputable and trustworthy companies. Aceminor Corporation, "About Us", found at http://aceminor.en.china.cn/op/CorpInfo/index.htm, retrieved on May 13, 2013.

[68] According to its website, "Stemcor is one of the world's largest independent steel traders. We play a pivotal role in the steel industry, acting as a trading intermediary and value-adding service provider. Our end-to-end services span every step in the steel supply chain and comprise five core competencies: finance, raw materials, steel trading, distribution and stockholding. Our breadth of expertise – from minehead to factory floor – enables us to offer integrated supply chain solutions that deliver competitive advantage to the producers and purchasers of steel that we serve. With turnover exceeding £5 billion in 2012, Stemcor trades around 20 million tonnes of steel and steel-making raw materials and employs 2,000 people in a network of offices in 45 countries across the globe. For steel producers, Stemcor offers cost-effective marketing, logistical and financial services to secure customer business in overseas markets. For purchasers of steel, Stemcor offers a reliable and flexible sourcing channel with financial support. Our international network of offices enables us to establish a direct presence in many markets. The goods we trade include long, flat, tubular and semi-finished products. We also trade specialised products such as engineering steels, stainless steels and steel products for the oil and gas industry. The steel trading business is supported by a complete logistics service comprising safe handling, loading, shipping, breaking bulk, storage, insurance, inspection and inland distribution." Stemcor , "About Us", found at http://www.stemcor.com/About-us.aspx, retrieved on May 13, 2013.

[69] Some firms categorized themselves as more than one type of firm.

APPARENT U.S. CONSUMPTION

Table I-5 presents apparent U.S. consumption of rebar during 2007-12. Apparent U.S. consumption decreased overall by 27.2 percent between 2007 and 2012. Apparent U.S. consumption declined in 2008 and again, more sharply, in 2009, before partially recovering during 2010-12. U.S. imports decreased at a faster pace than U.S. producers' U.S. shipments during 2007-09, but increased at a faster pace during 2010-12.

Table I-5
Rebar: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
U.S. producers' U.S. shipments	7,772,530	7,306,125	5,125,131	5,443,622	5,486,336	6,090,220
U.S. imports from--						
Belarus	0	0	0	0	0	0
China	2,385	39	43	31	118	0
Indonesia	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Moldova	0	0	0	0	0	0
Poland	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
Subtotal, subject	2,385	39	43	31	118	0
Dominican Republic	76,991	56,286	32,497	32,475	82,316	39,357
Mexico	332,942	416,287	203,738	292,017	280,944	291,060
Turkey	452,924	311,070	171,122	167,515	262,415	562,872
All others	966,304	178,615	6,319	3,394	5,320	4,172
Subtotal, nonsubject	1,829,160	962,258	413,677	495,402	630,995	897,462
Total U.S. imports	1,831,546	962,297	413,720	495,432	631,113	897,462
Apparent U.S. consumption	9,604,076	8,268,422	5,538,851	5,939,054	6,117,449	6,987,682

Table continued on next page.

Table I-5--*Continued*
Rebar: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Value (*1,000 dollars*)					
U.S. producers' U.S. shipments	4,518,871	5,490,185	2,479,282	2,946,048	3,582,211	3,941,429
U.S. imports from--						
Belarus	0	0	0	0	0	0
China	1,222	38	32	24	116	0
Indonesia	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Moldova	0	0	0	0	0	0
Poland	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
Subtotal, subject	1,222	38	32	24	116	0
Dominican Republic	41,965	45,895	16,457	17,981	46,745	26,705
Mexico	201,855	314,737	131,564	141,392	173,073	172,331
Turkey	242,580	221,493	80,383	86,091	166,784	347,154
All others	493,162	147,917	3,815	3,953	6,576	4,866
Subtotal, nonsubject	979,561	730,041	232,220	249,417	393,178	551,056
Total U.S. imports	980,784	730,079	232,252	249,441	393,295	551,056
Apparent U.S. consumption	5,499,655	6,220,264	2,711,534	3,195,489	3,975,506	4,492,485

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

U.S. MARKET SHARES

Table I-6 presents U.S. market share data, by source. The share of apparent U.S. consumption (measured by quantity) held by U.S. producers increased between 2007 and 2009, then declined in 2010-12, but ended with an overall increase of six percentage points from 2007 to 2012. The share of apparent U.S. consumption accounted for by U.S. imports of rebar from the subject countries was consistently less than 0.05 percent, based on limited imports from China.

Table I-6
Rebar: U.S. consumption and market shares, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Apparent U.S. consumption	9,604,076	8,268,422	5,538,851	5,939,054	6,117,449	6,987,682
	Value (*1,000 dollars*)					
Apparent U.S. consumption	5,499,655	6,220,264	2,711,534	3,195,489	3,975,506	4,492,485
	Share of quantity (*percent*)					
U.S. producers' U.S. shipments	80.9	88.4	92.5	91.7	89.7	87.2
U.S. imports from--						
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	(1)	(1)	(1)	(1)	(1)	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject	(1)	(1)	(1)	(1)	(1)	0.0
Dominican Republic	0.8	0.7	0.6	0.5	1.3	0.6
Mexico	3.5	5.0	3.7	4.9	4.6	4.2
Turkey	4.7	3.8	3.1	2.8	4.3	8.1
All others	10.1	2.2	0.1	0.1	0.1	0.1
Subtotal, nonsubject	19.0	11.6	7.5	8.3	10.3	12.8
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table I-16--*Continued*
Rebar: U.S. consumption and market shares, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Share of value (*percent*)					
U.S. producers' U.S. shipments	82.2	88.3	91.4	92.2	90.1	87.7
U.S. imports from--						
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	(1)	(1)	(1)	(1)	(1)	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject	(1)	(1)	(1)	(1)	(1)	0.0
Dominican Republic	0.8	0.7	0.6	0.6	1.2	0.6
Mexico	3.7	5.1	4.9	4.4	4.4	3.8
Turkey	4.4	3.6	3.0	2.7	4.2	7.7
All others	9.0	2.4	0.1	0.1	0.2	0.1
Subtotal, nonsubject	17.8	11.7	8.6	7.8	9.9	12.3
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.

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

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

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

U.S. MARKET CHARACTERISITCS

The primary use of rebar is concrete reinforcement. As a result, the U.S. market for this product is tied closely to construction activity in the United States. Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction. Non-residential construction accounts for a greater proportion of rebar use than residential construction (by an approximately 3-to-1 ratio, according to the Concerete Reinforcing Steel Institute).[1]

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

CHANNELS OF DISTRIBUTION

During 2007-12, U.S. producers were more likely to sell to end users rather than distributors. In contrast, importers were more likely to sell to distributors. Table II-1 presents the shares of total U.S. producer shipments and shipments of imports from nonsubject countries that went to distributors, end users, and to companies that served both functions. There were no imports from subject countries other than China during 2007-12, and none of the responding importers reported import shipments from China.

Firm concentration is relatively high for domestic producers and less so for import sources as a whole. Gerdau and Nucor represented *** percent of U.S. production between 2007 and 2012. The largest importer, ***, represented *** percent of reported imports during the same period.[2] *** was the largest importer in each of the years except 2007, when *** imported slightly more. ***'s imports declined rapidly, however, and it ***.

[1] Domestic interested parties' posthearing brief, exh. 1, p. 71. Both non-residential and residential construction includes public and private construction. Public residential construction, however, is extremely small compared to any of the other measures.

[2] ***.

Table II-1
Rebar: Channels of distribution for domestic product and U.S. imports sold in the U.S. market as a share of U.S. shipment quantities, by year and by source, 2007-12

Item	2007	2008	2009	2010	2011	2012
	Shares of reported U.S. shipments *(percent)*					
Domestic producers' U.S. shipments:						
To distributors	32.3	30.8	34.3	32.9	31.7	35.3
To end users	67.0	68.4	64.7	66.5	67.6	64.0
To both end users and distributors	0.7	0.8	0.9	0.6	0.7	0.7
U.S. importers' U.S. shipments from nonsubject countries:						
To distributors	80.9	92.6	87.1	90.6	81.4	89.5
To end users	14.0	6.3	7.3	1.9	1.6	4.1
To both end users and distributors	5.0	1.1	5.6	7.6	17.0	6.4

Note.--Due to rounding, figures may not add to 100.0.

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

GEOGRAPHIC DISTRIBUTION

Most U.S. producers reported selling rebar nationally (see table II-2). Domestic producers have locations throughout the United States, or have purchasing arms that can purchase from other producers if the client is located far from the producer's manufacturing facility. Only one importer provided geographic distribution information, and it reported selling in the Mountain and Pacific Coast regions of the United States.[3] However, according to official import statistics, the largest ports of entry for imported rebar in 2012 were Houston-Galveston, Texas, Laredo, Texas, San Juan, Puerto Rico, New Orleans, Louisiana, Miami, Florida, Baltimore, Maryland, and El Paso, Texas. These seven ports accounted for 93.3 percent of rebar imports in 2012.

[3] This importer did not import subject rebar, however.

Table II-2
Rebar: Number of firms that ship to geographical market areas in the United States served by domestic producers and importers

Region	U.S. producers	U.S. importers
Northeast[2]	5	([1])
Midwest[3]	5	([1])
Southeast[4]	5	([1])
Central Southwest[5]	5	([1])
Mountains[6]	5	([1])
Pacific Coast[7]	5	([1])
Other[8]	3	([1])
All regions (except other)	3	([1])
Reporting firms	6	([1])

[1] One importer reported that it shipped product from subject countries to Mountains and Pacific Coast region, however, it only imported product from nonsubject countries. No company reported U.S. imports from the subject countries.
[2] Includes CT, ME, MA, NH, NJ, NY, PA, RI, and VT.
[3] Includes IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.
[4] Includes AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV.
[5] Includes AR, LA, OK, and TX.
[6] Includes AZ, CO, ID, MT, NV, NM, UT, and WY.
[7] Includes CA, OR, and WA.
[8] Includes all other markets in the United States not previously listed, such as AK, HI, PR, and VI.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

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

Industry capacity

Responding U.S. producers' production capacity decreased between 2007 and 2011, falling from 9.8 million short tons in 2007 to 9.2 million short tons in 2011, before increasing to 9.7 million short tons in 2012. While capacity did not change greatly, production declined from 7.9 million tons in 2007 to 5.4 million short tons in 2009 and then increased to 6.6 million tons by 2012. As a result, capacity utilization rates decreased from 80.8 percent in 2007 to 55.4 percent in 2009 before increasing to 67.9 percent by 2012. This level of capacity utilization indicates that U.S. rebar producers have a substantial amount of available capacity with which they could increase production in the short run in the event of a price change.

Producer *** stated that Nucor and CMC have added capacity to service the Western United States. In its importer questionnaire response, *** also noted that Gerdau closed facilities making rebar

in New Jersey and Oklahoma. Producer *** added that improvements in efficiency have led to some nominal capacity gains in the United States since 2007.

Only one producer, but no importer or foreign producer, noted any significant changes in the product range, product mix, or marketing of rebar in the United States since 2007,[4] and none anticipate changes through 2014. Two purchasers noted that the change that they have noticed in supply since 2007 is that domestic mills have been running at less than capacity, one purchaser stated that there is no longer allocation of rebar, and a fourth purchaser noted increased availability of rebar from domestic mills. Two purchasers noted, however, decreased availability of trucks to transport rebar domestically.

Inventory levels

Inventories are typically moderate in this industry since rebar is not usually produced-to-order for specific end users. The ratio of inventories to total shipments increased irregularly from *** percent at the end of 2007 to *** percent by the end of 2012.[5] These levels of inventories suggest that U.S. producers may have some ability to use inventories to respond to price changes.

Alternative markets

U.S. producers' reported exports of their U.S.-produced rebar increased from *** percent of total shipments in 2007 to *** percent in 2010, and then fell to *** percent in 2012. U.S. producers exported product to Canada, the Caribbean, Central America, and Mexico.[6] U.S. producers noted that it is difficult to shift shipments between the U.S. and other markets, however, due to a number of factors: the location of domestic mills, which are geared toward serving the U.S. market; decreased demand in Europe, the Middle East, and North Africa; increased tariffs in some foreign markets;[7] a consumption slowdown in China and government prohibitions in the Chinese steel industry; higher prices in the U.S. market; and global oversupply of rebar. This level of exports during the period indicates that domestic producers of rebar may have some limited ability to shift shipments between the United States and other close markets in the short run in response to price changes.

When asked if there are any barriers to trade, two of five responding domestic producers noted that tariff or non-tariff barriers exist. *** stated that it is difficult to overcome low-cost, subsidized producers in emerging economies, that the European debt crisis is contributing to sluggish growth in the construction market, that Middle Eastern and African countries have increased import duties, and that it is "virtually impossible" to compete in the Chinese market without a local presence. *** stated that due to some countries increasing protection, the main export markets for domestic rebar are other NAFTA countries and those located in Central America and the Caribbean Basin.

Production alternatives

Five of seven responding U.S. producers reported producing other products on the same equipment and with the same labor used to produce rebar.[8] Other products which could be produced using the same equipment, machinery, and workers included coiled rebar, merchant bar, and SBQ bar.[9]

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[4] Producer *** noted that it had ***.

[5] A buildup of inventory is consistent with generally optimistic demand forecasts, and has occurred despite "downstream integration of domestic mills" as noted by purchaser ***.

[6] According to U.S. export data from Global Trade Information Systems ("GTIS"), the majority of these exports went to Canada.

[7] U.S. producer *** reported that Brazil, Egypt, and the United Arab Emirates have imposed or increased tariffs on rebar imports.

[8] ***.

[9] Merchant bars include long products such as round bar, square bar, and angled bars. "SBQ bar" stands for "Special Bar Quality" and refers to steel types as well as bar types with superior mechanical properties, especially

(continued…)

Of the four reporting they were able to shift production, *** reported that its facilities were capable of making this switch, but it did not do so because it was committed to provide rebar to its customers. *** reported it would shift based on market conditions. *** reported that although it could switch between rebar and ***, it currently produces *** percent rebar and it would not be economically feasible to shift much production to ***. *** reported that some of its mills are able to shift product based on demand for rebar, but they generally have excess capacity already available to produce other products if needed. The majority of *** production is merchant bar.

Supply of Subject Imports

Supply of Subject Imports from Belarus

Based on available information, the only producer from Belarus, Byelorussian Steel Works ("BMZ"), has the ability to respond to changes in demand with low to moderate changes in the quantity of shipments of rebar to the U.S. market. The main factors contributing to the low moderate degree of responsiveness of supply are the somewhat limited available capacity and small inventories, but enhanced by the ability to shift shipments from alternative markets.

Industry capacity

Reported capacity increased from *** short tons to *** short tons during 2007-12. BMZ reported a high, but slightly decreasing capacity utilization rate for rebar: from *** percent in 2007 to *** percent in 2012. It reported that its ***, preventing it from increasing its output of rebar. This level of capacity utilization indicates BMZ does not have a large amount of available capacity with which it could increase production of rebar in the short run in the event of a price change.

Inventory levels

BMZ's ending inventories in Belarus, relative to total shipments, decreased from *** percent in 2007 to *** percent in 2008, and has remained approximately at that level since that time.[10] These data indicate that BMZ has a limited ability to use inventories as a means to increase shipments to the U.S. market in the short run.

Alternative markets

BMZ reported that its products were shipped exclusively to *** during 2007-12. Its home market shipments accounted for *** percent of its total shipments in 2007, and *** percent in 2008, before decreasing to *** percent in 2009. Its home market shipments increased in 2010 and 2011, reaching *** percent of its total shipments in 2011, before declining to *** percent in 2012. Its shipments to the EU followed a similar path, accounting for *** percent of its total shipments in 2007 and *** percent in 2008, before decreasing to *** percent in 2009. Since that time, the EU's share of BMZ's shipments has

(…continued)
for uses which will require them to be in motion. "SBQ Steel," *Metal Bulletin*, Nov. 8, 2006, found at http://www.metalbulletin.com/Article/1448055/SBQ-steel.html, retrieved April 2, 2013.

[10] The ratio of inventories to total shipments was *** percent at the end of 2011 and *** percent at the end of 2012.

been increasing, reaching *** percent in 2012. The remainder of BMZ's reported shipments has been to parts of the world that it identified as "other" markets (not the U.S., EU, or Asia), primarily Russia.[11]

Belarus exported to 54 different countries in 2008-12. The top export market for Byelorussian rebar was Russia according to data from GTIS, accounting for 45.4 percent of Belarus's exports in 2008-12. Russia's share has been increasing, from 17.4 percent in 2009 to 65.2 percent in 2012.

These data indicate that BMZ has alternative markets from which it may be able to shift shipments of rebar to the United States in the short run in the event of a price change in the U.S. market.

Production alternatives

BMZ reported not producing other products on the same equipment and machinery used to produce rebar.

Supply of Subject Imports from China

No Chinese foreign producer responded to the Commission's questionnaire. Based on available information from ***, rolling capacity in China increased from *** short tons in 2007 to *** short tons in 2012. These figures are likely vastly understated, since according to the same source, China produced *** short tons of rebar in 2012.[12] Domestic interested parties argue that Chinese rebar capacity increased from *** short tons in 2006 to *** short tons in 2012 .[13] China is the largest producer and consumer of rebar in the world.[14] Foreign producer *** noted that growth in China is slowing, however.

China exported rebar to 167 different countries in 2007-12. China's exports of rebar decreased considerably from 2007 to 2009 according to data collected by GTIS: from 6.2 million short tons in 2007, to 1.3 million short tons in 2008, and 0.3 million short tons in 2009. China's rebar exports were 0.24 million short tons in 2010 and 2011, but increased slightly to 0.28 million short tons in 2012. The top export destinations for Chinese rebar in 2007 and 2008, when exports were at their greatest, were Iran (for 2007), Hong Kong, South Korea, and Angola (for 2008). In 2012, the largest export destinations for Chinese rebar were African and Asian countries, with Equatorial Guinea, Angola, and North Korea as the top three.[15]

Supply of Subject Imports from Indonesia

No Indonesian foreign producer responded to the Commission's questionnaire. Based on available information from ***.

Indonesia exported to 15 different countries in 2007-12. Exports from Indonesia were reported to be near or below 1,000 short tons in 2007-10, and increased to 20,086 short tons in 2011, mostly due to a large increase in exports to neighboring Malaysia. Nearly all exports were made to island countries in the Pacific Ocean and Asia.[16]

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[11] In some industry publications, the C.I.S. nations are reported in their own category separately from North America, the EU, Asia, etc. Similarly, numerous firms reported exports to the C.I.S. countries as exports to "other" countries.

[12] ***.

[13] Domestic interested parties' prehearing brief, p. 23.

[14] World Steel Association, *Steel Statistical Yearbook 2012*, and ***.

[15] GTIS data for HS subheading 7214.20. Domestic interested parties have testified that China began to tax rebar exports in 2008, which spurred Chinese producers to add boron to their rebar and classify the product as hot-rolled bar. Hearing transcript, pp. 97-99 (Price) and domestic interested producers' posthearing brief, exh. 1, pp 24-26. This change reportedly shifted exports into a broad category (HS subheading 7228.30), which makes comparison difficult. *See* Part IV for further discussion.

[16] The additional countries were Thailand, Singapore, and Ghana.

Supply of Subject Imports from Latvia

Based on available information, the sole Latvian producer, JSC Liepajas Metalurgs (LM), has a low to moderate ability to respond to changes in demand with changes in quantity of shipments of rebar to the U.S. market. The main factors contributing to the low to moderate degree of responsiveness of supply are limited available capacity, the inability to shift production from alternative products, but some ability to shift product from other markets.

Industry capacity

The Latvian producer's reported capacity for rebar *** before increasing irregularly to *** short tons in 2012. Reported capacity utilization decreased from *** percent in 2007 to *** percent in 2008 before steadily increasing to *** percent in 2011. It decreased to *** percent in 2012. This level of capacity utilization indicated that LM has some available capacity with which it could have increased production of rebar in the short run in the event of a price change.

Inventory levels

LM's ending inventories, relative to total shipments, fluctuated between *** and *** percent in 2007-12, and were at *** percent at the end of 2012. LM noted that increased volatility in scrap prices and foreign exchange rates have led it to reduce stock held and shorten lead times. These data indicate that LM may have some ability to use inventories as a means to increase shipments to the U.S. market.

Alternate markets

LM reported that its products were shipped exclusively to *** during 2007-12. Its home market shipments accounted for *** percent of its total shipments in 2007, decreasing to *** percent in 2010 before increasing to *** percent in 2012. Its shipments to the EU fluctuated in 2007-12, decreasing from *** percent of its total shipments in 2007 to *** percent in 2009, before increasing to *** percent in 2011. Its exports to the EU accounted for *** percent of its total shipments in 2012. As LM's shipments to Asia were less than *** percent in each year, nearly all of the remainder of LM's shipments were to parts of the world that it identified as "other" markets (not the U.S., EU, or Asia), principally Algeria, which increased from *** percent of its "other country" exports in 2007 to *** percent in 2012.

Latvia exported to 40 different countries in 2007-12. The top export market for Latvian rebar in 2007-12 was Algeria according to data from GTIS, accounting for 27.1 percent of Latvia's total rebar exports. The second-largest rebar export market for Latvia's rebar was Poland, which accounted for 25.3 percent of Latvia's exports in 2007-12. Algeria and Poland accounted for 32.1 and 30.4 percent of Latvia's exports in 2012, respectively.

These data indicate that LM has alternative markets from which it may be able to shift shipments of rebar to the United States in the short run in the event of a price change in the U.S. market.

Production alternatives

LM reported producing *** on the same equipment and machinery used to produce rebar, though this accounted for *** of LM's production in each year.

Supply constraints

Foreign producer LM stated that *** are lower in the United States compared to those in Latvia, which would constrain its exports to the United States.

Supply of Subject Imports from Moldova

Based on available information, the sole Moldovan producer, MSW, has a moderate to high ability to respond to changes in demand with changes in quantity of shipments of rebar to the U.S. market. The main factors contributing to the moderate to high degree of responsiveness of supply are available capacity, the ability to switch to producing rebar from alternative products, and the ability to shift product from other markets.

Industry capacity

The Moldovan producer's reported capacity for rebar remained between *** short tons between 2007 and 2011 before increasing to *** short tons in 2012. MSW's production varied greatly, however. Its reported capacity utilization decreased from *** percent in 2007 to *** percent in 2010 before increasing to *** percent in 2012. This level of capacity utilization indicated that the Moldovan producer has available capacity with which it could increase production of rebar in the short run in the event of a price change.

Inventory levels

The Moldovan producer's ending inventories, relative to total shipments, fluctuated between *** percent and *** percent in 2007-12, ending 2012 with a ratio of *** percent. These data indicate that MSW has little ability to use inventories as a means to increase shipments to the U.S. market.

Alternate markets

MSW reported that its products were shipped exclusively to *** percent in 2007 to *** percent in 2012. Its shipments to the EU generally decreased in 2007-12, decreasing from *** and *** percent of its total shipments in 2007 and 2008, respectively, to *** percent in 2011 and 2012. MSW's exports to Asia also decreased: from a high of *** percent in 2008 to *** percent in 2010, 2011, and 2012.[17] The majority of Moldova's shipments were to countries it identified as "other" markets, however, and these accounted for between *** percent and *** percent of total shipments in 2007-12.

Moldova exported to 17 different countries in 2007-12. The top export market for Moldovan rebar was Russia according to data from GTIS, accounting for approximately 80 percent of Moldova's total exports in 2007-12 and 85.0 percent of Moldova's exports in 2012. The second-largest export market for Moldova's rebar was Ukraine, which overall accounted for 5.6 percent of Moldova's exports in 2007-12, but has increased from 10.7 percent in 2010 to 13.8 percent in 2012.

These data indicate that MSW has alternative markets from which it may be able to shift shipments of rebar to the United States in the short run in the event of a price change in the U.S. market.

Production alternatives

MSW reported producing *** on the same equipment and machinery used to produce rebar. Rebar accounted for between *** and *** percent of MSW's production in each year. However, due to changes in overall production, rebar accounted for a decreasing share of reported total capacity in 2007-10, decreasing from *** percent of total capacity in 2007 to *** percent in 2010. Since 2010, rebar production as a percentage of total capacity increased to *** percent in 2012.

[17] It reported that its EU exports were primarily to ***, its Asian exports were primarily to ***, and its other market exports were to ***.

Supply constraints

The Moldovan foreign producer MSW stated that "***."

Supply of Subject Imports from Poland

Based on available information, the two responding Polish producers[18] have a moderate ability to respond to changes in demand with changes in quantity of shipments of rebar to the U.S. market. The main factors contributing to the moderate degree of responsiveness of supply are some available capacity, the ability to shift production from other alternative products, and inability to shift product from other markets.

Industry capacity

Polish producers' reported capacity for rebar increased from *** short tons in 2007 to *** short tons in 2009, but has decreased to *** short tons in 2012. Polish producers' reported capacity utilization decreased from *** percent in 2007 to *** percent in 2009, before increasing to *** percent in 2011. In 2012, capacity utilization was reported to be *** percent. This level of capacity utilization indicates that Polish producers have some available capacity with which they could increase production of rebar in the short run in the event of a price change.

Inventory levels

Polish producers' ending inventories, relative to total shipments, decreased from *** percent in 2007 to *** percent in 2010, before increasing to *** percent at the end of 2012. These data indicate that Polish producers may have some ability to use inventories as a means to increase shipments to the U.S. market.

Alternate markets

The Polish producers reported that their products were shipped exclusively to markets other than the United States during 2007-12. Their home market shipments accounted for *** percent of their total shipments in 2007, and increased to *** percent in 2008 before decreasing irregularly to *** percent in 2012.[19] The EU was their largest export market, but decreased from *** percent of total shipments in 2007 to *** percent in 2008. The EU's share of Polish rebar exports remained between *** and *** percent in each of the years that followed. The Polish producers reported no exports to Asia, and their exports to countries other than the U.S., EU, and in Asia, accounted for no more than *** percent of exports in any year.

Poland exported to 45 different countries in 2007-12. The top export markets for Polish rebar were the Czech Republic, Germany, and Slovakia according to data from GTIS, accounting for 32.6, 20.7, and 16.7 percent of Poland's total exports of rebar in 2007-12.

These data indicate that the Polish producers have alternative markets from which they may be able to shift shipments of rebar to the United States in the short run in the event of a price change in the U.S. market.

[18] Both ArcelorMittal Warszawa ("AMW") and CMC Poland sp. z o.o. ("CMC Poland") are related to domestic producers. They represent approximately *** percent of total Polish rebar production.

[19] Home market shipments decreased in each year except 2011, when they reached *** percent of total shipments.

Production alternatives

Polish producers reported producing *** on the same equipment and machinery used to produce rebar. Rebar accounted for an increasing share of total reported capacity in 2007-2011, increasing from *** percent of total capacity in 2007 to *** percent in 2011. This declined somewhat in 2012, to *** percent.

Supply of Subject Imports from Ukraine

Based on available information, the sole responding Ukrainian producer,[20] ArcelorMittal Kryviy Rih ("AMK"), has a moderate ability to respond to changes in demand with changes in quantity of shipments of rebar to the U.S. market. The main factors contributing to the moderate degree of responsiveness of supply are some available capacity and the ability to shift product from other markets.

Industry capacity

AMK's reported capacity for rebar decreased irregularly from *** short tons to *** short tons during 2007-12. Despite decreasing capacity, its reported capacity utilization fluctuated (decreasing overall), from *** percent in 2007 to *** percent in 2009. It increased to *** percent in 2010, decreased to *** percent in 2011, and increased to *** percent in 2012. This level of capacity utilization indicated that the Ukrainian producer has some available capacity with which it could increase production of rebar in the short run in the event of a price change.

Inventory levels

AMK's ending inventories, relative to total shipments, fluctuated between *** and *** percent during the six-year period, and were *** percent in 2012. These data indicate that AMK may have a somewhat limited ability to use inventories as a means to increase shipments to the U.S. market.

Alternate markets

The Ukrainian producer reported that its products were shipped exclusively to markets other than the United States during 2007-12. Its home market shipments accounted for *** percent of its total shipments in 2007, increased to *** percent in 2008 before decreasing irregularly to *** percent in 2012.[21] The EU was a relatively small export market, accounting for between *** and *** percent of total shipments in 2007-12. The largest export markets for AMK's rebar were the CIS countries and the Middle East, fluctuating between *** and *** percent of total shipments. AMK reported ***.

Ukraine exported to 80 different countries in 2007-12. The top export markets for Ukrainian rebar were Iraq (19.7 percent of rebar exports), Russia (12.6 percent), and Azerbaijan (8.1 percent) in 2007-12, with accelerating sales to each of these countries in 2012.[22]

These data indicate that the Ukrainian producer has alternative markets from which it may be able to shift shipments of rebar to the United States in the short run in the event of a price change in the U.S. market.

[20] The responding Ukrainian producer is related to a domestic producer and accounts for approximately *** percent of Ukrainian rebar production.

[21] Since 2008, home market shipments decreased in each year except 2011, when they increased to *** percent of total shipments.

[22] GTIS data.

Production alternatives

AMK reported producing *** on the same equipment and machinery used to produce rebar. This accounted for between *** and *** percent of its total production capacity during the six-year period.

Supply of Nonsubject Imports

Nonsubject imports accounted for 12.8 percent of apparent U.S. consumption in 2012 and nearly all imports in 2007-12. The leading nonsubject sources for U.S. imports of rebar are Mexico and Turkey, and in their questionnaire responses, domestic producers have indicated that the supply from these countries has been increasing in the last few years. These countries accounted for 42.9 percent of U.S. imports of rebar in 2007, 75.6 percent in 2008, and increased from 90.6 percent to 95.1 percent between 2009 and 2012.

The staff report in the recent review of the antidumping duty order on imports of rebar from Turkey indicated that those Turkish manufacturers/exporters still subject to the order at that time had the ability to respond to changes in demand with moderate changes in the quantity of shipments of rebar to the U.S. market in the short term. The report stated that supply responsiveness was enhanced by the ability to divert shipments from alternate markets, by the availability of unused capacity and some inventories, but was limited by an inability to use production alternatives.[23] In 2012, imports from Turkey accounted for more than one-half of all imported rebar in the United States, and exceeded imports of rebar from Mexico for the first time since 2007.

Four purchasers noted decreasing purchases from nonsubject sources since 2007, three reported fluctuating purchases, and two purchasers each reported that they had decreased their purchases or their purchases remained constant.

New Suppliers

Six of 22 responding purchasers indicated that new suppliers have entered the U.S. market since 2007. Five purchasers cited U.S. and import suppliers. Allied Crawford, ArcelorMittal in Louisiana, Blue Linx, Boise Cascade, Deacero, Evraz, Huttig, Metal Partners, New Steel Distributors and Tata Steel were each mentioned by one purchaser. Three of 21 responding purchasers reported that they anticipate new suppliers entering the market in the future. Purchaser *** reported that investments in "micro-mills" are expected to come online in 5 to 10 years.

U.S. Demand

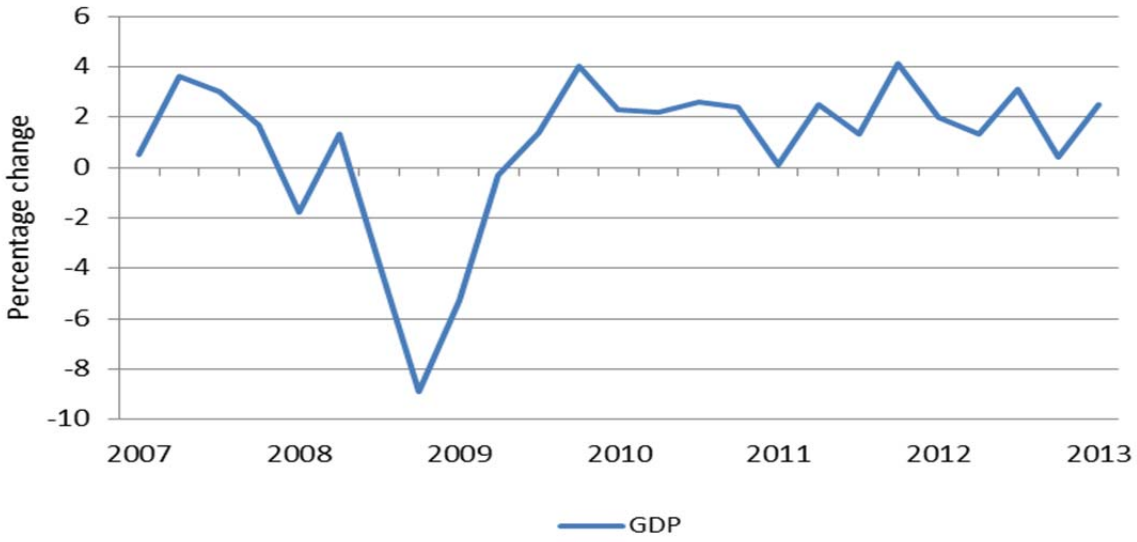
Based on available information, it is likely that changes in the price level of rebar would result in small to moderate changes in the quantity of rebar demanded. The main contributing factor to the small degree of responsiveness of demand is the lack of substitutability of other products for rebar and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

The overall U.S. demand for rebar is driven by the U.S. economy and by non-residential construction spending and, to a lesser extent, residential construction spending. The aggregate U.S. economy, as measured by percentage changes in the gross domestic product, grew in 2007, but declined during five of the next six quarters. U.S. GDP increased in each quarter beginning in July-September

[23] *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008, p. II-3.

2009, by rates between 0.1 and 4.1 percent (figure II-1). Blue Chip Economic Indicators forecasts that real GDP will grow by *** percent in 2013 and *** percent in 2014.[24]

Figure II-1
Percent changes in real gross domestic product (GDP) growth, by quarters, January 2007-December 2012



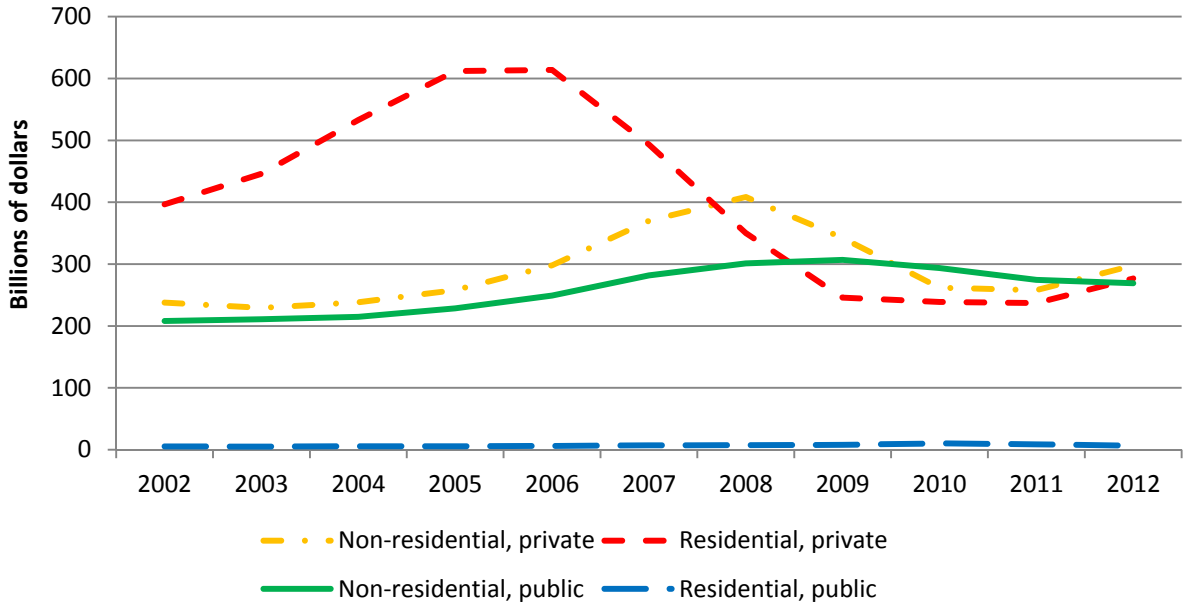
Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Private non-residential construction spending began to decline in 2009, stabilized throughout 2010 and 2011 at levels that were lower than most of 2007, then began to increase in 2012 (figure II-2). This is in contrast to private residential construction spending, which began to decline in 2007, though it, too, rose in 2012. Public non-residential construction spending has continued its gradual decline, however, which began in 2010. Public non-residential construction spending was higher than private residential spending in 2009-11 and higher than private non-residential spending in 2010-11 but was less than both in 2012. Non-seasonally adjusted monthly data show increases in demand around the third quarter of each year (figure II-3), which leads to somewhat increased demand for rebar in that quarter (*see* Part V). In the first quarter of 2013, private residential and non-residential construction are up 3.3 and 17.3 percent, respectively, compared with 2012, while public non-residential construction is down 5.1 percent.[25]

[24] Blue Chip Economic Indicators, Vol. 38, No. 5, May 10, 2013.

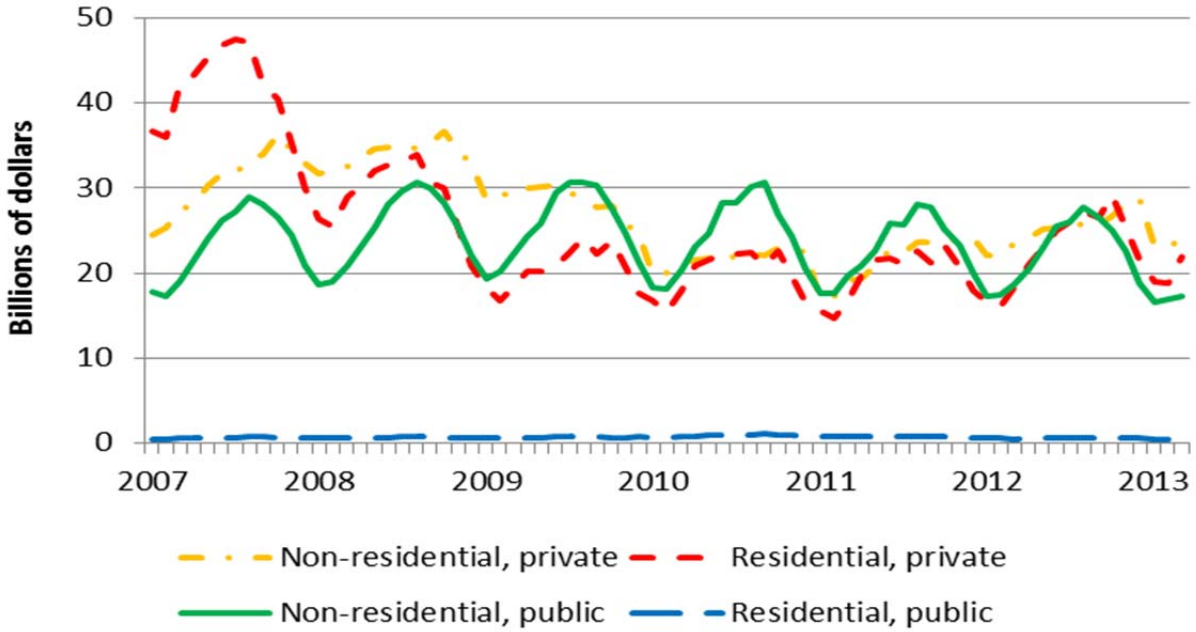
[25] Public residential spending is also 12.3 percent lower in the first quarter of 2013 compared with 2012, though this has little impact on total construction spending; public residential spending accounted for 1.3 percent or less of total construction spending in each year since 2002, according to Census Bureau data.

Figure II-2
Construction spending: Non-residential and residential, public and private, seasonally adjusted, 2002-12



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

Figure II-3
Construction spending: Non-residential and residential, public and private, not seasonally adjusted, monthly, January 2007-March 2013



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

The Architecture Billings Index (ABI), a leading indicator of construction activity reported by American Institute of Architects (AIA), increased in January 2013 at its fastest pace since November 2007. The January ABI was 54.2, "up sharply" from 51.2 in December, and continued to climb in February, reaching 54.9. In March, this index was 51.9, still signaling growth (a measurement of above 50 indicates growth). The new projects inquiry index reached its highest point since January 2007 in February at 64.8, and was higher than the reading of 63.2 in January 2013, but declined to 60.1 in March 2013. The AIA's Chief Economist stated that "We have been pointing in this direction for the last several months, but this is the strongest indication that there will be an upturn in construction activity in the coming months." [26] AIA notes that recent upward trends in residential construction may have positive effects on non-residential construction.[27] In average forecasts of seven panelists, AIA projects non-residential construction spending to increase 5.0 percent in 2013 and to further increase to 7.2 percent in 2014.[28]

With its questionnaire response, domestic producer *** submitted rebar market projections made in ***. Based on the *** provided by ***, residential construction is expected to increase *** percent in 2013 and *** percent in 2014. Non-residential construction starts are forecast to increase *** percent in 2013 and *** percent in 2014. Non-building construction starts are projected to decline *** percent in 2013 and *** percent in 2014, however. Based on these projections, *** forecast is that rebar consumption will grow 1.3 percent in 2013 and 4.3 percent in 2014. Domestic producer *** also submitted demand projections in its questionnaire response. It is forecasting *** percent growth in rebar demand in 2013 and *** percent growth in 2014 based on ***.

Apparent Consumption

Similar to the trends in construction, apparent U.S. consumption of rebar decreased from 9.6 million short tons in 2007 to 8.3 million short tons in 2008 and 5.5 million short tons in 2009. Apparent consumption has increased each year since that time, with the largest increase occurring between 2011 and 2012, when apparent consumption increased from 6.1 to 7.0 million short tons. As apparent consumption waned during 2007-09, the U.S. producers' share increased, from 80.9 percent in 2007 to 92.5 percent in 2009. As apparent consumption has increased during 2010-12, U.S. producers' market share has declined, reaching 87.2 percent in 2012.

Demand Perceptions

When asked how demand for rebar has changed within the United States since January 1, 2007, the majority of producers (5 of 7), importers (10 of 13), and purchasers (15 of 21) reported that demand for rebar has decreased, while most foreign producers (3 of 4) reported U.S. demand had fluctuated (table II-3). Most responding firms reported the economic recession or declines in construction as causing demand for rebar to decline in both the United States and in the rest of the world.[29]

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[26] "Strong Surge for ABI," AIA press release, February 20, 2013, found at http://www.aia.org/press/AIAB097808, retrieved March 5, 2013, "Architecture Billings Index Continues to Improve at a Healthy Pace," AIA press release, March 20, 2013, found at http://www.aia.org/press/releases/AIAB098125, retrieved April 3, 2013, and "Pace of Billings Improvement Slows in March,", found at http://www.aia.org/practicing/AIAB098514, retrieved April 30, 2013. *** has noted that the Architecural Billings Index typically leads construction activity by 9 to 12 months. ***.

[27] "Increase for Architecture Billings Index," October 24, 2012 Press Release, http://www.aia.org/press/releases/AIAB096344, retrieved October 26, 2012.

[28] "Steady Increase in U.S. Construction Activity Projected Through 2014," January 25, 2012, http://www.aia.org/practicing/AIAB097351, retrieved March 5, 2013.

[29] Many of the firms reporting that demand had fluctuated attributed this trend to changes in the economy and the construction market.

Table II-3
Rebar: U.S. producer, importer, and purchaser responses regarding the demand for rebar in the United States since 2007, and through 2014

Item	Number of firms reporting			
	Increase	No Change	Decrease	Fluctuate
Since 2007:				
U.S. producers	0	0	5	2
Importers	0	0	10	3
Purchasers	1	3	15	2
Foreign producers	0	0	1	3
Through 2014:				
U.S. producers	5	1	0	1
Importers	6	5	0	2
Purchasers	12	3	0	3
Foreign producers	2	0	0	2

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

Purchasers that are end users were asked if demand for their final product had changed since 2007. Two purchasers reported increased demand, two reported decreased demand, and one reported that demand had fluctuated. Both purchasers reporting increased demand reported increased need for rebar, and both purchasers reporting that demand for their product had decreased reported that this had reduced their demand for rebar and was a result of a decline in construction caused by the recession.

Most U.S. producers (5 of 7) and most purchasers (12 of 18) expected U.S. demand to increase through 2014. Importers were almost equally divided between those that expected U.S. demand to increase in the future (6 of 13) and those expecting no change in demand (5). Foreign producers were equally divided between those expecting demand to increase (2 of 4) and those expecting demand to fluctuate (2). Most of those expecting U.S. demand to increase in the future predicted that this would be the result of improvements in the market as the economy and construction industry recovered from the recession, while firms not forecasting an increase in demand tended to be less optimistic about the economy.

Business Cycles

Six of 7 responding U.S. producers, 6 of 14 responding importers, and 12 of 22 responding purchasers reported either business cycles specific to the rebar market or that the rebar market was subject to conditions of competition distinctive to the rebar market. Cycles included both seasonal cycles, mainly caused by weather-related changes in construction, and economic cycles tied to the overall economy and construction industry.

Substitute Products

Most U.S. producers (5 of 7) reported that there were substitutes for rebar while the majority of importers (11 of 14), purchasers (12 of 19) and foreign producers (3 of 4) reported that there were no substitutes for rebar. The substitute reported most frequently was wire mesh; other substitutes include fiber reinforced concrete, fiberglass rebar, structural steel, and PC/wire strand. Wire mesh could be used in concrete reinforcing, paving, pool building, residential construction, and noncritical applications. Other substitutes could be used in concrete reinforcing, building frames, residential/non-residential construction, slabs and foundations for nonstructural applications, and bridges. No producer, importer, purchaser, or foreign producer reporting substitutes believed that prices of those substitutes affected the price of rebar. No producers, importers, or foreign producers, and only one purchaser, reported that substitutes had changed since 2007.[30] No firm expects substitutes to change through 2014.

Cost Share

Questionnaire respondents' estimates of the cost of rebar as a share of construction (its most common end use) varied little, ranging from 2 to 5 percent, with only one exception. For two intermediate applications (welding assemblies and cut and bend), however, the rebar's cost share was very high, 80 percent.[31] Seven U.S. producers and four purchasers reported cost shares for one or more uses.[32] The cost shares they reported ranged from 2 to 5 percent for bridges, structures, roads, commercial construction, and residential construction. One producer, (***), noted that rebar's cost share was 15 percent for "miscellaneous construction."

SUBSTITUTABILITY ISSUES

The degree of substitution between domestically produced and imported rebar depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there are few differences between domestic and imported rebar, and there is a high degree of substitution among rebar produced in the United States, the subject countries, and other import sources for end uses not subject to "Buy America(n)" provisions. However, the existence of end-use markets subject to "Buy America(n)" provisions reduces the overall substitutability of rebar in the U.S. market.[33] Additionally, substitutability of water-quenched rebar may be somewhat more limited.[34]

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[30] Only one purchaser reported a change in substitutes since 2007. It reported that wire mesh had been promoted as a substitute but had not been popular.

[31] These intermediate applications refer to changing the size and shape of rebar.

[32] No importer provided cost share data.

[33] "Buy America" requirements apply to iron and steel products and their coatings that are purchased for the Federal-aid highway construction program (highways, bridges, transit systems, and terminals). Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy American" is a separate and distinct program from "Buy America," and has completely different rules. The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest." U.S. Department of Transportation, Federal Highway Administration Web site, "Construction Program Guide: Buy America,"

(continued…)

Purchaser Characteristics

The Commission issued purchaser questionnaires to 55 firms that were identified by producers and importers or that had valid contact information from prior ITC rebar investigations. Questionnaire responses were received from 23 firms which reported that they had purchased rebar since January 1, 2007. Three of these responses were from firms associated with domestic producers (***). The majority of responding purchasers (13 of 22) categorized themselves as rebar fabricators, 8 as steel distributors, 2 as steel service centers, 2 as building material distributors, 1 as a contractor, and 4 as something other than these choices.[35] Purchaser responses accounted for 60.9 percent of U.S. producers' domestic shipments of rebar and 30.3 percent of commercial shipments of imports from nonsubject countries in 2012. Of these totals, purchasers associated with domestic producers accounted for *** percent of the domestic purchases (*** short tons) and *** percent of purchases of imported rebar (*** short tons). Purchasers not associated with domestic producers which responded to the Commission questionnaire accounted for *** percent (*** short tons) of domestic rebar purchases and *** percent (*** short tons) of purchases of imported rebar.[36]

All purchasers noted having knowledge of, or having purchased from domestic producers during 2007-12. Only one company purchased from any of the subject countries since 2007 (specifically, China). Eleven reported having purchased rebar from nonsubject countries since 2007. The firm that had bought from China, ***, stated that it decreased its purchases from China due to Buy America provisions.

Eleven of 22 responding purchasers reported purchasing daily, 2 purchased weekly, 5 monthly, 1 quarterly, and 3 purchased as needed. Only one purchaser reported that it expected to change its purchase pattern in the future (***) since it has ***. Ten of 22 responding purchasers noted competing for sales against importers or domestic producers of rebar.

Knowledge of Country Sources

Twenty-two of 23 responding purchasers reported having marketing/pricing knowledge of domestically produced rebar, 2 of rebar from China, 2 from Poland, 1 from Indonesia, and 1 from Moldova.[37] In addition, eight purchasers reported having marketing/pricing knowledge of rebar produced in various nonsubject countries. As shown in table II-4, purchasers' responses regarding whether they make decisions based on producer and country of origin differ considerably. Eleven of 21 purchasers reported that they "always" or "usually" make purchase decisions based on the producer and ten reported that they "sometimes" or "never" make purchasing decisions based on the producer. Ten purchasers reported that they "always" or "usually" make purchasing decisions based on country of origin and 12 reported that they "sometimes" or "never" make purchasing decisions based on country of origin. In contrast, most purchasers reported that their customers either "sometimes" or "never" made purchase decisions based on the producer of, or the country of origin of, the rebar.

(…continued)
http://www.fhwa.dot.gov/construction/cqit/buyam.cfm, retrieved May 16, 2013 and U.S. Department of Transportation, Federal Highway Administration Memorandum, "Buy America Requirements (HHO-32)," dated, July 6, 1989, last modified April 7, 2011, http://www.fhwa.dot.gov/programadmin/contracts/070689.cfm, retrieved May 16, 2013.

[34] Some firms, such as LM in Latvia, are able to switch between production methods, though not costlessly. Hearing transcript, p. 212 (Cameron).

[35] Some firms categorized themselves as more than one type of firm.

[36] These figures may underrepresent unassociated total purchases. One industry publication noted that independent rebar fabricators account for more than 45 percent of the rebar market. "Rebar fabricator co-op to leverage buys in bulk," *American Metal Market*, January 23, 2013.

[37] No purchasers reported knowledge of rebar from Belarus, Latvia, or Ukraine.

Table II-4
Rebar: Purchaser responses to questions regarding the origin of their purchases

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	7	4	5	5
Purchaser's customer makes decision based on producer	0	2	8	11
Purchaser makes decision based on country	6	4	5	7
Purchaser's customer makes decision based country	1	4	10	6

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

Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying rebar. Information obtained from their responses indicates that price, availability, and quality meeting the industry standard are relatively important factors.

Major Factors in Purchasing

Available information indicates that purchasers consider a variety of factors when purchasing rebar. While price and availability were cited most frequently as being important factors in their purchase decisions; other factors such as delivery time, product range, and issues relating to quality were also important considerations.

Over half of the 22 responding purchasers (13) indicated that price was the most important factor in their purchases; it was also the most commonly reported second-most important factor, and all responding purchasers reported it was one of the top three factors (table II-5). Availability was the most commonly reported third-most important factor. Half of the responding purchasers (11) reported that quality was one of the three most important factors.

Table II-5
Rebar: Ranking factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting			
	First[1]	Second	Third[1]	Total[1]
Price	13	7	3	23
Availability	4	5	8	17
Quality	3	5	3	11
Traditional supplier	2	0	1	3
Credit	0	1	2	3
Product line	0	0	2	2
Other[2]	0	3	2	5

[1] One purchaser reported price as both the most important factor and the third-most important factor, which accounts for more responses (23) than responding purchasers (22).

[2] Other factors include discounts offered, terms, and location of the mill compared to market for the second factor; and consistency and service for the third factor.

Note.--Three purchasers provided additional factors not among the top three generally considered in their purchase decisions which include: relationship, volume, ***, and quality.

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

Purchasers were asked to rate the importance of 15 purchasing factors (table II-6). Factors reported as important by the majority of purchasers include availability (21 firms), price (20), quality meets industry standard (20), reliability of supply (20), delivery time (17), product consistency (17), discounts offered (13), and delivery terms (12). Half of the responding purchasers (11 of 22) reported that quality exceeding industry standards was not important; minimum quantity requirement and packaging were not important to six purchasers, and technical support/services was not important to five purchasers.

Table II-6
Rebar: Importance of purchase factors, reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	21	1	0
Delivery terms	12	9	1
Delivery time	17	5	0
Discounts offered	13	8	1
Extension of credit	11	8	3
Minimum qty requirements	4	12	6
Packaging	3	13	6
Price	20	2	0
Product consistency	17	5	0
Product range	8	14	0
Quality meets industry standards	20	2	0
Quality exceeds industry standards	6	5	11
Reliability of supply	20	2	0
Technical support/service	6	10	5
U.S. transportation costs	10	10	2

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

Factors Determining Quality

U.S. purchasers identified various principal factors they considered in determining the quality of rebar. The factor reported most frequently was that it must meet ASTM/industry standards. Other factors reported by purchasers included: meeting other standards (e.g., specified grades, purchaser requirements, or specifications for highway infrastructure); physical characteristics of the bars (straightness of rebar, bendability, breakage, ease of cutting, surface, rust, and age of steel); packaging; marking; bundling; and uniform piece count.

Supplier Certification

Eight of 22 responding purchasers reported that they require suppliers of rebar to become certified or pre-qualified for all of their purchases, and one requires certification or pre-qualification for 98 percent of its purchases. Of these nine purchasers, seven purchasers require that product meet ASTM

standards or suppliers be ISO certified, the other two required that rebar be certified or qualified to be sold in their markets.[38]

Qualification was reported to be a relatively short process. Four firms reported the time required to obtain qualification: two of these reported one day and two reported 30 days. All 20 responding purchasers reported that no supplier had failed to be certified or qualified since 2007.

Lead Times

U.S. producers sell rebar both from inventories and produced to order, with most (78.6 percent) being produced to order. Only *** sell a majority of their rebar from inventory.[39] Producer lead times generally ranged from 2 to 7 days for items sold from inventories[40] and from 14 days to as much as 60 days for items produced to order. No importers reported their shares from inventories or lead times.

Changes in Purchasing Patterns

Since January 2007, purchasers of rebar have changed their purchasing patterns in different ways with respect to the country of origin of the rebar (table II-7). As presented earlier in table II-3, 15 of 21 responding purchasers reported a general decrease in demand. More purchasers reported that overall demand for rebar had fallen than reported that their purchases had fallen. More purchasers (8) reported their purchases of rebar produced in the United States decreased than reported increases (5). Additionally, eight purchasers reported that their purchases of rebar had remained unchanged. Only one purchaser reported changes in purchases of subject product, reporting decreased demand for Chinese product as a result of "Buy American" provisions.[41] Firms purchasing nonsubject product reported fewer purchases (4 of 11) more frequently than those reporting increased purchases (2), constant purchases (2), or fluctuating purchases (3).

Table II-7
Rebar: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source	Decreased	Increased	Constant	Fluctuated	Did not purchase
United States	8	5	8	2	0
Belarus	0	0	0	0	23
China	1	0	0	0	22
Indonesia	0	0	0	0	23
Latvia	0	0	0	0	23
Moldova	0	0	0	0	23
Poland	0	0	0	0	23
Ukraine	0	0	0	0	23
Nonsubject	4	2	2	3	12

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

[38] One of these reported that rebar had to meet the standards for highway infrastructure projects, whereas the other did not detail what industry standards were required, but reported selling to general contractors for commercial construction.

[39] ***.

[40] Three producers noted that their lead time for selling from inventory was 0 days.

[41] Additionally, importer *** stated that demand for U.S.-produced rebar is much greater now than in 2007.

Five of 22 responding purchasers reported that they had changed suppliers since 2007. *** reported adding *** because some suppliers were no longer selling rebar. *** reported changing suppliers, reducing purchases from *** because their relationship had deteriorated and its prices were not competitive. *** reported adding *** based on availability and price. *** reported dropping *** because *** competes with it. *** reported adding *** to its suppliers.

The majority of purchasers (18 of 22) reported contacting as few as one supplier before making a purchase and 17 reported the maximum number of suppliers contact was three or less. Five purchasers reported contacting up to 6 suppliers. Most purchasers (12 of 22) reported that purchases involved negotiations. Most of these purchasers reported discussing price, although some reported discussing other factors such as terms, arrival times, and volumes. Less than half (9 of 22) of the responding purchasers reported varying purchases from suppliers based on price. A number of these reported trying to purchase before price increases were announced.

Additionally, in January 2013, a group of U.S. and Canadian independent rebar fabricators have started a purchasing cooperative called the Independent Steel Alliance ("ISA") in order to increase negotiating leverage when making purchases from steel suppliers and earning rebates based on purchase volumes. Its members account for more than $500 million in purchases of rebar, wire mesh, and bar supports.[42] It also allows its suppliers an avenue to reach new purchasers and increase sales. Among its steel suppliers are domestic producers Byer and SDI.[43]

Importance of Purchasing Domestic Product

The majority of purchasers (19 of 22) reported that a desire to buy U.S. product was an important factor in their firms' purchases. Of those 19 purchasers, 14 purchasers indicated that U.S. product was required by law (most reported this for 20 to 60 percent of their purchases), 9 reported U.S. product was preferred by its customer (most reported this for 20 to 100 percent of their purchases), and 6 reported it was required for other reasons (most reported this for 80 to 100 percent of their purchases). Six purchasers reported reasons they preferred to buy domestic product, which included availability, short lead times, a need to hold less inventories, a longstanding relationship with a supplier, buying from a related U.S. producer, and imported #3 rebar can get bent.

Purchasers were asked if they had purchased rebar that was not offered at the lowest price and why they had done so. More than half of the responding purchasers noted buying domestic product for a number of reasons including availability, company affiliations, delivery (lead times), domestic content requirements, reliability, and purchasing from traditional suppliers.

Comparisons of Domestic Product, Subject Imports, and Nonsubject Imports

Interchangeability

All responding U.S. producers and importers reported that domestic and imported product from subject countries are "always" interchangeable (table II-8). Purchasers, in contrast, were divided in their responses to the interchangeability of U.S. and subject product. Four purchasers reported U.S.-produced rebar and rebar from subject countries were "always" interchangeable, whereas two purchasers reported that they were "never" interchangeable. The purchasers' responses for "frequently" and "sometimes" interchangeable differed by country, however, with one to three purchasers reporting subject countries' products were "frequently" interchangeable with U.S. product and two to three firms reporting that they were "sometimes" interchangeable.

[42] "Rebar fabricator co-op to leverage buys in bulk," *American Metal Market*, January 23, 2013.
[43] "Steel rebar purchasing co-op gaining traction," *American Metal Market*, March 1, 2013.

Table II-8
Rebar: Interchangeability of products produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries												
U.S. vs. Belarus	7	0	0	0	5	0	0	0	4	1	3	2
U.S. vs. China	7	0	0	0	5	0	0	0	4	2	3	2
U.S. vs. Indonesia	7	0	0	0	5	0	0	0	4	1	2	2
U.S. vs. Latvia	7	0	0	0	5	0	0	0	4	2	3	2
U.S. vs. Moldova	7	0	0	0	5	0	0	0	4	2	2	2
U.S. vs. Poland	7	0	0	0	5	0	0	0	4	3	2	2
U.S. vs. Ukraine	7	0	0	0	5	0	0	0	4	2	3	2
Intra-subject country comparisons												
All (e.g., Belarus vs. China)[1]	7	0	0	0	5	0	0	0	6	0	0	0

[1] The same responses were given for each of the intra-subject country comparisons except one additional importer indicated that Indonesian and Polish rebar are "never" interchangeable and ***.

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

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

All responding producers and purchasers, along with five of six responding importers[44] comparing product from subject country pairs reported that these were "always" interchangeable. Similarly, all six purchasers reported that subject imported product was either "always" or "frequently" interchangeable with product from nonsubject countries (table II-9). Most responding importers and U.S. producers reported that U.S.-produced rebar and rebar imported from nonsubject countries was "always" interchangeable, while most purchasers reported that U.S.-produced rebar and rebar imported from nonsubject countries was "always" or "frequently" interchangeable.

[44] One importer (***) did not report that rebar from different subject countries was always interchangeable; instead, it compared only Indonesian and Polish rebar. It reported that they were never interchangeable and the difference limiting their interchangeability was their "import duty."

Table II-9
Rebar: Interchangeability of products produced in the United States and subject countries compared with products produced in nonsubject countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. nonsubject[1] countries												
U.S. vs. nonsubject	7	0	0	0	7	1	3	0	3	5	2	2
Subject vs. nonsubject[1] country comparisons												
Each subject vs. nonsubject (e.g., Belarus vs. nonsubject)	7	0	0	0	6	0	0	0	5	1	0	0

[1] Nonsubject countries include Turkey, Mexico, Korea, Brazil, Venezuela, Chile, Trinidad & Tobago, Dominican Republic, Japan, Taiwan, and Korea.

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

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

In their explanations, purchasers either reported that as long as rebar met ASTM standards it was a commodity product and was "always" interchangeable or that interchangeability was limited because domestic product was specified. For most purchasers reporting limited interchangeability, the amount of their product covered by domestic requirements seemed to be the most important determining limitation on the interchangeability of U.S. and imported rebar. Importers also reported additional differences including differences in price, metric sizing, manufacturing standards, and import duties.

Purchasers were asked to compare U.S. product with subject product with respect to the 15 factors listed in table II-6 (table II-10). At least half of the responding purchasers reported that U.S. product was superior to product from all subject countries for availability, delivery terms, delivery time, minimum quantity requirement, product range, reliability of supply, and technical support/services. At least half of responding purchasers also reported that U.S. product was comparable to product from all subject countries for extension of credit, price, product consistency, quality meets industry standards, quality exceeds industry standards, and U.S. transportation cost. Responses differed between subject countries for discounts offered and packaging. With respect to discounts offered, at least half of the responding purchasers indicated that U.S. and subject countries were comparable for all countries except China and Poland. In comparing U.S. rebar to rebar imported from China, four purchasers responded that the U.S. rebar was inferior for discounts, three reported that U.S. and Chinese rebar were comparable, and two reported U.S. rebar was superior. In comparing U.S. rebar to rebar imported from Poland, half (four) reported U.S. rebar was inferior, three reported that they were comparable and one reported that U.S. rebar was superior. With respect to packaging, most purchasers reported that the U.S. product was inferior compared to all subject countries except China. In this comparison, four purchasers reported U.S. product was inferior, two that the products were comparable and three reported U.S. product was superior.

The majority of responding purchasers reported that product from all subject country pairs were comparable across all factors. Table II-10 also presents all subject country pairs for which responding purchasers did not report product was comparable for all factors.

Table II-10
Rebar: Comparisons of product by source country, as reported by U.S. purchasers

Factor	U.S. vs. Belarus			U.S. vs. China			U.S. vs. Indonesia			U.S. vs. Latvia			U.S. vs. Moldova			U.S. vs. Poland		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	7	0	0	6	4	0	7	0	0	7	0	0	7	0	0	8	0	1
Delivery terms	6	1	0	5	3	2	6	1	0	6	1	0	6	1	0	6	2	1
Delivery time	7	0	0	7	1	2	7	0	0	7	0	0	7	0	0	8	0	1
Discounts offered	1	3	2	2	3	4	1	3	2	1	3	2	1	3	2	1	3	4
Extension of credit	2	3	1	2	5	2	2	3	1	2	3	1	2	3	1	2	4	2
Minimum quant. requirements	5	0	1	6	1	2	5	0	1	5	0	1	5	0	1	6	0	2
Packaging	1	2	3	3	2	4	1	2	3	1	2	3	1	2	3	1	3	4
Price	2	4	0	2	7	0	2	4	0	2	4	0	2	4	0	2	6	0
Product consistency	2	3	1	2	6	1	2	3	1	2	3	1	2	3	1	2	4	2
Product range	5	0	1	5	2	2	5	0	1	5	0	1	5	0	1	5	1	2
Quality meets industry standards	2	4	0	2	7	0	2	4	0	2	4	0	2	4	0	2	6	0
Quality exceeds industry standards	2	3	0	2	5	1	2	3	0	2	3	0	2	3	0	2	4	1
Reliability of supply	5	0	1	6	1	2	5	0	1	5	0	1	5	0	1	6	0	2
Technical support/service	5	0	1	6	0	3	5	0	1	5	0	1	5	0	1	6	0	2
U.S. transportation costs	3	4	0	3	6	1	3	4	0	3	4	0	3	4	0	3	5	1

Table continued on next page.

At least half of the responding purchasers comparing U.S. product with product from nonsubject countries reported that they were comparable for 11 factors. With respect to reliability of supply and technical support, purchasers were evenly divided, with two each reporting U.S. product was superior, comparable and inferior to product from nonsubject countries. For delivery time, two each reported U.S. product was superior and comparable, and one reported U.S. was inferior.

Two purchasers compared product from Belarus to product from nonsubject countries on the 15 factors, both firms reported that they were comparable for 11 factors, and one each reported that they were comparable and Belarus was inferior for delivery time, quality exceeds industry standards, technical support, and U.S. transportation costs.[45]

[45] One firm compared product from China with that from nonsubject countries and product from Poland with that from nonsubject countries. It reported they were comparable for all 15 factors.

Table II-10--*Continued*
Rebar: Comparisons of product by source country, as reported by U.S. purchasers

Factor	U.S. vs. Ukraine			U.S. vs. nonsubject			Belarus vs. China			Belarus vs. Indonesia			China vs. Poland			Belarus vs. nonsubject		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	7	0	0	2	3	1	1	3	0	0	4	0	1	3	0	0	2	0
Delivery terms	6	1	0	1	3	2	0	4	0	0	4	0	0	4	0	0	2	0
Delivery time	7	0	0	2	2	1	1	3	0	0	4	0	1	3	0	0	1	1
Discounts offered	1	3	2	1	3	2	0	4	0	0	4	0	0	4	0	0	2	0
Extension of credit	2	3	1	1	3	2	0	4	0	0	4	0	0	4	0	0	2	0
Minimum quant. requirements	5	0	1	3	1	2	1	3	0	0	4	0	1	3	0	0	2	0
Packaging	1	2	3	2	3	1	0	3	1	0	4	0	0	3	1	0	2	0
Price	2	4	0	0	5	1	0	4	0	0	4	0	0	4	0	0	2	0
Product consistency	2	3	1	0	6	0	0	4	0	0	4	0	0	4	0	0	2	0
Product range	5	0	1	1	4	1	1	3	0	0	4	0	1	3	0	0	2	0
Quality meets industry standards	2	4	0	1	5	0	0	4	0	0	4	0	0	4	0	0	2	0
Quality exceeds industry standards	2	3	0	1	5	0	0	4	0	0	4	0	0	4	0	0	1	1
Reliability of supply	5	0	1	2	2	2	1	3	0	0	4	0	1	3	0	0	2	0
Technical support/service	5	0	1	2	2	2	1	3	0	0	3	0	1	3	0	0	1	1
U.S. transportation costs	3	4	0	1	4	1	0	4	0	0	4	0	0	4	0	0	1	1

Note.--S = domestic product superior, C = domestic product comparable, I = domestic product inferior. Not all purchasers responded for all factors.

Note.--Three purchasers reported that product was comparable for all 15 factors for product from Belarus and Latvia, Belarus and Moldova, Belarus and Poland, Belarus and Ukraine, China and Indonesia, China and Latvia, China and Moldova, China and Ukraine, Indonesia and Latvia, Indonesia and Moldova, Indonesia and Poland, Indonesia and Ukraine, Latvia and Moldova, Latvia and Poland, Latvia and Ukraine, Moldova and Poland, Moldova and Ukraine, and Poland and Ukraine. One purchaser compared Chinese and Polish product with product from nonsubject countries. It reported that the rebar was comparable for all 15 factors. Included in the tabulations are the responses of one purchaser which indicated that the U.S. was superior in every factor for every country comparison.

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

Minimum Quality Requirements

Purchasers were asked how often rebar from different sources meets minimum quality requirements. As seen in table II-11, 17 of 20 responding purchasers reported that domestically produced rebar "always" meets minimum quality specifications and two reported that it "usually" meets minimum quality specifications.[46] Most purchasers did not know if subject product meets minimum quality specifications. Two purchasers reported that rebar from each of the subject countries "always" meets minimum quality specification and one reported that product from each of the subject countries "never" meets minimum quality specifications. In addition, four reported Chinese product "usually" meets

[46] The final purchaser noted that it was "unknown."

Table II-11
Rebar: Ability to meet minimum quality specifications, by source

Country	Number of firms reporting				
	Always	Usually	Sometimes	Rarely or never[1]	Unknown
United States	17	2	0	0	1
Belarus	2	0	0	1	15
China	2	4	0	1	11
Indonesia	2	1	0	1	14
Latvia	2	0	0	1	15
Moldova	2	1	0	1	14
Poland	2	2	0	1	13
Ukraine	2	0	0	1	15

[1] Purchaser *** reported that all subject countries "rarely or never" were able to meet minimum quality specifications. Its questionnaire provided no other information comparing U.S. and subject product. It reported that it had no "marketing/pricing knowledge" of product from any subject country.

Source: Compiled from responses to Commission questionnaires.

minimum quality standards, two reported product from Poland "usually" does, and one reported Indonesian and Moldovan product "usually" do.

Differences Other Than Price

Purchasers were also asked how often there were differences other than price when comparing the rebar from domestic, subject, and nonsubject country pairs (tables II-12 and II-13). All six responding producers reported that there were never significant differences other than price between rebar from U.S., subject countries, and nonsubject countries. Importers' responses were somewhat mixed: four of five responding importers reported that there were either "sometimes" or "never" differences other than price between U.S. rebar and rebar imported from subject countries and rebar from any of the subject country pairs. Six of 10 responding importers reported that there were "sometimes" differences other than price for U.S. rebar and that imported from nonsubject countries. Comparing rebar from subject countries with that from nonsubject countries, two importers each responded that there were "always," "sometimes," and "never" differences other than price. More purchasers comparing U.S. to subject product reported that there are "sometimes" or "never" differences other than price than reported that there are "always" or "usually" differences for Belarus, Latvia, Moldova, Poland, and Ukraine. For China and Indonesia, the same number of purchasers reported that U.S. and subject product "always" and "usually" exhibit differences other than price as reported they "sometimes" or "never" exhibit differences other than price. All but one responding purchaser reported that there were "sometimes" or "never" differences other than price between rebar from the subject country pairs.[47] Similarly, all but one responding purchaser reported that there were "sometimes" or "never" differences other than price between product from the subject countries and nonsubject countries. The only difference other than price that was reported by purchasers was a domestic content requirement.

[47] *** reported that there were "always" differences other than price for all country pairs. It did not report what the difference was for this question. For the question on interchangeability, however, it reported that interchangeability was "frequently" limited because domestic product was specified.

Table II-12
Rebar: Significance of differences other than price between products produced in the United States and subject countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries												
U.S. vs. Belarus	0	0	0	6	1	0	2	2	3	1	3	3
U.S. vs. China	0	0	0	6	1	0	2	2	4	2	3	3
U.S. vs. Indonesia	0	0	0	6	1	0	2	2	3	2	2	3
U.S. vs. Latvia	0	0	0	6	1	0	2	2	3	1	4	3
U.S. vs. Moldova	0	0	0	6	1	0	2	2	3	1	4	3
U.S. vs. Poland	0	0	0	6	1	0	2	2	3	2	4	3
U.S. vs. Ukraine	0	0	0	6	1	0	2	2	3	1	4	3
Intra-subject country comparisons												
Belarus vs. Indonesia	0	0	0	6	1	0	2	2	1	0	2	4
Latvia vs. Moldova	0	0	0	6	1	0	2	2	1	0	2	4
Poland vs. Ukraine	0	0	0	6	1	0	2	2	1	0	2	4
All other comparisons	0	0	0	6	1	0	2	2	1	0	1	5

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

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

Table II-13
Rebar: Significance of differences other than price between products produced in the United States and subject countries compared with products produced in nonsubject countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. nonsubject[1] countries												
U.S. vs. nonsubject	0	0	0	6	1	1	6	2	4	3	4	2
Subject vs. nonsubject[1] country comparisons												
Belarus vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
China vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
Indonesia vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
Latvia vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
Moldova vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
Poland vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	4
Ukraine vs. nonsubject	0	0	0	6	2	0	2	2	1	0	1	5

[1] Nonsubject countries include Turkey, Mexico, Korea, Brazil, Venezuela, and Chile.

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

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

Four of the 10 responding purchasers reported that some merchandise was available from a single source. All four agreed that some types of rebar are available only from domestic sources including: rebar larger than #9 diameter, ASTM A706 (weldable rebar), lengths over 60 feet, and grade 75.

Water-Quenched Rebar

After the hearing, purchasers were asked whether they accept or reject rebar that has been water-quenched during the manufacturing process (e.g., the Thermex process), and whether the source matters with respect to this question. The 15 purchasers answering this question had varied responses, except for those purchasers associated with domestic manufacturers. *** associated purchasers reported no problems with substituting water-quenched rebar for air-cooled rebar. A majority of the other purchasers noted some difficulties with water-quenched rebar, either rejecting it (or at least rejecting imported water-quenched rebar), noting that customers prefer air-cooled rebar, or that they do not use water-quenched rebar. Purchaser responses are included in table II-14.

Table II-14
Rebar: Purchaser responses regarding their acceptance of water-quenched rebar

* * * * * * *

ELASTICITY ESTIMATES

This section discusses elasticity estimates for the rebar industry. Parties were encouraged to comment on these estimates, if desired, in an appendix to their prehearing briefs. Domestic interested parties did not directly comment, but did use these elasticities in their economic analysis presented in their prehearing brief.[48]

U.S. Supply Elasticity

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 for rebar. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, alternatives in production, and the availability of alternate markets for U.S.-produced rebar.[49] Previous analysis of these factors indicates that the U.S. industry has the ability to make moderate to large increases or decreases in shipments to the U.S. market in response to a change in price based on unused capacity and production flexibilities. An estimate in the range of 4 to 8 is suggested. Domestic interested parties used the midpoint of this range in their analysis.

[48] Domestic interested parties' prehearing brief, exh. 4.

[49] Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors affecting increased quantity supplied to the U.S. market also affect decreased quantity supplied to the same extent.

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 and low cost share, it is likely that demand for rebar is moderately inelastic, with values ranging between -0.5 to -1.0. In the most recent review of this industry, it was noted that U.S. demand elasticity is likely to be in the lower end of this range. Domestic interested parties used the lowest point of this range in their analysis.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported rebar. Product differentiation, in turn, depends upon such factors as quality and condition of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products can frequently be used interchangeably, the elasticity of substitution between U.S.-produced rebar and imported rebar is high, and likely to be in the range of 3 to 6. However, for projects that require rebar subject to "Buy American" clauses or for water-quenched rebar, the elasticity of substitution will be lower. Domestic interested parties used the high point of this range in their analysis.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The information in this section of the report was compiled from responses to the Commission's questionnaires. Seven firms, which accounted for nearly all rebar production in the United States during 2007-12, supplied information on their operations in these reviews.[1] Table III-1 summarizes important events that have taken place in the U.S. industry since January 2007.[2] This table contains information pertaining to rebar facilities and does not include upstream[3] or downstream[4] activities.[5]

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[1] ***. ***.

[2] SDI acquired Roanoke Electric Steel Corporation ("RES"), which produces rebar in Roanoke, Virginia, on April 11, 2006. RES began producing rebar in 2006 ***. Historically, RES began making rebar in the late 1950s, "***." E-mail from ***, May 13, 2013.

[3] Nucor acquired The David J. Joseph Co. in 2008. The company and its affiliates operate nearly 70 scrap recycling facilities, with five acquisitions in 2010-12. CMC's Americas Recycling segment operates 33 scrap metal processing facilities in the United States and Gerdau operates 17 recycling facilities. Nucor 2012 Annual Report, p. 19; CMC FY12 10-K, p. 3; and http://www.gerdauameristeel.com/products/rc/, retrieved on May 23, 2012.

[4] Related fabricators are discussed in the section of this chapter entitled "Financial Experience of U.S. Producers."

[5] Respondent interested party LM argues that "domestic producers have become vertically integrated by making significant investments in producers of steel scrap, the primary raw material used in rebar production. For instance, *** percent of the scrap used by *** to produce billets was generated internally." Respondent interested party LM's prehearing brief, p. 4. Counsel for LM testified that the domestic industry consolidation, with "the purchase of the scrap processors does is it provides them with insulation from fluctuations in scrap prices, and it enables vertically integrated suppliers to pass along the profits from those operations and the variations in scrap price," gives an advantage to the domestic industry. Hearing transcript, p. 186 (Cameron).

Domestic producers contend that "U.S. ownership of scrap yards, i.e., scrap processing facilities, does not provide a producer with a competitive advantage or otherwise insulate the industry from scrap price volatility. Companies who own scrap yards are still required to purchase scrap on the open market in competition with other scrap consumers, foreign and domestic. The scrap purchases, therefore, continue to be subject to swings in raw material pricing as a result of global supply and demand." Domestic interested parties' prehearing brief, p. 85. Nucor testified that "on the upstream side we have to compete on a global basis for that scrap material, so there is no advantage. We are not insulated in any way from the pricing or the volatility of that pricing. On the downstream side, we have to be competitive in our downstream businesses or, frankly, we won't stay in business. So we gain no insulation either upstream or downstream on pricing from vertical integration. Hearing transcript, p. 154 (Ferriola).

Table III-1
Rebar: Important industry events, 2007-12

Year	Company	Event
March 2007	CMC	**Foreign acquisition**: Commercial Metals increased its control of CMC Zwiercie S.A. to 99 percent by purchasing the 26.8 percent stake owned by the Polish Ministry of State Treasury. Remaining shares are small holdings of numerous individuals.
April 2007	Border Steel Inc.	**Foreign acquisition**: Luxembourg-based ArcelorMittal acquired Border Steel, Vinton, TX along with production facilities in Mexico, owned by Mexican long-products producer Sicartsa from the Mexican parent company Grupo Villacero.
September 2007	Gerdau	**Acquisition**: Gerdau Ameristeel acquired long-products producer Chaparral, which can produce rebar at its Midlothian, TX, mini-mill.
June 2008	ArcelorMittal S.A.	**Acquisition**: ArcelorMittal signed deal to acquire structure steel producer Bayou Steel Corp., which can produce rebar at its Harriman, TN, rolling mill.
June 2008	CMC	**Expansion**: CMC announced the construction of a 300,000 ton-per-year rebar mill (with melt-shop capacity) in Mesa, AZ. The new "micro-mill" began producing rebar in 2009.
June 2008	Steel Works Rebar Fabricators LLC	**Start-up**: Steel Works announced that it would build a rebar mill (180,000 short tons annual capacity with melt-shop capacity) in Medley, FL. The mill was never built, and the company filed for bankruptcy in 2012.
August 2008	Nucor	**Restart**: Nucor announced the restart of its wire rod and rebar mini-mill in Kingman, AZ, that was acquired from North Start Steel Inc. The mill started producing rebar in 2010.
June 2009	Gerdau	**Shutdown**: Gerdau announced the shutdown of its Perth Amboy, NJ, rebar and wire rod mill due to weak market conditions.
October 2009	Gerdau	**Shutdown**: Gerdau announced the indefinite idling of its Sand Springs, OK, rebar mill due to weak market conditions.
February 2010	American Micro Steel (AMS) Inc.	**Start-up:** AMS announced that it would build a rebar mill (250,000 short tons annual capacity with melt-shop capacity) in Guayanilla, Puerto Rico. The mill has not yet been built.
September 2010	Gerdau	**Acquisition**: Gerdau acquired rebar producer TAMCO, Rancho Cucamonga, CA.
July 2012	Nucor	**Expansion**: Nucor announced plans to install a new reheat furnace at its rolling mill in Wallingford, CT. The installation is expected to boost annual capacity at the facility to 300,000–350,000 tons from 250,000. The mill produces rebar, wire rod, wire, and wire mesh.
November 2012	CMC	**Expansion**: CMC announced plans to increase the capacity of its Mesa, AZ, rebar mill (with melt-shop capacity).

Source: *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Second Review*), USITC Publication 4052, December 2008; *American Metal Market*, various issues; *Metal Bulletin*, various issues; company websites; and other articles.

Changes Experienced by the Industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of rebar since 2006. Five domestic producers indicated that they had experienced such changes; their responses are presented in table III-2.

Table III-2
Rebar: Changes in the character of U.S. producers' operations since January 2007

* * * * * * *

Anticipated Changes in Operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of rebar. The majority of firms did not anticipate such changes if the antidumping duty orders on subject countries remain in place but reported changes due to other factors. Their responses appear in table III-3.

Table III-3
Rebar: Anticipated changes in the character of U.S. producers' operations

* * * * * * *

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

Table III-4 presents rebar capacity, production, and capacity utilization in the United States. U.S. capacity for rebar decreased by 1.5 percent from 2007 to 2012.[6] Production fell by 17.2 percent over the same period, while capacity utilization rates declined from 80.8 percent in 2007 to a low of 55.4 percent in 2009 before partially recovering to 67.9 percent in 2012. The drop in production is primarily due to reduction in production by *** due to the economic slowdown and weak demand.

Table III-4
Rebar: U.S. producers' production, capacity, and capacity utilization, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
Capacity[1] (*short tons*)	9,814,516	9,814,413	9,671,520	9,398,878	9,242,659	9,663,799
Production (*short tons*)	7,932,289	7,669,513	5,356,488	5,902,047	6,068,574	6,564,137
Capacity utilization (*percent*)	80.8	78.1	55.4	62.8	65.7	67.9

[1] ***.

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

Constraints on Capacity

Six of the responding U.S. producers reported constraints in the manufacturing process. These constraints include market demand, supply of imports in the U.S. market, raw material availability, and equipment specifications. Table III-5 presents the information provided by the U.S. producers regarding their constraints on capacity.

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

* * * * * * *

[6] *** while ***'s capacity was reduced due to plant shutdown from 2007 to 2012 due to slow demand (*See* table III-2).

Alternative Products

*** reported producing other products using the same manufacturing equipment and/or production employees that were used to produce rebar. Shifting of production from subject rebar and other products is usually determined by market demand and conditions. However, *** reported that its ***.

Aggregate data for all responding firms are presented in table III-6. Production and capacity utilization of all products fell from 2007 to 2009 before rising in 2010 to 2012, but with an overall decline in production and capacity utilization of all products produced on shared equipment during the period examined.

Table III-6
Rebar: U.S. producers' total plant capacity and production, by products, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Total plant capacity	15,443,000	15,443,000	15,536,333	15,723,000	15,767,000	15,836,000
Production:						
Subject rebar	7,757,175	7,438,055	5,204,982	5,704,055	5,848,291	6,357,303
Coiled rebar	122,223	115,887	72,008	86,169	82,248	85,888
Merchant bar	4,075,755	3,744,857	2,536,822	3,094,932	3,563,630	3,391,004
Other (including SBQ bar)	799,699	809,867	530,993	758,307	919,901	862,932
Total, all products	12,754,852	12,108,666	8,344,805	9,643,463	10,414,070	10,697,127
Total plant capacity utilization (*percent*)	82.6	78.4	53.7	61.3	66.0	67.5

Note.--Data may not match table III-4 due to allocation for subject and nonsubject products.

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

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of rebar are presented in table III-7. U.S. producers' U.S. shipments, by quantity, decreased by 21.6 percent by quantity from 2007 to 2012, and total shipments fell by *** percent, reflecting a small offset by an increase in exports. The average unit value of total shipments fluctuated between $*** and $*** during 2007-12.

One firm, ***, reported internal consumption in 2012 of less than *** percent of U.S. producers' shipments of rebar. *** reported transfers to related firms[7] and also exported shipments of rebar to Canada, the Caribbean, Central America, and Mexico.

[7] ***.

Table III-7
Rebar: U.S. producers' U.S. shipments, export shipments, and total shipments, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
Quantity (*short tons*)						
U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
U.S. shipments	7,772,530	7,306,125	5,125,131	5,443,622	5,486,336	6,090,220
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Value (*1,000 dollars*)						
U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
U.S. shipments	4,518,871	5,490,185	2,479,282	2,946,048	3,582,211	3,941,429
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Unit value (*dollars per short ton*)						
U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
U.S. shipments	581	751	484	541	653	647
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Share of quantity (*percent*)						
U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0

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

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

U.S. PRODUCERS' INVENTORIES

Table III-8, which presents U.S. producers' end-of-period inventories for rebar, shows that inventories decreased from 2007 to 2010, then increased from 2011 to 2012, but remained at an overall lower level when comparing 2012 to 2007. As a ratio to total shipments, inventories were unchanged from 2007-09, but fell to *** percent in 2010 before climbing to *** percent in 2012.

Table III-8
Rebar: U.S. producers' end-of-period inventories, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
Inventories (*short tons*)	542,788	514,797	370,148	348,948	454,757	508,550
Ratio to production (*percent*)	6.8	6.7	6.9	5.9	7.5	7.7
Ratio to U.S. shipments (*percent*)	7.0	7.0	7.2	6.4	8.3	8.4
Ratio to total shipments (*percent*)	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.						

U.S. PRODUCERS' PURCHASES

During the period for which data were collected, one producer, ***, reported purchasing rebar from nonsubject sources and very small amounts of purchases from U.S. producers in 2007-12. Another producer, ***, purchased rebar from nonsubject sources in 2012 only.

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

The U.S. producers' aggregate employment data for rebar are presented in table III-9. The number of production-related workers ("PRWs") employed by the U.S. rebar industry declined between 2007 and 2012 by 1,847 workers or 31.9 percent.[8] The majority of the decline in PRWs was reported by *** which reported steep declines from 2007 to 2010, from *** before slight increases in 2011-12. During this time ***. Total hours worked per PRW increased by 27.9 percent between 2007 and 2012. Wages paid declined, but hourly wages paid to PRWs increased by 11.7 percent during 2007-12, rising in each year except 2009. Productivity, in contrast to rising hourly wages, decreased between 2007 and 2012 by 5.0 percent. Per-unit labor costs rose by 17.6 percent.

Table III-9
Rebar: U.S. producers' employment-related data, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
PRWs (*number*)	5,791	4,714	4,450	3,933	3,833	3,944
Total hours worked (*1,000 hours*)	9,209	8,975	7,987	7,701	7,696	8,024
Hours worked per PRW (*hours*)	1,590	1,904	1,795	1,958	2,008	2,034
Wages paid *($1,000*)	309,598	325,596	275,113	268,671	274,140	301,350
Hourly wages (*dollars*)	$33.62	$36.28	$34.45	$34.89	$35.62	$37.56
Productivity (*short tons per 1,000 hours*)	861.4	854.5	670.7	766.4	788.5	818.1
Unit labor costs (*per short ton*)	$39.03	$42.45	$51.36	$45.52	$45.17	$45.91
Source: Compiled from data submitted in response to Commission questionnaires.						

[8] "There are currently 1,800 fewer workers in this industry than there were six years ago. The number of hours worked and wages paid are all down over this period as well. Fewer of our workers are making steel, and those that have jobs are taking home less pay and receiving less benefits. The bottom line is this means USW members in this sector are extremely vulnerable today." Hearing transcript, p. 52 (Andros).

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

ArcelorMittal, Byer, Cascade, CMC, Gerdau, Nucor, and SDI provided usable financial data on their operations producing rebar.[9] These reported data are believed to represent virtually all production of rebar in the United States in 2012. The industry producing rebar in the United States has consolidated since the original investigations and the first reviews, as noted earlier in this report. Growth of the two largest firms, ***, appears to be primarily through the purchase of other firms and mills (including stand-alone mills).[10] Also, several of the reporting mills operate or have purchased fabricating facilities that use rebar produced in-house, which is reflected by the data on transfers reported by ***.[11] ***.

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[9] *** have a calendar-year end while *** have a fiscal year ending ***. Differences between the trade and financial data in the Commission's questionnaire are ***. Each of the firms reported that its accounting basis was GAAP (Gerdau also reported the use of IFRS for its financial reporting). Most firms stated that their cost accounting system for production and inventory was based on ***. Two firms reported allocation of costs to rebar, using volume as a cost allocation method.

[10] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007, page III-1 and table III-1. *See also* figure I-5, presented earlier in this report.

[11] ***. CMC acquired rebar fabricating firms Economy Steel, Las Vegas, Nevada and Rebar Services and Supply Co., Fort Worth, Texas in 2007 as well as ABC Coating Companies, a rebar fabricator and epoxy coating firm (serving the U.S. Southwest, Southeast, and Midwest), and Reinforcing Post-Tensioning Services, Inc. in 2008. As stated in the firm's annual report, "during 2008, CMC expanded its reinforcing steel fabrication capacity and geographic coverage with acquisitions of the assets of additional fabrication facilities operating in Fort Worth, and Waxahachie, Texas; Brighton and Denver, Colorado; Kankakee, Illinois; Fontana, Tracy and Claremont, California; two locations in Las Vegas, Nevada and acquired sole ownership of previously partially owned operations in Nashville, Tennessee and Gastonia, North Carolina." In addition, CMC began operating its Mesa, Arizona micro-mill in September 2009, which has rebar production and fabrication on the same site. Commercial Metals Company, Forms 10-K for 2008 (pp. 5 and 50-51) and 2010 (p. 6).

Nucor also expanded its fabrication operations through acquisition. For example, Nucor had previously entered a joint venture with rebar fabricator Ambassador Steel to create Nufab Rebar LLC, a rebar fabricating company in 2005. In 2007, Nucor acquired rebar fabricator Harris Steel and then in 2008 Nucor acquired Ambassador Steel and folded Nucor Rebar LLC into Nucor's Harris rebar fabricating operations. As stated in Nucor's annual report, "Harris Steel continued to be a growth platform for Nucor in 2008, having completed numerous acquisitions in the months following Nucor's initial acquisition in 2007. With the acquisition of Ambassador Steel, Inc. in 2008, Harris increased our rebar fabrication capacity to over 1.5 million tons." Nucor 2008 Form 10-K, p. 5.

***. Gerdau pursued acquisitions of steelmaking and downstream fabricating facilities beginning in 2002 when Gerdau and Co-Steel combined to form Gerdau Ameristeel (including the Sayerville, New Jersey rebar facility). Among others, Gerdau bought Callaway Building Products (Knoxville, Tennessee) in March 2006; Sheffield Steel, Sand Springs, Oklahoma with fabricating operations in Kansas City, Missouri and Sand Springs, Oklahoma in June 2006; and Pacific Coast Steel with operations in California in November 2006. In addition, Gerdau acquired Chaparral Steel in Midlothian, Texas (and some rebar operations in Texas) in September 2007; Enco Materials with operations in Arkansas, Tennessee, and Georgia in October 2007; MacSteel (a specialty bar producer) with fabricating operations in Michigan, Ohio, Indiana, and Wisconsin in November 2007; and Tamco, the only rebar producer in California, in October 2010. Gerdau's 2012 Form 20-F, pp. 16-17. *See also, Steel Concrete Reinforcing Bar from Turkey, Investigation No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008, pp. III-1-4.

Operations on Rebar

Income-and-loss data for U.S. producers of rebar are presented in tables III-10 and III-11. Total net sales declined irregularly from 2007 to 2012 on both a quantity and a value basis. The decline in sales on a value basis was ameliorated by increasing average unit values. Commercial sales and transfers trended in opposite directions: commercial sales fell and transfers increased between 2007 and 2012. Total cost of goods sold ("COGS") increased in dollar terms between 2007 and 2008, fell sharply in 2009, and increased from 2010 to 2012. COGS increased irregularly as a ratio to sales and on a per-unit basis from 2007 to 2012. Changes in the dollar value of raw material costs appear to be the driver of changes in total COGS, and the ratio of raw material costs to total COGS increased irregularly from 62.7 percent in 2007 to 69.9 percent in 2012. Selling, general, and administrative ("SG&A") expenses increased irregularly between 2007 and 2012; as a ratio to net sales, the high point occurred in 2009, coincident with the lowest level of net sales. Operating income fell sharply from 2007 to 2012 with the firms collectively recording operating losses in 2009 and 2010. Net income before taxes and cash flow followed the trend in operating income or loss, although cash flows were positive in each period.[12]

[12] Domestic interested parties compiled quarterly financial data from five firms. According to these data, financial indicators (total sales quantity and value, operating income, net income before taxes, and cash flow) were lower in January-March 2013 than in January-March 2012. RTAC posthearing brief, exh. 3.

Table III-10
Rebar: Results of operations of U.S. firms, fiscal years 2007-12

Item	Fiscal years					
	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Commercial sales	***	***	***	***	***	***
Internal consumption[1]	***	***	***	***	***	***
Transfers to related firms[2]	***	***	***	***	***	***
Total net sales	7,959,326	7,840,213	5,427,985	5,813,508	6,003,091	6,501,637
	Value (*$1,000*)					
Commercial sales	***	***	***	***	***	***
Internal consumption[1]	***	***	***	***	***	***
Transfers to related firms[2]	***	***	***	***	***	***
Total net sales	4,606,489	5,799,436	2,662,761	3,142,456	3,907,728	4,214,958
Cost of goods sold:						
Raw materials	2,180,965	3,246,718	1,374,788	1,957,185	2,503,411	2,680,929
Direct labor	300,383	310,557	238,570	249,649	248,962	270,094
Other factory costs[3]	998,526	1,219,020	908,983	826,507	821,085	885,935
Total COGS	3,479,874	4,776,294	2,522,341	3,033,341	3,573,458	3,836,958
Gross profit or (loss)	1,126,615	1,023,142	140,420	109,116	334,269	378,000
SG&A expenses[4]	131,865	173,195	154,693	129,299	145,784	148,457
Operating income or (loss)	994,750	849,947	(14,273)	(20,184)	188,485	229,543
Other income or (expense), net[5]	(40,288)	(54,651)	(67,068)	(55,421)	(49,315)	(30,514)
Net income or (loss)	954,462	795,296	(81,340)	(75,605)	139,170	199,029
Depreciation/amortization	107,805	123,435	128,706	132,754	126,840	124,976
Cash flow	1,062,267	918,731	47,366	57,149	266,010	324,006
	Number of firms responding					
Operating losses[6]	0	0	4	4	***	***
Data (sales) [6]	7	7	7	7	7	7

Table continued on the next page.

Table III-10--*Continued*
Rebar: Results of operations of U.S. firms, fiscal years 2007-12

Item	Fiscal years					
	2007	2008	2009	2010	2011	2012
	Ratio to total net sales (*percent*)					
COGS:						
Raw materials	47.3	56.0	51.6	62.3	64.1	63.6
Direct labor	6.5	5.4	9.0	7.9	6.4	6.4
Other factory costs	21.7	21.0	34.1	26.3	21.0	21.0
Total COGS	75.5	82.4	94.7	96.5	91.4	91.0
Gross profit or (loss)	24.5	17.6	5.3	3.5	8.6	9.0
SG&A expenses	2.9	3.0	5.8	4.1	3.7	3.5
Operating income or (loss)	21.6	14.7	(0.5)	(0.6)	4.8	5.4
Net income or (loss)	20.7	13.7	(3.1)	(2.4)	3.6	4.7
	Unit value (*dollars per short ton*)					
Commercial sales	***	***	***	***	***	***
Internal consumption[1]	***	***	***	***	***	***
Transfers to related firms[2]	***	***	***	***	***	***
Total net sales	579	740	491	541	651	648
Cost of goods sold:						
Raw materials	274	414	253	337	417	412
Direct labor	38	40	44	43	41	42
Other factory costs[3]	125	155	167	142	137	136
Total COGS	437	609	465	522	595	590
Gross profit or (loss)	142	130	26	19	56	58
SG&A expenses[4]	17	22	28	22	24	23
Operating income or (loss)	125	108	(3)	(3)	31	35
Net income or (loss)	120	101	(15)	(13)	23	31

[1] Accounted for ***.
[2] Accounted for by ***. Includes exports to ***.
[3] Includes inventory writedown in *** of $*** and writeup of inventory in *** by ***. The writedown increased other factory costs while the writeup decreased other factory costs. *** questionnaire response, section III-9.
[4] Includes ***.
[5] Composed chiefly of interest expense. ***.
[6] Operating losses were reported by ***.

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

Table III-11
Rebar: Results of operations of U.S. firms, by firm, fiscal years 2007-12

* * * * * * *

As depicted in tables III-10 and III-11, raw material costs are a significant share of sales and on a per-unit basis; raw material costs were the largest single component of COGS and varied from 54.5 percent in 2009 to 70.1 percent in 2011 and were 69.9 percent in 2012. The steel industry often uses the term "metal spread," defined as the difference in total dollars or in dollars per ton of product between the sales price and the cost of a firm's raw material inputs, primarily scrap. The term "metal margin" refers to the metal spread as a percentage of the product price, which is the ratio of the metal spread to total net sales. An increasing metal spread indicates a widening between a firm's sales value and its cost of raw materials, for example when a firm's sales price is rising faster than is the cost of its raw materials, or that the raw materials' costs are declining faster than a firm's sales price, whereas a decreasing metal spread indicates the opposite. Changes in the metal margin indicate similar aspects of changes in the underlying factors. As presented in table III-12, the rebar metal spread in absolute dollars and in dollars per short ton (of sales) and the rebar metal margin have fallen irregularly from 2007 to 2012. The rebar metal spread was sharply lower in 2009-12 than in 2007-08; the steep decline in raw material costs in 2009 apparently delayed the decline in the rebar metal margin until 2010.

Table III-12
Rebar: Metal spread and metal margin of U.S. producers, by firm, 2007-12

	Fiscal years					
Firm	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
	Metal spread (*$1,000 dollars*)					
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Total	2,425,524	2,552,718	1,287,973	1,185,271	1,404,317	1,534,029
	Metal spread (*dollars per short ton*)					
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average	305	326	237	204	234	236
	Metal margin ratio *(percent*)					
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average	52.7	44.0	48.4	37.7	35.9	36.4

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

Energy costs, which are typically classified in "other factory costs," are a smaller component of total COGS compared with raw materials. Electricity, which is used to operate machinery in a mill as well as to melt scrap was described by industry witnesses as the second or third largest component of costs; natural gas, which is used to reheat billets (the semifinished form from which rebar is rolled) and to preheat scrap as well as refractory vessels used to melt and refine the steel, was described as the fourth largest component of COGS.[13] Together, electricity and natural gas were estimated to be approximately 10 percent of the cost of scrap, which, in turn, was described as representing about 60 to 65 percent of total manufacturing costs.[14]

Variance Analysis

The variance analysis showing the effects of prices and volume on U.S. producers' net sales of rebar, and of costs and volume on their total expenses, is presented in table III-13.[15] The information for this variance analysis is derived from table III-10. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. The variance analysis for the reporting firms together indicates that the decrease in operating income between 2007 and 2012 was mainly due to an unfavorable volume variance on commercial sales (sales volume fell) that was much greater than the favorable price variance on commercial sales combined with an unfavorable net cost and expense variance (unit costs rose). During 2007 to 2012, the industry's related firm transfers increased; the favorable price and volume variances on related firm transfers was *** less than the net of favorable price and unfavorable volume variances on its commercial sales. The industry collectively recorded an unfavorable operating income variance in each of the years from 2007 through 2010. The composition of net operating variance is summarized at the bottom of table III-13.

[13] Hearing transcript, p. 61 (Ferriola).

[14] Hearing transcript, pp. 61-62 (Ferriola and Alvarado).

[15] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table III-13
Rebar: Variance analysis on U.S. firms' operations, fiscal years 2007-12

	Between fiscal years					
Item	**2007-12**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**
	Value (*$1,000*)					
Commercial sales:						
Price variance	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***
Total commercial sales variance	***	***	***	***	***	***
Related firm transfers:						
Price variance	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***
Total transfers variance	***	***	***	***	***	***
Total net sales:						
Price variance	452,112	1,261,884	(1,352,340)	290,573	662,794	(17,300)
Volume variance	(843,643)	(68,937)	(1,784,335)	189,123	102,478	324,530
Total net sales variance	(391,531)	1,192,947	(3,136,675)	479,695	765,271	307,230
Cost of sales:						
Cost variance	(994,395)	(1,348,497)	784,413	(331,851)	(441,198)	33,270
Volume variance	637,312	52,077	1,469,541	(179,149)	(98,919)	(296,770)
Total cost variance	(357,083)	(1,296,420)	2,253,953	(511,000)	(540,118)	(263,499)
Gross profit variance	(748,614)	(103,473)	(882,721)	(31,305)	225,154	43,731
SG&A expenses:						
Expense variance	(40,742)	(43,304)	(34,785)	36,380	(12,268)	9,434
Volume variance	24,150	1,973	53,288	(10,987)	(4,217)	(12,107)
Total SG&A variance	(16,592)	(41,330)	18,502	25,393	(16,485)	(2,673)
Operating income variance	(765,207)	(144,803)	(864,219)	(5,911)	208,669	41,058
Summarized as:						
Price variance	452,112	1,261,884	(1,352,340)	290,573	662,794	(17,300)
Net cost/expense variance	(1,035,138)	(1,391,800)	749,627	(295,470)	(453,466)	42,704
Net volume variance	(182,181)	(14,887)	(261,506)	(1,014)	(658)	15,653

Note.--These data are consistent with tables III-10 and III-11. Unfavorable variances are shown in parentheses; all others are favorable. A variance analysis is not shown for internal consumption ***.

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

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing and sale of for 2007 to 2012. Comparing these data to operating income from tables III-10 and III-11, staff divided total operating income by total assets. Table III-14 presents the ratio of operating income to assets used to compute return on investment ("ROI").

Table III-14
Rebar: Value of assets used in production, warehousing, and sales, and return on investment, by firm, fiscal years 2007-12

	Fiscal year					
Firm	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
	Total net assets (*$1,000*)					
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Total	1,677,224	2,033,385	2,150,825	2,037,035	2,022,687	2,130,439
	Return on investment ratio (*percent*)					
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Average	59.3	41.8	(0.7)	(1.0)	9.3	10.8

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

ROI generally followed changes in operating income (discussed earlier in connection with table III-10), i.e. was sharply lower in 2009-10 than in 2007-08, and then partially recovered in 2011-12. ROI also was influenced by changes in the industry's total value of assets, which was affected by changes in firms' product mix and allocation. According to an industry witness at the Commission's hearing, the industry producing rebar is not earning adequate rates of return to be financially sustainable, and the average operating income ratio of five percent does not cover the industry's cost of capital.[16]

[16] Hearing transcript, p. 27 (Ferriola).

Capital Expenditures and Research and Development Expenses

U.S. producers' data on their capital expenditures and research and development ("R&D") expenses for their operations on rebar are shown in table III-15.

Table III-15
Rebar: U.S. firms' capital expenditures and research and development expenses, by firm, fiscal years 2007-12

	Fiscal years					
Item	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
	Value (*$1,000*)					
Capital expenditures:						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Total	159,065	155,191	158,345	56,090	51,621	76,564
R&D expenses:						
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

At the Commission's hearing, an industry witness stated that as profit margins have shrunk, little capital investment has been made in new plant and equipment.[17] Others indicated that because rebar is "one of the most damaging products to produce," expenses for maintaining the equipment are high, as are expenses for regulatory compliance, for air and water quality.[18] *** stated that its capital expenditures have focused on ***.[19] *** stated that its capital expenditures have been made to ***.[20] *** stated that its capital expenditures have *** reported that it is installing a new reheat furnace in its *** plant at an estimated cost of $*** with an expected completion date of ***.[21]

[17] Hearing transcript, p. 107 (Alvarado).
[18] Hearing transcript, pp. 108-109 (Ferriola and Andros).
[19] Answer to questions by Commission staff from counsel to ***, February 28, 2013; also, e-mail to Commission staff from counsel to ***, March 20, 2013.
[20] Answer to questions by Commission staff from counsel to ***, March 1, 2013.
[21] Answer to questions by Commission staff from counsel to ***, March 1, 2013. Also, ***.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Overview

According to official import statistics, U.S. imports of rebar during 2007-12 originated in nonsubject countries and in one subject country, China. The Commission issued questionnaires to 30 firms believed to have imported rebar between 2007 and 2012, as well as to all U.S. producers of rebar. Fifteen companies provided usable questionnaire responses regarding their rebar imports from nonsubject countries.[1] Responding U.S. importers accounted for 38-58 percent of U.S. imports from nonsubject countries during 2007-09, 67-79 percent of U.S. imports from nonsubject countries during 2010-12, and none of the imports from China. Accordingly, import data in this report are based on official Commerce statistics for rebar for statistical reporting number 7214.20.00, which is believed to be the primary statistical reporting number under which rebar was imported during the current review period, as discussed in Part I of this report.

Imports from Subject and Nonsubject Countries

Table IV-1 presents data for U.S. imports of rebar from each subject source and all other sources. As shown in table IV-1, subject imports from China entered the U.S. market in limited quantities from 2007 to 2011. As discussed in Part I of this report, additional volumes of alloy steel rebar from China were identified in 2010-12. U.S. imports from Turkey increased between 2007 and 2012. In contrast, imports from Mexico,[2] the Dominican Republic, and all other nonsubject countries decreased. In 2007, rebar entered the United States from 27 countries, with Turkey, Mexico, Taiwan, Japan, Brazil, and Malaysia (in order of quantity) being the largest sources of imports. In 2008, rebar entered the United States from 18 countries, with Turkey, Mexico, and Japan being the largest sources of imports. U.S. imports of rebar entered from 13 countries in 2009, 12 countries in 2010, 11 countries in 2011, and 9 countries in 2012, with Turkey, Mexico, and the Dominican Republic being the largest sources of U.S. imports. In general, U.S. imports from Turkey entered primarily through Houston-Galveston, Texas; Miami, Florida; New Orleans, Louisiana; and San Juan, Puerto Rico. U.S. imports from Mexico entered primarily through El Paso, Texas; Laredo, Texas; and San Diego, California. U.S. imports from the Dominican Republic generally entered through San Juan, Puerto Rico.

Commerce revoked the antidumping duty order with respect to rebar exported from Turkey by ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S. on November 8, 2005; by Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S. and Diler Demir Celik Endustrisi ve Ticaret A.S./Yazici Demir Celik Sanayi ve Turizm Ticaret A.S/Diler Dis Ticaret A.S. on November 6, 2007; and by Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. on November 7, 2008.[3] On January 5, 2009, Commerce published the revocation of the antidumping duty order covering the remaining manufacturers / exporters of rebar from Turkey, effective March 26, 2008,[4] following a negative determination by the Commission in its second review.

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[1] Two firms, ***, reported that they had not imported rebar from any country at any time since January 1, 2007.

[2] A large U.S. importer from Mexico ***. E-mail from ***, March 27, 2013.

[3] 70 FR 67665, November 8, 2005; 72 FR 62630, November 6, 2007; and 73 FR 66218, November 7, 2008.

[4] 74 FR 266, January 5, 2009.

Table IV-1
Rebar: U.S. imports by source, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Belarus	0	0	0	0	0	0
China	2,385	39	43	31	118	0
Indonesia	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Moldova	0	0	0	0	0	0
Poland	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
Subtotal, subject	2,385	39	43	31	118	0
Dominican Republic	76,991	56,286	32,497	32,475	82,316	39,357
Mexico	332,942	416,287	203,738	292,017	280,944	291,060
Turkey	452,924	311,070	171,122	167,515	262,415	562,872
All others	966,304	178,615	6,319	3,394	5,320	4,172
Subtotal, nonsubject	1,829,160	962,258	413,677	495,402	630,995	897,462
Total U.S. imports	1,831,546	962,297	413,720	495,432	631,113	897,462
	Value (*1,000 dollars*)					
Belarus	0	0	0	0	0	0
China	1,222	38	32	24	116	0
Indonesia	0	0	0	0	0	0
Latvia	0	0	0	0	0	0
Moldova	0	0	0	0	0	0
Poland	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
Subtotal, subject	1,222	38	32	24	116	0
Dominican Republic	41,965	45,895	16,457	17,981	46,745	26,705
Mexico	201,855	314,737	131,564	141,392	173,073	172,331
Turkey	242,580	221,493	80,383	86,091	166,784	347,154
All others	493,162	147,917	3,815	3,953	6,576	4,866
Subtotal, nonsubject	979,561	730,041	232,220	249,417	393,178	551,056
Total U.S. imports	980,784	730,079	232,252	249,441	393,295	551,056

Table continued on next page.

Table IV-1--*Continued*
Rebar: U.S. imports by source, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Average unit value (*dollars per short ton*)					
Belarus	(1)	(1)	(1)	(1)	(1)	(1)
China	513	983	745	787	986	(1)
Indonesia	(1)	(1)	(1)	(1)	(1)	(1)
Latvia	(1)	(1)	(1)	(1)	(1)	(1)
Moldova	(1)	(1)	(1)	(1)	(1)	(1)
Poland	(1)	(1)	(1)	(1)	(1)	(1)
Ukraine	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal, subject	513	983	745	787	986	(1)
Dominican Republic	545	815	506	554	568	679
Mexico	606	756	646	484	616	592
Turkey	536	712	470	514	636	617
All others	510	828	604	1,165	1,236	1,166
Subtotal, nonsubject	536	759	561	503	623	614
Total U.S. imports	535	759	561	503	623	614
	Share of quantity (*percent*)					
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	0.1	(2)	(2)	(2)	(2)	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject	0.1	(2)	(2)	(2)	(2)	0.0
Dominican Republic	4.2	5.8	7.9	6.6	13.0	4.4
Mexico	18.2	43.3	49.2	58.9	44.5	32.4
Turkey	24.7	32.3	41.4	33.8	41.6	62.7
All others	52.8	18.6	1.5	0.7	0.8	0.5
Subtotal, nonsubject	99.9	100.0	100.0	100.0	100.0	100.0
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table IV-1--*Continued*
Rebar: U.S. imports by source, 2007-12

Item	Calendar year					
	2007	2008	2009	2010	2011	2012
	Share of value (*percent*)					
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	0.1	(2)	(2)	(2)	(2)	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject	0.1	(2)	(2)	(2)	(2)	0.0
Dominican Republic	4.3	6.3	7.1	7.2	11.9	4.8
Mexico	20.6	43.1	56.6	56.7	44.0	31.3
Turkey	24.7	30.3	34.6	34.5	42.4	63.0
All others	50.3	20.3	1.6	1.6	1.7	0.9
Subtotal, nonsubject	99.9	100.0	100.0	100.0	100.0	100.0
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0
	Ratio of imports to U.S. production (*percent*)					
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	(2)	(2)	(2)	(2)	(2)	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Moldova	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject	(2)	(2)	(2)	(2)	(2)	0.0
Dominican Republic	1.0	0.7	0.6	0.6	1.4	0.6
Mexico	4.2	5.4	3.8	4.9	4.6	4.4
Turkey	5.7	4.1	3.2	2.8	4.3	8.6
All others	12.2	2.3	0.1	0.1	0.1	0.1
Subtotal, nonsubject	23.1	12.5	7.7	8.4	10.4	13.7
Total U.S. imports	23.1	12.5	7.7	8.4	10.4	13.7

[1] Not applicable.
[2] Less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Belarus, Indonesia, Latvia, Moldova, Poland, or Ukraine between 2007 and 2012. All import data presented are from official Commerce statistics under HTS subheading 7214.20.00.

Note.--U.S. imports of alloy steel concrete reinforcing bars and rods classified under the new (2010) HTS 7228.30.8010 totaled 3,908 short tons in 2012, or less than 0.5 percent of total U.S. imports of concrete reinforcing bar classified under HTS 7214.20.00. U.S. imports of alloy steel rebar from China classified under HTS 7228.30.8010 totaled 88 short tons in 2010, 338 short tons in 2011, and 1,199 short tons in 2012. In 2012, imports of alloy rebar from Mexico accounted for 69 percent (2,689 short tons) of total U.S. imports of alloy rebar, while China accounted for 31 percent (1,199 short tons). To ensure data continuity and comparability, such imports are not included in multi-year compilations of U.S. imports.

Source: Compiled from official import statistics.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2012

The Commission requested importers to indicate whether they had imported or arranged for the importation of rebar for delivery after December 31, 2012 from subject countries. None of the 15 responding importers indicated they had arranged for imports after this date. According to official statistics for the first quarter of 2013, no rebar imports entered the United States from any of the subject countries. During January-March 2013, Turkey was the primary source of rebar imports (248,972 short tons), followed by Mexico (77,483 short tons), the Dominican Republic (5,624 short tons), and Korea (4,752 short tons).

U.S. IMPORTERS' INVENTORIES

Data relating to U.S. importers' inventories of imports of rebar from nonsubject sources are presented in table IV-2. There were no reported inventories of rebar from subject countries. Two firms, ***, accounted for more than *** percent of inventories from nonsubject sources in 2011. Inventories of rebar from nonsubject countries fluctuated during the period and were minimal relative to U.S. imports and shipments of imports.

Table IV-2
Rebar: U.S. importers' nonsubject end-of-period inventories of imports, by source, 2007-12

* * * * * * *

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Channels of distribution, fungibility (interchangeability), and geographic markets are discussed in Part II of this report. Additional information concerning geographic markets and simultaneous presence in the market is presented below. In the original investigations, five of the six Commissioners cumulated subject imports from all of the subject countries except China. In the first five-year review, the majority of Commissioners cumulated imports from Belarus, China, Indonesia, Moldova, Latvia, Poland, and Ukraine.

Domestic interested parties contend that all of the considerations identified above have been met in these reviews. In addition, domestic interested parties maintain that "there are no other additional considerations that would warrant de-cumulating any of the seven countries, nor is there any condition or propensity that significantly limits competition. In past sunset reviews, the Commission has taken into consideration the existence of affiliations between domestic and subject producers. However, certain corporate affiliations involving producers in Ukraine or Poland will not restrain subject imports from returning to the U.S. market in significant, and injurious, volumes if the orders are revoked."[5]

Respondent interested party LM contends that subject imports from Latvia should not be cumulated because imports from Latvia will have no discernible adverse impact on the domestic industry or the Commission should exercise its discretion not to cumulate Latvia with the other subject countries based on the Commission's traditional four factor analysis.[6] LM asserts that rebar produced in Latvia differs from U.S.-produced rebar in fungibility[7] and channels of distribution,[8] had no presence in the U.S. market, and would compete on different terms.[9] In addition, LM argues that "under no circumstances should the Commission cumulate imports from Latvia with imports from China because of the sheer size of the Chinese industry, combined with the industry's previously demonstrated ability to rapidly penetrate the U.S. market indicated that Chinese exports would compete under different conditions of competition if the antidumping duty orders were revoked."[10]

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[5] Domestic interested parties' prehearing brief, pp. 49-55 and domestic interested parties' posthearing brief, p. 5. See also domestic interested parties' posthearing brief, exh. 1, pp. 20-23.

[6] Based on differences in channels of distribution and limited fungibility between U.S. and Latvian products, Respondent interested party LM contends that despite a cash deposit rate of 5.94 percent for LM's exports to the United States, LM has not resumed exports of rebar to the United States. In addition, LM argues that it uses the Thermex billet and water-quenching process, "which is not accepted by LM's former U.S. customers as meeting ASTM certifications." LM's prehearing brief, pp. 12-18.

[7] LM argues that rebar from Latvia would not be interchangeable with domestically produced Latvia because rebar in Latvia is "produced to different standards and uses the Thermex process. Rebar produced using this process differs from rebar sold in the U.S. market, and is not regarded by U.S. customers as satisfying ASTM requirements. Such rebar is not interchangeable with domestically produced rebar." Respondent interested party LM's prehearing brief, pp. 14-15.

[8] LM argues that "in the original investigation and in the first review the Commission found that most imported rebar was sold to distributors. The current record similarly shows that non-subject imports are concentrated in the distributor market, while the domestic producers sell overwhelmingly to end-users. There is also a substantial amount of captive production of rebar. Respondent interested party LM's prehearing brief, p. 15.

[9] Respondent interested party LM's prehearing brief, p. 16.

[10] LM's prehearing brief, pp. 12-18 and posthearing brief, pp. 14-15.

Geographic Markets

During 2007-11, China was the only subject source of imports. U.S. imports from China entered in the ports of Chicago, Illinois; Detroit, Michigan; Houston-Galveston, Texas; Los Angeles, California; New Orleans, Louisiana; San Francisco, California; San Juan, Puerto Rico; and Savannah, Georgia.

According to official import statistics, during 1998-2000 rebar from Belarus and from Indonesia each entered through 5 ports; rebar from Latvia and Poland each entered through 9 ports; rebar from China and Ukraine each entered through 11 ports; and rebar from Moldova entered through 15 ports. The primary ports of entry for rebar from the subject countries during this period were as follow:

- Belarus: Houston-Galveston, Texas;
- China: Houston-Galveston, Texas and New Orleans, LA;
- Indonesia: Houston-Galveston, Texas and San Juan, Puerto Rico;
- Latvia: Houston-Galveston, Texas and New Orleans, LA, followed by Philadelphia, Pennsylvania and San Juan, Puerto Rico;
- Moldova: Houston-Galveston, Texas and San Juan, Puerto Rico;
- Poland: Houston-Galveston, Texas; and
- Ukraine: Houston-Galveston, Texas and Philadelphia, Pennsylvania.

During 2000-06, there were no U.S. imports of rebar from Indonesia, Moldova, and Ukraine. For the relatively limited rebar imports from Belarus and China, the leading ports of entry were Houston-Galveston, Texas and Los Angeles, California, respectively. For U.S. imports of rebar from Poland, the primary port of entry was Philadelphia, Pennsylvania. For U.S. imports of rebar from Latvia, the primary ports of entry were San Juan, Puerto Rico, Houston, Texas, and Miami, Florida.

Presence in the Market

China was the only subject source of imports during 2007-11. Chinese rebar entered the United States in six months in 2007, two months in 2008, two months in 2009, two months in 2010, and four months in 2011. No entries of subject imports were reported in 2012 from any of the seven subject countries.

According to official import statistics, during 1998-2000 imports of rebar from Poland entered the United States in 9 months; imports from Indonesia in 10 months; imports from Belarus in 12 months; imports from China in 13 months; imports from Ukraine in 18 months; imports from Latvia in 30 months; and imports from Moldova in 33 months. During 2000-06, there were no U.S. imports of rebar from Indonesia, Moldova, and Ukraine. Rebar imports from Belarus entered in one month; imports from China entered in 10 months; imports from Poland entered in 13 months; and imports from Latvia entered in 22 months.

THE INDUSTRY IN BELARUS

Overview

Since the original investigations, Byelorussian Steel Works ("BMZ") has been the only producer of rebar in Belarus. Rebar is produced in the firm's commercial steel unit, which was launched in 1984. Table IV-3 presents comparative information available from the original investigations, the first reviews, and the current reviews. Capacity and production have grown *** from 2000 to 2012.

Table IV-3
Rebar: Comparison of select Belarusian industry data, 2000, 2006, and 2012

* * * * * * *

Rebar Operations

Information on BMZ's rebar operations is presented in table IV-4. Capacity and production increased between 2007 and 2012.[11] BMZ reported that "***." BMZ reported no barriers to its exports in countries other than the United States. BMZ has *** if the orders were revoked, according to its questionnaire response.

When asked about any changes to operations, BMZ replied that "*** and that it is ***.[12] [13] BMZ's capacity is based on ***.[14] Constraints on capacity were reported to be ***." Domestic interested parties claim that BMZ's capacity growth and new export markets were facilitated by the use an auction based system for its exports, thereby demonstrating that only the price of the exports matters to BMZ and not the destination of the exports.[15]

Table IV-4
Rebar: BMZ's capacity, production, shipments, and inventories, 2007-12

* * * * * * *

[11] BMZ reported that it ***. E-mail from ***, March 20, 2013.

[12] BMZ's ***. E-mail from ***, March 20, 2013.

[13] Domestic interested parties claim that BMZ's new expansion plans will include some rebar production. Specifically, "***." Domestic interested parties' prehearing brief, p. 19.

[14] E-mail from ***, March 20, 2013.

[15] Domestic interested parties claim that this auction system appears to be new to this review period and is used by Stemcor, a large global trading company, to move rebar to its destinations. They also claim that ***. Domestic interested parties' prehearing brief, p. 20 and hearing transcript, p. 79 (Price).

Detailed information on destinations for Belarusian exports is presented in table IV-5. Between 2008 and 2012, Belarus exported rebar to 54 countries. In 2012, the top five export destinations for Belarusian rebar were Russia (65.2 percent of total exports by quantity), Lithuania (9.8 percent), Finland (3.6 percent), Sweden (2.6 percent), and the United Kingdom (2.5 percent). Belarus is a net exporter of rebar. Belarus' net exports (exports minus imports) of rebar are presented in table IV-6.

Table IV-5
Rebar: Belarus' reported exports, 2008-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Russia	(1)	502,775	171,926	282,246	443,211	602,170
Lithuania	(1)	25,973	18,264	49,604	66,430	90,480
Finland	(1)	32,593	10,100	15,699	22,309	32,820
Sweden	(1)	10,601	10,352	11,716	15,146	24,284
United Kingdom	(1)	19,558	15,632	14,182	11,068	23,377
Lebanon	(1)	25,102	282,474	162,032	58,004	21,821
Latvia	(1)	13,781	2,855	7,408	15,450	21,636
Ghana	(1)	0	14,548	20,310	44,921	21,486
Iraq	(1)	0	23,997	15,738	37,168	15,231
Norway	(1)	17,706	12,787	17,113	10,753	12,982
All other	(1)	214,430	423,129	193,428	123,783	57,479
Total	(1)	862,520	986,065	789,476	848,242	923,766
	Value (*1,000 dollars*)					
Russia	(1)	376,406	63,092	146,086	270,278	343,323
Lithuania	(1)	17,197	7,235	22,561	39,558	49,036
Finland	(1)	23,693	3,957	7,210	13,670	18,213
Sweden	(1)	9,577	3,978	5,584	9,350	13,374
United Kingdom	(1)	14,311	5,889	6,121	6,288	12,976
Lebanon	(1)	10,765	97,034	70,072	33,207	12,048
Latvia	(1)	9,711	1,078	3,653	9,326	12,053
Ghana	(1)	0	5,222	8,614	25,567	11,245
Iraq	(1)	0	8,025	6,451	21,549	7,984
Norway	(1)	14,248	4,718	7,913	6,520	7,098
All other	(1)	117,131	150,014	83,637	71,154	31,066
Total	(1)	593,040	350,241	367,903	506,466	518,415

Table continued on next page.

Table IV-5--*Continued*

Rebar: Belarus' reported exports, 2008-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Russia	(1)	749	367	518	610	570
Lithuania	(1)	662	396	455	595	542
Finland	(1)	727	392	459	613	555
Sweden	(1)	903	384	477	617	551
United Kingdom	(1)	732	377	432	568	555
Lebanon	(1)	429	344	432	572	552
Latvia	(1)	705	378	493	604	557
Ghana	(1)	(2)	359	424	569	523
Iraq	(1)	(2)	334	410	580	524
Norway	(1)	805	369	462	606	547
All other	(1)	546	355	432	575	540
Total	(1)	688	355	466	597	561

[1] Not available.
[2] Not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: Compiled from *Global Trade Atlas.*

Table IV-6

Rebar: Belarus' reported net exports, 2008-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	(1)	862,520	986,065	789,476	848,242	923,766
Imports	(1)	32,986	45,775	73,052	40,099	105,831
Net exports[2]	(1)	829,534	940,290	716,424	808,143	817,936

[1] Not available.
[2] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

Alternative Products

BMZ reported that it does not produce other products using the same equipment and machinery used to produce rebar.[16]

[16] In the first review, BMZ noted that in addition to rebar, it produces a range of high-quality products including SBQ bars and rounds, corners, and square bars, *** using the same equipment used to produce rebar because it is *** able to switch production between rebar and other products in response to a relative price change in rebar vis-a-vis the price of other products. *Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review): Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*, Confidential Staff Report, INV-EE-061, June 12, 2007, p. IV-24.

THE INDUSTRY IN CHINA

Overview

During the original investigations, the petition listed 17 firms believed to be producing rebar in China at the time. Only Laiwu Steel Group, Ltd. ("Laiwu") provided data in response to Commission questionnaires. In the first reviews, domestic interested parties identified 20 potential producers of rebar in China in a response to the Commission's notice of institution, none of whom replied to the Commission's foreign producers' questionnaire during those reviews. In these reviews, the Commission sent questionnaires to 30 firms in China identified as possible producers of rebar according to parties' responses to the notice of institution. None of these firms provided data on their rebar operations.

Table IV-7 presents comparative information available from the original investigations, first reviews, and the current reviews. Production more than *** between 2006 and 2012, although the share of production devoted to exports appeared to fall below *** percent. However, as discussed later in this chapter, Chinese rebar export data are a matter of some dispute.

Table IV-7
Rebar: Comparison of selected Chinese industry data, 2000, 2006, and 2012

Item	Calendar year		
	2000	2006	2012
Production (*short tons*)	29,450,000	***	***
Exports/production (*percent*)	1.2	***	***

Note.--Data on capacity, shipments, and inventories are unavailable.

Source: Confidential original report (INV-Y-087, May 1, 2001), tabulation at page VII-5; 2000 and 2006 *** production data contained in May 24, 2007 submission by domestic interested parties (converted to short tons by Commission staff); 2012 production data from ***.

According to ***, Chinese rebar production increased by *** percent between 2009 and 2012. China produces more rebar than it consumes and as a result, China is a net exporter of rebar. Between 2009 and 2012, Chinese consumption grew *** production. As a result, net exports declined by *** percent during the period. Chinese rebar production is projected to increase by *** percent between 2012 and 2017. Chinese production is projected to increase *** than consumption, and as a result, net exports are projected to increase to more than *** short tons by 2017. Historical and projected Chinese production, consumption, and net exports are presented in tables IV-8 and IV-9.

Table IV-8
Rebar: Chinese production, consumption, and net exports, 2009–12

* * * * * * *

Table IV-9
Rebar: Chinese projected production, consumption, and net exports, 2013–2017

* * * * * * *

Rebar Operations

Domestic interested parties have alleged that Chinese producers are adding rebar capacity in large amounts,[17] citing the following:

- In March of 2007, Chinese rebar production rose sharply to reach 8.415 million.
- In 2011, Shougang Changzhi Iron & Steel Co. commissioned a new rebar production line with a one million metric ton capacity.
- In the first half of 2012, Chinese steelmaker Yonggang Group announced that its total rebar and wire rod export volume reached 470,000 metric tons in the first half of the year, an increase of 160 percent compared to the first half of 2011.
- Another producer, Sipin Xiandai Steel commissioned a new rebar production line in 2012 with an annual output capacity of 300,000 metric tons.
- Jilan Steel Co. recently received approval from the Jiangsu Province official to produce additional types of rebar.

Detailed information on the export destinations for Chinese rebar is presented in table IV-10. Between 2007 and 2012, China exported rebar to 167 export destinations. In 2012, the top three export destinations collectively accounted only 26.6 percent of China's total rebar exports by quantity: Equatorial Guinea (10.8 percent), Angola (8.1 percent), and North Korea (7.7 percent). The export markets that have grown most substantially during the period 2007-12 were North Korea, Equatorial Guinea, and Iraq. China is a net exporter of rebar. China's net exports (exports minus imports) of rebar are presented in table IV-11.

[17] According to *Chinamining.org*, China produced approximately 140 million tons of rebar in 2010. Domestic interested parties' submission of July 31, 2012, p. 27 and exh. 11L.

Table IV-10
Rebar: China's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Equatorial Guinea	11,461	9,675	11,471	20,994	26,136	29,788
Angola	31,010	130,062	66,831	26,687	19,266	22,209
Korea North	1,735	890	369	1,518	2,305	21,285
Pakistan	64,595	23,771	2,421	7,842	18,792	19,881
Mongolia	13,694	19,197	2,992	18,165	42,739	19,781
Congo	7,387	17,811	15,387	11,737	11,138	14,390
Nigeria	77,916	20,923	25,129	20,458	0	13,808
Myanmar	44,172	15,082	22,005	18,739	22,111	12,987
Cameroon	14,267	1,336	2,803	397	3,758	12,334
Iraq	36	0	67	6,209	14,713	11,670
All other	5,919,461	1,019,267	177,016	106,879	81,394	97,200
Total	6,185,734	1,258,014	326,491	239,625	242,351	275,332
	Value (*1,000 dollars*)					
Equatorial Guinea	4,589	7,432	6,608	13,856	20,078	21,101
Angola	13,562	90,534	36,823	18,052	15,129	15,593
Korea North	698	651	208	908	1,862	15,211
Pakistan	25,466	12,246	1,518	5,537	14,892	15,238
Mongolia	5,750	11,979	1,702	11,933	34,221	15,551
Congo	3,745	12,710	8,779	7,970	9,036	10,520
Nigeria	33,787	17,583	14,683	12,513	0	12,045
Myanmar	17,569	10,116	14,150	12,976	17,276	9,035
Cameroon	5,381	1,089	1,750	263	3,011	9,021
Iraq	15	0	46	4,214	12,294	8,526
All other	2,442,816	752,600	103,904	72,496	64,290	70,398
Total	2,553,377	916,941	190,172	160,717	192,090	202,238

Table continued on next page.

Table IV-10--*Continued*
Rebar: China's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Equatorial Guinea	400	768	576	660	768	708
Angola	437	696	551	676	785	702
Korea North	403	731	564	598	808	715
Pakistan	394	515	627	706	792	766
Mongolia	420	624	569	657	801	786
Congo	507	714	571	679	811	731
Nigeria	434	840	584	612	([1])	872
Myanmar	398	671	643	692	781	696
Cameroon	377	815	624	662	801	731
Iraq	402	([1])	686	679	836	731
All other	413	738	587	678	790	724
Total	413	729	582	671	793	735

[1] Not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Note.--Regarding Chinese exports, the largest export markets for Chinese rebar (HS 721420) in 2007 were Iran, South Korea, Hong Kong, Singapore, and Syria.

Source: Compiled from *Global Trade Atlas.*

Table IV-11
Rebar: China's reported net exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	6,185,734	1,258,014	326,491	239,625	242,351	275,332
Imports	54,498	27,659	61,778	56,874	54,204	77,743
Net exports[1]	6,131,236	1,230,354	264,713	182,751	188,147	197,589

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

According to domestic interested parties, the vast majority of rebar exported from China is classified under HS subheading 7228.30 for hot-rolled alloy bar,[18] rather than under HS subheading 7214.20 for concrete reinforcing bars.[19] As a result, domestic interested parties argue that rebar exports from China are substantially understated if they are measured using only data for subheading 7214.20. Domestic interested parties argue that between 2006 and 2008, the Chinese government shifted from an eight percent value-added tax (VAT) rebate to a 10 to15 percent export tax on subject rebar classified under HS subheading 7214.20.[20] Domestic interested parties further argue that following the 2008 export tax, Chinese producers began adding small amounts of boron (i.e., 0.0008 percent by weight) to their rebar so that it would be technically classifiable as hot-rolled alloy bar under HS subheading 7228.30 in order to avoid the export tax.[21] Although HS subheading 7228.30 is a broad category that contains alloy bar products, domestic interested parties contend that the majority of China's exports of alloy hot-rolled bar classified under this subheading is in fact subject rebar.[22] Domestic interested parties contend that the shift in Chinese exports of rebar classified under HS subheading 7214.20 to those classified under HS subheading 7228.30 is evident in China's export statistics.[23] Domestic interested parties argue that the Commission must analyze Chinese exports under both HS subheadings (i.e., HS 7214.20 and HS 7228.30) collectively.

Information on Chinese exports of alloy hot-rolled bar classified under HS subheading 7228.30 is presented in Table IV-12. Reported exports were more than 4 million short tons higher in 2008 than in 2007. Increases in reported exports to Korea and Singapore were particularly pronounced. Overall, Chinese exports of alloy bar products increased by 192.2 percent from 2.2 million short tons in 2007 to 6.6 million short tons in 2012.

[18] HTS 7228.30 (other bars or rods of alloy steel, not further worked than hot-rolled, hot-drawn or extruded) is a basket category that contains bars and rods made of tool steel, high-nickel alloy steel, alloy concrete reinforcing bars, and other alloy steel bars.

[19] Domestic interested parties' posthearing brief, Exhibit 1, p. 24.

[20] Domestic interested parties' prehearing brief, Exhibit 13 (China Export Tax Rebates & Tariffs).

[21] Domestic interested parties' prehearing brief, Exhibit 13 (China Export Tax Rebates & Tariffs); domestic interested parties' posthearing brief, Exhibit 1, p. 24.

[22] Domestic interested parties' posthearing brief, Exhibit 1, p. 25.

[23] Domestic interested parties' posthearing brief, Exhibit 1, p. 24.

Table IV-12
Rebar: China's reported exports of alloy hot-rolled bar, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
South Korea	629,572	1,390,147	370,546	921,688	1,130,538	1,192,301
Hong Kong	116,511	388,503	11,129	407,491	424,099	1,121,571
Singapore	2,386	452,690	1,875	64,062	136,176	1,096,075
Thailand	232,373	312,978	83,169	166,546	259,210	367,134
Myanmar	19	42,042	46	101,342	75,514	349,455
Indonesia	62,693	180,414	88,037	121,977	138,749	270,723
India	148,485	300,574	49,992	107,685	143,854	173,538
Vietnam	57,429	181,554	38,441	74,645	77,992	143,451
Macau	14,947	24,812	6,136	12,581	35,625	110,761
Lebanon	0	84,226	0	4	57	107,267
All other	983,220	2,898,597	386,703	813,752	1,140,256	1,636,063
Total	2,247,635	6,256,539	1,036,075	2,791,773	3,562,070	6,568,340
	Value (*1,000 dollars*)					
South Korea	359,138	1,014,706	172,262	506,853	735,545	662,164
Hong Kong	54,709	269,254	4,928	196,997	239,778	559,696
Singapore	1,669	334,351	1,142	32,926	75,016	515,438
Thailand	99,127	207,061	40,493	93,992	165,267	210,766
Myanmar	14	33,955	133	46,332	41,961	162,687
Indonesia	28,674	128,902	41,159	67,181	95,337	145,227
India	83,686	220,021	27,722	71,289	108,313	106,069
Vietnam	28,397	121,663	20,413	43,134	55,026	81,973
Macau	6,839	15,349	2,652	6,113	20,391	55,415
Lebanon	0	70,112	0	5	81	45,286
All other	551,741	2,337,087	226,740	513,191	890,565	1,008,695
Total	1,213,993	4,752,459	537,643	1,578,014	2,427,280	3,553,415

Table continued on next page.

Table IV-12--*Continued*
Rebar: China's reported exports of alloy hot-rolled bar, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
South Korea	570	730	465	550	651	555
Hong Kong	470	693	443	483	565	499
Singapore	699	739	609	514	551	470
Thailand	427	662	487	564	638	574
Myanmar	696	808	2,871	457	556	466
Indonesia	457	714	468	551	687	536
India	564	732	555	662	753	611
Vietnam	494	670	531	578	706	571
Macau	458	619	432	486	572	500
Lebanon	([1])	832	([1])	1,332	1,427	422
All other	561	806	586	631	781	617
Total	540	760	519	565	681	541

[1] Not applicable.

Note.--HTS 7228.30 (Other bars or rods of alloy steel, not further worked than hot-rolled, hot-drawn or extruded).

Source: Compiled from *Global Trade Atlas.*

THE INDUSTRY IN INDONESIA

Overview

In the original investigations, the Commission identified 13 firms that produced rebar in Indonesia, but only one, PT The Master Steel Mfg. Co., returned a completed questionnaire to the Commission. The Commission also received information from the Indonesian Ministry of Industry and Trade ("MOIT").[24] In the first reviews, domestic interested parties identified six potential producers of rebar in Indonesia in a response to the Commission's notice of institution, none of which replied to the Commission's foreign producers' questionnaire. In these current reviews, domestic interested parties identified ten possible producers of rebar in Indonesia in a response to the Commission's notice of institution, none of which replied to the Commission's foreign producers' questionnaire.

During the original investigations, PT The Master Steel estimated that it accounted for only *** percent of the country's total production of rebar in 2000, and exported rebar to the United States ***.[25] Table IV-13 presents comparative information available from the original investigations and the current reviews.

Table IV-13
Rebar: Comparison of selected Indonesian industry data, 2000, 2006, and 2012

* * * * * * *

According to ***, Indonesian rebar production increased by *** percent between 2009 and 2012. Indonesia consumption declined by *** percent during the period, and the country went from being a *** in 2009 to being a *** in 2012. Indonesian rebar production is projected to continue to increase by *** percent between 2012 and 2017. Indonesia is projected to produce more rebar than it consumes, and production is projected to increase *** than consumption. As a result, net exports are projected to increase from *** short tons in 2012 to *** short tons by 2017. Historical and projected Indonesian production, consumption, and net exports are presented in tables IV-14 and IV-15.

Table IV-14
Rebar: Indonesian production, consumption, and net exports, 2009–12

* * * * * * *

Table IV-15
Rebar: Indonesian projected production, consumption, and net exports, 2013–2017

* * * * * * *

[24] *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, May 2001, pp. VII-3-VII-4.

[25] Confidential original investigations, INV-Y-087, May 1, 2001, p. VII-7.

Rebar Operations

The MOIT estimated that in 2000 there were 28 firms in Indonesia that produced rebar, with a combined capacity of 4.8 million short tons, and that the industry was mainly oriented towards the domestic market.[26] Ispat Indo had indicated in the original investigations that it did not produce rebar at that time.[27] However, it appears that it currently does produce rebar at its facility.[28] Indeed, Ispat Indo is one of nine Indonesian firms identified by *** as having quantifiable capacity to produce rebar.[29] According to this source, Ispat Indo's rebar rolling capacity stands at approximately *** shorts tons.[30] *** estimates that Indonesia's total rebar rolling capacity was approximately *** short tons in 2012, down slightly from *** short tons in 2007.[31] *** projects Indonesia's total rebar rolling capacity to *** through 2017.[32]

Detailed information on the export destinations for Indonesian rebar based on *Global Trade Atlas* data is presented in table IV-16. Between 2007 and 2012, Indonesia exported rebar to 15 countries. In 2012, the top three export destinations for Indonesian rebar were Australia (40.9 percent of total exports by quantity), Malaysia (17.8 percent), and Papua New Guinea (12.6 percent). Indonesia's rebar exports were very low from 2007 to 2010, increased in 2011 (largely to neighboring Malaysia), and then fell again to low levels in 2012. Indonesia became a net exporter of rebar in 2010. Indonesia's net exports (exports minus imports) of rebar are presented in table IV-17.

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[26] *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, p. VII-4.

[27] *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, p. VII-3–VII-4.

[28] According to its website, Ispat Indo produces rebar in diameters ranging from 6mm to 32mm. Inspat Indo website (found at http://www.ispatindo.com, retrieved March 26, 2013).

[29] ***.

[30] ***.

[31] ***.

[32] ***.

Table IV-16
Rebar: Indonesia's exports, by quantity, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Australia	0	125	0	0	1,682	2,361
Malaysia	128	593	0	0	16,324	1,030
Papua New Guinea	0	0	0	0	631	726
Vanuatu	0	0	0	0	263	422
East Timor	0	0	1	0	331	295
New Zealand	0	171	0	0	56	255
Solomon Islands	0	0	0	0	83	227
American Samoa	0	0	0	0	172	176
Thailand	441	154	418	429	368	168
Samoa (Western)	0	0	0	0	144	117
All other	44	52	1	17	32	0
Total	613	1,095	420	445	20,086	5,777
	Value (*1,000 dollars*)					
Australia	0	123	0	0	1,195	1,571
Malaysia	80	443	0	0	10,876	690
Papua New Guinea	0	0	7	0	441	479
Vanuatu	0	0	0	0	186	279
East Timor	0	0	0	0	211	247
New Zealand	0	106	0	0	40	171
Solomon Islands	0	0	0	0	59	150
American Samoa	0	0	0	0	118	117
Thailand	275	143	307	363	357	166
Samoa (Western)	0	0	0	0	100	76
All other	27	43	5	17	25	0
Total	382	858	320	380	13,608	3,946

Table continued on next page.

Table IV-16--*Continued*
Rebar: Indonesia's exports, by quantity, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Australia	(1)	987	(1)	(1)	711	665
Malaysia	629	747			666	670
Papua New Guinea	(1)	(1)	(1)	(1)	700	659
Vanuatu	(1)	(1)	(1)	(1)	705	660
East Timor	(1)	(1)	407	(1)	638	837
New Zealand	(1)	618	(1)	(1)	711	671
Solomon Islands	(1)	(1)	(1)	(1)	710	659
American Samoa	(1)	(1)	(1)	(1)	684	663
Thailand	624	925	736	846	968	988
Samoa (Western)	(1)	(1)	(1)	(1)	695	652
All other	608	838	4,440	1,058	795	(1)
Total	624	784	761	854	677	683

[1] Not available.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled). Data for 2012 are not available.

Source: Compiled from *Global Trade Atlas.*

Table IV-17
Rebar: Indonesia's reported net exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	613	1,095	420	445	20,086	5,777
Imports	661	9,078	2,366	112	305	4,178
Net exports[1]	-49	-7,983	-1,946	333	19,781	1,599

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

THE INDUSTRY IN LATVIA

Overview

Since the original investigations, Liepajas Metalurgs ("LM") has been the only producer of rebar in Latvia. LM initially described the technology used to produce rebar as the following "***." Since 2007, LM ***. Table IV-18 presents comparative information available from the original investigations, the first reviews, and the current reviews. Capacity and production have grown *** from 2000 to 2012, while capacity utilization has fluctuated. The concentration in export shipments decreased from 2000 to 2006, but increased from 2006 to 2012 and exports remained the vast majority of shipments.

Following the closing of LM's 2012 balance sheet, the company has experienced declining production volumes and diminished cash flow which it attributes to a crisis in the EC metallurgical industry.[33] As a result of this general environment, combined with a shortage of orders for rebar, the company halted production in April 2013.[34] LM did meet its April interest requirements to creditor UniCredit S.p.A. on April 30, 2013,[35] as well as certain other commitments to scrap supplier Torlina and trading company Stemcor.[36] At this time, LM's creditors have reportedly decided to capitalize one-half of the company's debt commitments and become shareholders.[37] The company's largest current shareholders face a May 31, 2013, deadline to sell their shares for LVL1, or to each invest 10 million LVL in LM.[38] Against this backdrop, LM's plant currently ***, with an additional expected start-up period of ***.[39] [40]

Table IV-18
Rebar: Comparison of select Latvian industry data, 2000, 2006, and 2012

* * * * * * *

[33] LM audited annual report for the year 2012, p. 7.

[34] Company announcement, "The production was stopped temporarily," April 11, 2013.

[35] Company announcement, "Interest payment to UniCredit S.p.A.," April 30, 2013.

[36] The Baltic Course, "EUR 4.6 mln transferred from Liepajas metalurgs to Lithuanian company Tolina," May 13, 2013.

[37] The Baltic Course, "Pavluts: Liepajas metalurgs insolvency inevitable if shareholders ignore demands," May 22, 2013. LM's largest creditors are reportedly Latvenergo, Citadele banka, SEB banka, Stemcor, and the State Treasury. The Baltic Course, "EUR 4.6 mln transferred from Liepajas metalurgs to Lithuanian company Tolina," May 13, 2013.

[38] The Baltic Course, "Liepajas metalurgs shareholders must sell shares or invest money in company by May 31," May 21, 2013.

[39] Correspondence from ***, May 24, 2013.

[40] Domestic interested parties argue that LM's financial difficulties will lead it to seek out the U.S. market if the order on rebar were revoked. *See* Domestic interested parties' posthearing brief, exh. 1, pp. 40-42. LM cautions against "doubtful statements" regarding its business activities. Company announcement, "Information to the media," April 16, 2013.

Rebar Operations

Information on LM's rebar operations is presented in table IV-19. Capacity *** from 2007 to 2010, but *** in 2011 due to LM's ***. Capacity is based on *** hours per week, *** weeks per year. LM reported that ***. ***. LM reported ***. In addition, LM experienced "***." LM reported no barriers to its exports to countries other than the United States since 2007.[41]

LM started to produce rebar using Thermex technology in 1995 and switches between Thermex and air-cooled production processes on demand.[42] LM testified that its Thermex rebar is made to foreign not ASTM specifications and that its Thermex rebar is not interchangeable with air-cooled rebar produced to ASTM specifications.[43] According to LM, the rust that would accumulate on its Thermex rebar during ocean transit would not be acceptable to U.S. customers.[44] [45] However, domestic interested parties argue that "LM has not had a problem producing both Thermex and air-cooled rebar" and that Thermex is simply an optional process that is easily bypassed.[46]

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[41] Imports of rebar from Latvia, as well as six other countries, were subject to antidumping duty orders in Canada between 2001 and 2006. However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding. *Investigation nos. 731-TA-873-875, 877-880, and 882 (Review): Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Confidential Staff Report*, INV-EE-061, June 12, 2007, p. IV-43.

[42] Respondent interested party LM's posthearing brief, p. Q-36 and exh. 9. In 2012, LM produced ***. E-mail from Don Cameron, Counsel for LM, May 20, 2013.

[43] Hearing transcript, p. 174 (Zaharin).

[44] LM claims that its U.S. customers "have always specified that only air-cooled rebar could be supplied to the U.S. market, and they would not accept Thermex." LM provided a letter from ***. Respondent interested party LM's posthearing brief, pp. 9-10. *See* Part II for purchasers' views regarding the acceptability of Thermex-produced rebar.

[45] According to U.S. importer ***. E-mail from ***.

[46] Domestic interested parties assert that "LM's own public submissions Commerce in the 2003-2004 and 2004-2005 administrative reviews of the order on Latvian rebar…the actual cost difference between using Thermex versus an "alloyed" billet, the domestic interested parties estimate, is approximately $*** per short ton for the vast majority of the rebar sold in the United States (i.e., ASTM A615, grade 60), specifically reference the Thermex process. While the details are confidential, LM produced both air-cooled and Thermex product. For example, LM's Section D questionnaire response in Commerce's third administrative review, wherein LM reported its costs of production, shows that LM produces using both Thermex billets and "alloyed" billets depending on market and customer requests. This shows that LM can and has been doing Thermex and non-Thermex production for quite a long time. The only difference is that, for the non-Thermex process, more alloys are used in the steel, and the water-quenching stand (which LM identifies and describes in a supplemental questionnaire response in the fourth administrative review of the order on Latvian rebar) is not used. Assuming that it sold air-cooled rebar in the United States, LM had no problem producing both, and it made economic sense to expand shipments sharply to the United States as long as it was not paying duties." Domestic interested parties' posthearing brief, exh. 1, pp. 2-3.

Table IV-19
Rebar: LM's capacity, production, shipments, and inventories, 2007-12

* * * * * * *

Detailed information on the export destinations for Latvian rebar is presented in Table IV-20. Between 2007 and 2012, Latvia exported rebar to 40 countries. In 2012, the top three export destinations for Latvian rebar were Algeria (32.1 percent of total exports by quantity),[47] Poland (30.4 percent),[48] [49] and the United Kingdom (5.9 percent). Latvia is a net exporter of rebar. Latvia's net exports (exports minus imports) of rebar are presented in table IV-21.

[47] Respondent interested party LM expects demand for rebar in Algeria to continue, citing World Bank's projected GDP growth in Algeria. It further notes that despite a Turkish producer, Toscelik, having invested in a 700,000 ton capacity rebar facility in Oran, Algeria, Algeria's consumption of rebar is more than three million tons a year and it will have "ample" demand for LM's imports. In addition, at the beginning of February, "Algeria imposed 15% duties on imports of rebar from the members of the Great Arab Free Trade Agreement (GAFTA). Morocco alone exported 100,000 tons in 2012. As a result of these duty increases, EU suppliers remain the only competitive suppliers to the 3 million ton rebar market because they are exempted from this 15% duty. As of the first quarter of 2013, LM has already shipped 124,000 short tons to Algeria. LM argues that Algeria consumes over three million tons a year of rebar and will have projects that its exports to Algeria in 2013 will equal its shipments in 2012 despite shutdowns of capacity." Respondent interested party LM's posthearing brief, pp. Q-11-12.

[48] Domestic interested parties alleged that LM's shipments to Poland "appear to have been based on VAT fraud, similar to LM's attempt to circumvent the order in the United States. Substantial quantities of rebar from Latvia-60,000 short tons in 2009, 150,000 short tons in 2010, and 260,000 short tons in 2011 - have been the center of this wide-spread VAT evasion scheme in Poland. In fact, Polish import statistics, unlike Latvian export statistics, show minimal volumes of Latvian rebar entering Poland because of the VAT fraud scheme." Domestic interested parties' prehearing brief, p. 33.

Respondent interested party LM submitted a letter dated April 23, 2013 from the Latvian Republic State Revenue Department to LM, stating *** It ***. Respondent interested party LM's posthearing brief, p. Q-11, exh. 6.

[49] Respondent interested party LM projects that shipments to Poland in 2013 will be approximately *** short tons, which is approximately *** percent of 2012 shipment levels. Respondent interested party LM's posthearing brief, pp. Q-11-12, exh. 14.

Table IV-20
Rebar: Latvia's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Algeria	21,603	5,516	422,339	339,289	104,815	282,150
Poland	166,087	99,958	66,735	165,554	330,292	267,191
United Kingdom	81,034	61,404	54,656	5,941	9,029	52,151
Estonia	42,515	24,601	38,301	36,192	53,005	47,913
Lithuania	66,752	45,111	18,751	57,361	41,517	44,256
Finland	26,757	15,502	7,994	17,075	31,779	31,870
Peru	30,942	173,365	29,286	0	0	29,780
Sweden	3,941	4,118	2,633	5,192	17,303	23,302
Russia	76,655	44,785	3,568	5,416	6,011	23,302
Lebanon	0	0	0	0	0	19,523
All other	193,410	186,331	120,851	66,222	32,784	57,443
Total	709,696	660,691	765,115	698,242	626,535	878,880
	Value (*1,000 dollars*)					
Algeria	12,599	2,517	176,012	164,189	62,668	170,110
Poland	100,427	63,148	27,691	91,423	226,800	170,084
United Kingdom	45,014	54,335	21,712	2,830	6,276	33,370
Estonia	24,367	17,804	16,095	20,238	37,096	31,227
Lithuania	38,736	33,354	7,903	32,002	28,162	26,826
Finland	17,108	13,722	3,837	9,834	22,762	21,281
Peru	15,853	151,362	12,890	0	0	17,154
Sweden	2,385	4,087	1,231	3,303	11,691	16,272
Russia	43,903	36,948	1,464	2,860	3,983	13,644
Lebanon	0	0	0	0	0	10,210
All other	107,623	151,119	52,957	34,176	21,452	33,878
Total	408,015	528,394	321,793	360,854	420,891	544,057

Table continued on next page.

Table IV-20--*Continued*
Rebar: Latvia's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Algeria	583	456	417	484	598	603
Poland	605	632	415	552	687	637
United Kingdom	555	885	397	476	695	640
Estonia	573	724	420	559	700	652
Lithuania	580	739	421	558	678	606
Finland	639	885	480	576	716	668
Peru	512	873	440	([1])	([1])	576
Sweden	605	992	467	636	676	698
Russia	573	825	410	528	663	586
Lebanon	([1])	([1])	([1])	([1])	([1])	523
All other	556	811	438	516	654	590
Total	575	800	421	517	672	619

[1] Not available.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: Compiled from *Global Trade Atlas.*

Table IV-21
Rebar: Latvia's reported net exports, 2007–12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	709,696	660,691	765,115	698,242	626,535	878,880
Imports	59,733	31,712	12,777	29,464	52,855	65,057
Net exports[1]	649,963	628,979	752,338	668,779	573,680	813,823

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

Alternative Products

In addition to rebar, LM produces a range of other bar products, including rounds and wire rod on the same equipment and machinery used to produce rebar. As presented in table IV-22, subject rebar production consumed the vast majority of LM's capacity during 2007-12. LM reported that it *** to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor.

Table IV-22
Rebar: LM's total plant capacity and production, by products, 2007-12

* * * * * * *

THE INDUSTRY IN MOLDOVA

Overview

Since the original investigations, JSCC Moldova Steel Works ("MSW") has been the only producer of rebar in Moldova. When asked to describe the technology used to produce rebar, MSW described the following: "***." Table IV-23 presents comparative information available from the original investigations, the first reviews, and the current reviews. Capacity and production have grown in every period, while capacity utilization has decreased from 2000 to 2012. The concentration in export shipments increased from 2000 to 2006 but decreased in 2012.

Table IV-23
Rebar: Comparison of select Moldovan industry data, 2000, 2006, and 2012

* * * * * * *

Rebar Operations

Information on MSW's rebar operations is presented in table IV-24. ***. MSW reported focusing its export markets on ***. "***." ***. MSW reported no barriers to its exports to countries other than the United States since 2007.[50]

When asked about any changes to its operations, MSW replied that it ***.[51] MSW also *** from *** due to "***." In addition, MSW had several ***. In ***. MSW's capacity is based on the number of hours the plant is in operation taking into account stoppages, the product mix, and the run-time per product. MSW reported that the main constraints that limit production capacity are ***.[52]

On April 11, 2013, counsel for MSW withdrew participation in these reviews, noting that "under current operating conditions, which includes an insufficient supply of steel scrap, increased gas and energy costs, and a significant tax burden, MSW is operating at a loss. Due to the continuing uncertainty as to whether any of these issues will be resolved in the foreseeable future, MSW's management has decided to idle production. Revocation of the U.S. antidumping duty order on Moldovan rebar will not alleviate this circumstance."[53] [54]

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[50] Imports of rebar from Moldova, as well as six other countries, were subject to antidumping duty orders in Canada between 2001 and 2006. However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding. *Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review): Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Confidential Staff Report*, INV-EE-061, June 12, 2007, p. IV-43.

[51] Transagroprom Ltd. is involved in wholesale trade in ferrous and non-ferrous metals and semi-finished products.

[52] MSW further noted that "***."

[53] MSW's submission on April 11, 2013.

[54] Domestic interested parties noted that "MSW is experiencing a short-term shutdown but failed to show up at the hearing to tell the Commission why; MSW remains in business, but it has switched production on and off because it does not have attractive orders. MSW has 100 percent of its capacity available right now and can quickly restart production (as it did in 2011) when it has a viable market." Domestic interested parties' posthearing brief, p. 8.

Table IV-24
Rebar: MSW's capacity, production, shipments, and inventories, 2007-12

* * * * * * *

Detailed information on the export destinations for Moldovan rebar is presented in Table IV-25. Between 2007 and 2012, Moldova exported rebar to 17 countries. In 2012, Moldova exported practically all of its total rebar exports to two countries: Russia (85 percent of total exports by quantity) and Ukraine (13.8 percent). Moldova is a net exporter of rebar. Moldova's net exports (exports minus imports) of rebar are presented in table IV-26.

Table IV-25
Rebar: Moldova's apparent exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Russia	392,471	254,262	93,931	55,124	84,106	98,945
Ukraine	3,321	20,808	9,990	7,222	11,521	16,082
Serbia	2,603	1,096	1,101	0	0	0
Slovakia	0	0	0	662	0	(1)
Australia	0	0	0	58	0	1,447
Bulgaria	0	0	1,183	0	0	(1)
Cote d'Ivoire	0	500	0	0	0	0
Croatia	77	569	0	0	0	0
Cyprus	25,515	40,015	9,287	1,792	0	(1)
Egypt	0	0	3,152	0	0	(1)
All other	13,431	50,338	19,403	2,714	0	0
Total	437,418	367,589	138,047	67,574	95,628	116,473
	Value (*1,000 dollars*)					
Russia	158,895	150,850	45,784	29,083	54,861	56,698
Ukraine	1,621	16,162	3,730	3,655	7,463	9,787
Serbia	1,452	1,019	526	0	0	0
Slovakia	0	0	0	436	0	(1)
Australia	0	0	0	34	0	776
Bulgaria	0	0	511	0	0	(1)
Cote d'Ivoire	0	397	0	0	0	0
Croatia	45	443	0	0	0	0
Cyprus	14,762	31,365	4,429	1,149	0	(1)
Egypt	0	0	1,761	0	0	(1)
All other	8,176	31,725	8,122	1,616	0	0
Total	184,952	231,962	64,863	35,973	62,324	67,262

Table continued on next page.

Table IV-25--*Continued*
Rebar: Moldova's apparent exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Russia	405	593	487	528	652	573
Ukraine	488	777	373	506	648	609
Serbia	558	930	478	([1])	([1])	([1])
Slovakia	([1])	([1])	([1])	659	([1])	([1])
Australia	([1])	([1])	([1])	586	([1])	536
Bulgaria	([1])	([1])	432	([1])	([1])	([1])
Cote d'Ivoire	([1])	794	([1])	([1])	([1])	([1])
Croatia	584	780	([1])	([1])	([1])	([1])
Cyprus	579	784	477	641	([1])	([1])
Egypt	([1])	([1])	559	([1])	([1])	([1])
All other	609	630	419	596	([1])	([1])
Total	423	631	470	532	652	577

[1] Not available/not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: Compiled from *Global Trade Atlas.*

Table IV-26
Rebar: Moldova's apparent net exports, 2007–12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	437,418	367,589	138,047	67,574	95,628	116,473
Imports	67,855	51,873	22,449	34,368	42,739	26,317
Net exports[1]	369,563	315,716	115,598	33,206	52,889	90,157

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

Alternative Products

In addition to rebar, MSW *** on the same equipment and machinery used to produce rebar. As presented in table IV-27, MSW's capacity increased during 2007-12, but its production for all products declined. MSW reported that it *** to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor.

Table IV-27
Rebar: MSW's total plant capacity and production, by products, 2007-12

* * * * * * *

THE INDUSTRY IN POLAND

Overview

The Commission identified two producers of rebar in Poland - Huta Ostrowiec and Huta Zawiercie - in the original investigations.[55] In the first reviews, domestic interested parties identified four potential producers of rebar in Poland in a response to the Commission's notice of institution, but only CMC Zawiercie ("CMCZ") replied to the Commission's foreign producers' questionnaire, providing data from 2004 to 2006. When asked to describe the technology used to produce rebar, CMCZ described the following. ***. In the current reviews, domestic interested parties identified six potential producers of rebar in Poland and the Commission received responses from two Polish producers, ArcelorMittal Warszawa ("AMW")[56] and CMC Poland sp. z o.o. ("CMC Poland"), [57] accounting for an estimated *** percent of total rebar production in 2012.[58] Table IV-28 presents comparative information available from the original investigations, first reviews, and these current reviews.

Table IV-28
Rebar: Comparison of select Polish industry data, 2000, 2005, and 2012

Item	Calendar year		
	2000	2005	2012
Capacity (*short tons*)	***	([1])	***
Production (*short tons*)	***	946,000[2]	***
Capacity utilization (*percent*)	***	([1])	***
Exports/shipments (*percent*)	***	33.0[2 3]	***
Inventories/shipments (*percent*)	***	([1])	***

[1] Data not available.

[2] Data from IISI's Steel Statistical Yearbook 2006, p. 56. Data include small amounts of products outside the scope. Original data published in metric tons, which were converted to short tons by multiplying by 1.102311.

[3] Exports/production. Based on production statistics from IISI and export statistics from the World Trade Atlas.

Note.--Data for 2000 were provided by Huta Ostrowiec and Huta Zawiercie. Data for 2005 were calculated from IISI and World Trade Atlas data.

Source: Confidential original report (INV-Y-087, May 1, 2001), table VII-8; International Iron and Steel Institute's Steel Statistical Yearbook 2006, p. 56 for 2005 production; World Trade Atlas, Polish Exports under HS 721420 for 2005 exports, and 2013 response to Commission questionnaires.

[55] *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final),* USITC Publication 3425, May 2001, p. VII-7.

[56] AMW provided ***. AMW is affiliated with U.S. producer ArcelorMittal.

[57] CMC Poland is affiliated with U.S. producer, CMC.

[58] AMW accounted for *** percent of total rebar production in 2012 and CMC Poland accounted for *** percent.

Rebar Operations

Information on Poland's rebar operations is presented in table IV-29. Capacity increased by more than *** percent and production nearly *** between 2007 and 2012. Shipments to the home market in Poland more than *** over the period. CMC Poland reported that ***. CMC Poland reported that other than the United States, ***. CMC Poland reported that if the orders were revoked, the U.S. market ***.[59]

Table IV-29
Rebar: Poland's capacity, production, shipments, and inventories, 2007-12

* * * * * * *

When asked about any changes to operations, CMC Poland replied that ***. CMC Poland's capacity is based on operating *** hours per week and *** weeks per year. Capacity is constrained by ***.

In February 2013, AMW temporarily idled its steel plant and rolling mill, citing a decrease in the number of rebar orders at the mill due to alleged illegal practices in steel trading in Poland and VAT frauds on rebar imported to Poland from neighboring countries. The steel plant was reportedly idled for 9 days, while the rolling mill was idled for 11 days.[60]

[59] Specifically, CMC Poland noted that although ***. CMC Poland's foreign producer questionnaire, section II-13.

[60] ArcelorMittal, "Statement of the ArcelorMittal Warszawa Board on the Temporarily Shutting Down of the Production," January 29, 2013.

Detailed information on the export destinations for Polish rebar is presented in Table IV-30. Between 2007 and 2012, Poland exported rebar to 45 countries. In 2012, the top three destinations for Poland's exports of rebar were the Czech Republic (44.8 percent of the total by quantity), Germany (22.7 percent), and Slovakia (12.6 percent). Poland became a net exporter of rebar in 2008. Poland's net exports (exports minus imports) of rebar are presented in table IV-31.

Table IV-30
Rebar: Poland's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Czech Republic	121,930	177,242	162,067	218,459	345,314	488,670
Germany	87,719	114,032	188,176	153,439	167,930	247,462
Slovakia	87,755	100,048	119,246	160,381	168,442	137,347
Sweden	28,476	18,407	15,399	15,938	15,862	44,830
Norway	509	2,568	11,169	10,601	22,740	25,492
Russia	10,886	9,577	10,497	11,549	15,263	19,223
Lithuania	12,539	11,369	20,022	12,858	23,975	18,587
Algeria	0	6,595	58,087	83,639	0	16,518
Latvia	5,894	8,326	3,918	7,559	21,132	15,965
Hungary	56,598	41,686	46,753	30,997	30,132	15,870
All other	37,848	65,798	190,882	134,775	60,300	60,521
Total	450,154	555,649	826,216	840,196	871,090	1,090,485
	Value (*1,000 dollars*)					
Czech Republic	68,784	135,857	67,806	120,546	226,522	293,876
Germany	50,095	95,705	76,399	75,553	109,206	147,270
Slovakia	48,854	81,234	48,989	84,981	108,422	82,090
Sweden	17,108	15,033	7,403	10,020	11,255	28,464
Norway	340	2,214	4,957	5,810	15,200	15,432
Russia	6,400	9,486	4,146	6,031	9,515	11,420
Lithuania	7,271	10,838	8,035	6,566	15,465	11,073
Algeria	0	7,275	21,882	36,327	0	9,784
Latvia	3,345	8,178	1,618	4,124	14,115	9,412
Hungary	32,047	36,166	19,255	16,251	19,517	9,071
All other	22,235	55,216	75,294	67,581	41,017	39,178
Total	256,479	457,204	335,784	433,791	570,233	657,069

Table continued on next page.

Table IV-30--*Continued*
Rebar: Poland's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Czech Republic	564	767	418	552	656	601
Germany	571	839	406	492	650	595
Slovakia	557	812	411	530	644	598
Sweden	601	817	481	629	710	635
Norway	669	862	444	548	668	605
Russia	588	990	395	522	623	594
Lithuania	580	953	401	511	645	596
Algeria	([1])	1,103	377	434	([1])	592
Latvia	568	982	413	546	668	590
Hungary	566	868	412	524	648	572
All other	587	839	394	501	680	647
Total	570	823	406	516	655	603

[1] Not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: Compiled from *Global Trade Atlas.*

Table IV-31
Rebar: Poland's net exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	450,154	555,649	826,216	840,196	871,090	1,090,485
Imports	470,025	368,896	124,308	164,639	126,248	167,486
Net exports[1]	-19,871	186,752	701,909	675,557	744,843	922,999

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

Alternative and Downstream Operations

In addition to rebar, the responding Polish firms *** on the same equipment and machinery used to produce rebar. As presented in table IV-32, Polish producers' capacity remained stable during 2007-12, but their production of rebar almost doubled while their production of other products declined. CMC Poland reported that it *** to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor.[61]

Table IV-32
Rebar: Poland's total plant capacity and production, by products, 2007-12

* * * * * * *

[61] CMC Poland produces ***. CMC Poland's foreign producer questionnaire, section II-7.

THE INDUSTRY IN UKRAINE

Overview

The major producer in Ukraine today is ArcelorMittal Kryviy Rih ("AMK"),[62] the formerly state-owned entity previously named Krivoi Rog Mining & Metallurgical Integrated Works ("Krivorozhstal"). The original petition and the response to the notice of institution of the first reviews named five producers of rebar in Ukraine. In these current reviews, domestic interested parties identified four potential producers of rebar in Ukraine.[63] AMK is the only firm that provided a questionnaire response and reported that it accounts for about *** percent of Ukraine's production of rebar in 2012. When asked to describe the technology used to produce rebar, AMK described the following. "***." Table IV-33 presents comparative information available from the original investigations, the first reviews, and the current reviews. Capacity, production and capacity utilization all declined when comparing 2012 to 2006.

Table IV-33
Rebar: Comparison of select Ukrainian industry data, 2000, 2006, and 2012

* * * * * * *

Rebar Operations

Information on AMK's rebar operations is presented in table IV-34. Capacity is based on operating *** hours a week, *** weeks a year.[64] AMK ***.

Table IV-34
Rebar: AMK's capacity, production, shipments, and inventories, 2007-12

* * * * * * *

[62] ArcelorMittal Kryviy shares the same parent company as U.S. producer ArcelorMittal.

[63] In addition to AMK, identified potential producers were: Dneprovsky Iron & Steel Works, Kramatorsk Iron Works, and Yenakievo Iron & Steel.

[64] AMK's methodology is based on the ***.

Detailed information on the export destinations for Ukrainian rebar is presented in Table IV-35. Between 2007 and 2012, Ukraine exported rebar to 80 countries. In 2012, the top three destinations for Ukraine's exports of rebar were Iraq (36.6 percent of total exports by quantity), Russia (26.7 percent), and Azerbaijan (8.7 percent). Ukraine is a net exporter of rebar. Ukraine's net exports (exports minus imports) of rebar are presented in table IV-36.

Table IV-35
Rebar: Ukraine's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
Iraq	23,379	215,528	506,492	633,979	760,945	978,768
Russia	151,208	183,088	97,518	379,662	480,561	715,854
Azerbaijan	224,181	260,306	208,709	174,543	178,244	232,264
Lebanon	25,433	94,821	158,906	209,042	176,807	161,552
Turkmenistan	4,118	19,918	7,207	61,366	15,673	77,232
Belarus	34,400	34,261	33,085	55,191	22,768	74,707
Egypt	0	0	102,528	134,970	34,150	72,573
Georgia	121,346	113,391	60,636	99,553	70,620	63,597
India	7,696	14,162	90,098	199,436	163,386	44,938
Armenia	72,396	80,371	65,474	62,574	40,894	36,010
All other	2,619,608	1,617,582	960,215	586,412	432,896	218,864
Total	3,283,766	2,633,429	2,290,869	2,596,727	2,376,943	2,676,359
	Value (*1,000 dollars*)					
Iraq	9,928	125,251	159,557	299,824	456,364	543,514
Russia	78,626	160,452	35,843	182,163	299,916	412,641
Azerbaijan	112,934	192,421	80,026	84,646	108,880	134,692
Lebanon	10,838	42,552	55,469	91,923	103,553	89,831
Turkmenistan	2,211	16,995	2,631	26,200	8,926	43,304
Belarus	19,123	27,943	13,565	29,250	14,465	44,608
Egypt	0	0	31,119	61,829	20,492	40,282
Georgia	62,318	85,027	25,412	49,344	43,425	35,814
India	2,631	6,630	29,734	85,429	93,255	24,897
Armenia	38,277	60,765	27,004	31,005	25,467	20,414
All other	1,166,237	1,082,163	339,149	254,687	255,702	122,477
Total	1,503,123	1,800,199	799,509	1,196,301	1,430,447	1,512,476

Table continued on next page.

Table IV-35--*Continued*
Rebar: Ukraine's reported exports, 2007-12

Country	2007	2008	2009	2010	2011	2012
	Unit value (*dollars per short ton*)					
Iraq	425	581	315	473	600	555
Russia	520	876	368	480	624	576
Azerbaijan	504	739	383	485	611	580
Lebanon	426	449	349	440	586	556
Turkmenistan	537	853	365	427	570	561
Belarus	556	816	410	530	635	597
Egypt	([1])	([1])	304	458	600	555
Georgia	514	750	419	496	615	563
India	342	468	330	428	571	554
Armenia	529	756	412	495	623	567
All other	445	669	353	434	591	560
Total	458	684	349	461	602	565

[1] Not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: Compiled from *Global Trade Atlas.*

Table IV-36
Rebar: Ukraine's net exports, 2007–12

Country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons)*					
Exports	3,283,766	2,633,429	2,290,869	2,596,727	2,376,943	2,676,359
Imports	34,717	5,8954	41,396	18,504	17,256	23,543
Net exports[1]	3,249,048	2,574,475	2,249,473	2,578,223	2,359,687	2,652,816

[1] Exports minus imports.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon, not coiled).

Source: Compiled from *Global Trade Atlas*.

Alternative and Downstream Operations

In addition to rebar, the firm *** on the same equipment and machinery used to produce rebar. As presented in table IV-37, ArcelorMittal Kryviy's capacity and production for all products except for coiled rebar decreased during 2007-12. It did not provide information on its ***.

Table IV-37
Rebar: AMK's total plant capacity and production, by products, 2007-12

* * * * * * *

ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS IN THIRD-COUNTRY MARKETS

One firm, ***, reported that rebar is subject to tariff or non-tariff barriers in Egypt and the United Arab Emirates. LM also reported that there is a five percent tariff on Ukrainian rebar in Russia.[65] *** reported that the rebar quota on Ukraine with the EU was abolished after Ukraine joined the WTO in May 2008. Some import duties apply to rebar in other countries (Algeria-15 percent, Libya-15 percent, Jordan-25 percent, and Saudi Arabia-5 percent).[66]

GLOBAL MARKET

Production

Global production of rebar has grown in recent years. According to data published by the World Steel Association ("World Steel"),[67] global rebar production increased by 22 percent between 2007 and 2011, although much of this growth occurred in Asia. Rebar production in Asia, driven principally by rebar production in China, increased by 30 percent between 2007 and 2011. By contrast, rebar production in North America and Europe declined by 13 percent and 53 percent, respectively, during the period. Regional production quantities compiled by World Steel are presented in table IV-38.[68]

Table IV-38
Rebar: Global and regional production, 2007–11

Region	2007	2008	2009	2010	2011
	Quantity (*thousands of short tons*)				
North America	13,163	12,933	9,168	11,614	11,488
South America	4,015	4,776	3,678	4,796	5,472
Europe[1]	23,134	23,574	19,626	11,472	10,850
CIS[2]	([3])	([3])	([3])	10,266	11,406
Asia[4]	138,147	133,330	163,443	165,511	179,529
Africa and M. East	10,599	11,158	7,379	5,993	11,671
Total	189,058	185,771	203,294	209,652	230,416

[1] Turkey not reported for 2007-11.
[2] Belarus, Kazakhstan, Russia, and Ukraine.
[3] Not reported.
[4] Japan not reported for 2010-11.

Note.--Production data for 2012 are not available. Original data were published in metric tons, which were converted to short tons by multiplying by 1.1023. Because of rounding, figures may not add to the totals shown.

Source: World Steel, "Table 17, Production of Concrete Reinforcing Bars," *Steel Statistical Yearbook 2012*. Brussels, World Steel (2012).

[65] Respondent interested party LM's posthearing brief, p. Q-35.

[66] E-mail from ***.

[67] Formerly called the International Iron and Steel Institute (IISI).

[68] The regional and global totals may be somewhat overstated because they include production of coiled rebar, which is outside the scope of the subject product. However, the totals also somewhat understate actual output, as certain major rebar producers (e.g., Japan, Russia, Turkey, and Ukraine) did not report to World Steel.

In addition to the public data published by World Steel, *** compiles annual production data for major rebar-producing regions. According to this source, between 2009 and 2012 global production of rebar increased by *** percent to *** short tons.[69] In terms of volume, Asia accounted for both the greatest share of global rebar production and the greatest production growth during the period 2009-12. Asia is also projected to lead global production in the coming years. Overall, global production is forecast to increase by *** percent between 2013 and 2017. In terms of the rate of increase in production levels, production is projected to increase at the fastest rate in the Middle East and Africa, although from smaller bases compared with production in Asia and other regions. Data compiled by *** on historical and projected global production of rebar are presented in tables IV-39 and IV-40.

Table IV-39
Rebar: Global and regional production, 2009-12

* * * * * * *

Table IV-40
Rebar: Global and regional projected production, 2013-17

* * * * * * *

*** also compiles annual production data for major rebar-producing countries. China is the largest rebar producer in the world; it accounted for *** percent of global rebar production in 2012, and is projected to produce *** percent more rebar between 2012 and 2014. Data compiled by *** on historical and projected global production of rebar for top-producing countries are presented in table IV-41.

Table IV-41
Rebar: Production by country, 2012 and 2014 (projected)

* * * * * * *

Production Capacity

*** also publishes annual rebar production capacity data for long-rolled steel producers worldwide. These data do not include all rebar mills, however, and thus are not comprehensive. According to this source,[70] global rebar rolling capacity increased by *** percent between 2007 and 2012. The Middle East accounted for the greatest increase in production capacity in volume terms during the 2007–12 period, although Asia still accounted for nearly *** of the reported global rebar rolling capacity in 2012. Looking forward, global rebar production capacity is projected to increase *** between 2013 and 2017. Data compiled by *** on current and projected global rebar production capacities are presented in tables IV-42 and IV-43.[71]

[69] ***.

[70] ***.

[71] Projected global rebar production activity as reported by *** may not include all reported projects announced or currently under development (e.g. those announced or under development in Algeria) and therefore may be somewhat understated. For a brief description of additional global supply and demand factors, including planned capacity additions, *see* "Additional Global Supply and Demand Factors."

Table IV-42
Rebar: Global and regional rebar rolling capacities, 2007-12

* * * * * * *

Table IV-43
Rebar: Global and regional projected rebar rolling capacities, 2013-17

* * * * * * *

Consumption

Data compiled by *** on historical, current, and forecast global consumption of rebar are presented in tables IV-44 and IV-45. Between 2009 and 2012, worldwide consumption of rebar increased by *** percent, with rebar consumption growing most rapidly in the Commonwealth of Independent States (CIS) in percentage terms (but not absolute terms), followed by Central and South America. With respect to Europe, 2013 and 2014 consumption levels are projected to be comparable to reported levels in 2009 to 2012. In absolute terms, Asia accounted for almost *** of global rebar consumption. Global rebar consumption is forecast to continue to grow (although at a slower pace compared with the 2009-12 period), with the most rapid increase between 2013 and 2017 forecast for Europe and the CIS.[72]

Table IV-44
Rebar: Global and regional consumption, 2009-12

* * * * * * *

Table IV-45
Rebar: Global and regional projected consumption, 2013-17

* * * * * * *

*** also compiles annual consumption data for major rebar-consuming countries. China is the largest rebar consumer in the world. China accounted for *** percent of global rebar consumption in 2012, and is projected to consume *** percent more rebar between 2012 and 2014. Data compiled by *** on historical and projected global consumption of rebar for top-consuming countries are presented in table IV-46.

Table IV-46
Rebar: Consumption by country, 2012 and 2014 (projected)

* * * * * * *

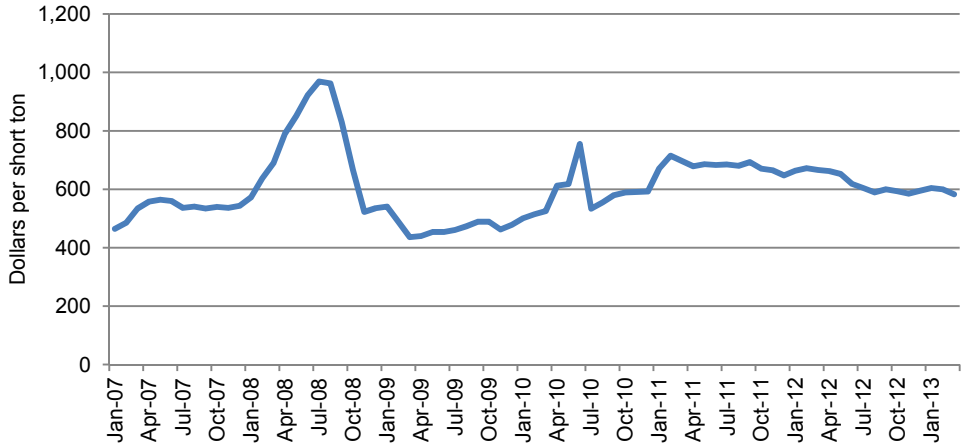
[72] *See* Part II of this report for the individual perspectives of U.S. producers, importers, and purchasers on demand in the United States.

Prices

Published prices are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without the consent of the publisher. These data are collected based on different product categories, timing, commercial considerations, and so may not be directly comparable with each other. Moreover, such data are distinct from the pricing data presented in Part V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

As reported by MEPS, between 2007 and 2012 world rebar prices increased by 75 percent from an annual average of $358 per short ton in 2007 to an annual average of $628 per short ton in 2012.[73] World rebar prices reached a high of $969 per short ton in mid-2008 before dropping precipitously during the global economic recession and ensuing period of weak global steel demand. Figure IV-1 presents the average world price of rebar during January 2007 to March 2013.

Figure IV-1
Rebar: Average world price per short ton for rebar, January 2007-March 2013



Source: Compiled from MEPS, World Carbon Steel Prices.

*** maintains quarterly price indices for rebar: ***. These indices, along with ***, are displayed in figure IV-2. ***.

[73] Original price data are published in U.S. dollars per metric ton, which were converted to U.S. dollars per short ton by dividing by 1.1023 (1 metric ton = 1.1023 short tons). World prices as reported by MEPS are an arithmetic average of the low transaction values identified in the EU, Asia, and North America, converted to U.S. dollars. MEPS, *World Carbon Steel Product Prices*, found at http://www.meps.co.uk, retrieved April 3, 2013. This pricing series is available to the public and its use is unrestricted. Annual averages are an arithmetic average of monthly prices during January-December.

Figure IV-2
Rebar: Quarterly world prices from *, January 2007–December 2012**

* * * * * * *

When asked to compare prices across countries, all four responding producers noted that the United States has prices that are high relative to prices in other parts of the world, including Europe, Africa, Asia, and the Middle East. Three importers agreed with this assessment. Additionally, two importers noted that U.S. prices are similar to international prices (with the exception of China), and one importer noted that U.S. prices are tending to be cheaper due to currency devaluation in other markets.

Foreign producer BSW compared prices in Belarus with prices in the United States in January 2013, stating the following: "***." *** stated, however, that "participation in the US requires a higher grade raw material . . . so prices aren't directly comparable. And, price levels reflect scrap prices which can vary by market over time. There are probably differences in product mix that will affect the prices observed on average. There is no single market that is always higher or lower. The U.S. market is very competitive and there are a number of U.S. producers so that can affect U.S. prices when demand is not strong." Foreign producer *** noted a similar sentiment. *** stated that prices within European markets are generally lower than U.S. market, but higher than those in other markets.

Country-specific transaction prices for rebar are also compiled by MEPS,[74] and show monthly price fluctuations across major producing and consuming countries. Table IV-47 presents monthly average negotiated transaction prices for rebar in the United States and in various other markets. Negotiated transaction prices in the United States steadily climbed in 2007 and mid-2008, peaking at *** per short ton in August 2008 before falling precipitously in the latter half of 2008. Prices reached a low of *** per short ton in May 2009 before gradually rising to a high of $*** per short ton in March 2011. Between March 2011 and December 2012, negotiated transaction prices declined by *** percent to *** per short ton. Overall, U.S. monthly average transaction prices for rebar increased by *** percent between 2007 and 2012. Rebar prices in China and the European Union (EU) experienced similar trends between 2007 and 2012, with prices spiking in mid-2008 before falling rapidly and recovering somewhat in 2009. Overall, monthly average transaction prices for rebar were highest in the United States and Europe, and consistently lowest in China, between 2007 and 2012. Prices in the surveyed regions generally declined during the first quarter of 2013.

Table IV-47
Rebar: Negotiated monthly average transaction prices (ex-mill) by country and region, January 2007-March 2013

* * * * * * *

In addition, *** and *** compile separate country- and region-specific monthly prices for rebar. According to data compiled by ***, prices increased markedly in each market between 2007 and 2008 before falling precipitously in the latter half of 2008 (table IV-48). Prices in each market began to recover in 2010 and increase gradually in 2011. Overall, prices in the United States were consistently *** than those in Europe in 2007 and 2008, but were consistently *** than those in Europe beginning in 2009 through 2012. Between 2007 and 2012, prices in the United States were consistently *** than those in Asia. Prices were consistently *** in China during the period. Prices generally declined during the first quarter of 2013.

[74] MEPS, *International Steel Review*, January 2007-December 2012 issues.

Table IV-48
Rebar: Prices for rebar, by country or by region, and by month, January 2007-March 2013

* * * * * * *

Data compiled by *** show that prices in Europe and Turkey were consistently *** in 2007 among those countries shown in table IV-49. Beginning in September 2008, prices in the United States were consistently *** than prices in Europe, Turkey, and Ukraine. Chinese domestic rebar prices were consistently *** during the period.

Table IV-49
Rebar: Prices for rebar, by country or by region, and by month, January 2007-March 2013

* * * * * * *

Additional Global Supply and Demand Factors

Prior to 2008, economic growth in global regions pursuing infrastructure development (e.g., North Africa, the Middle East, northern Europe, Russia, China, India, and certain other parts of Asia) was a principal factor underlying strong global demand for rebar. However, beginning in late 2008, the global financial crisis led to tightening credit conditions and availability, as well as declining residential housing demand and construction-related activity, all of which reduced demand for rebar in several regions throughout the world. Since then, many governments have implemented measures to stimulate economic growth. Measures that affect rebar demand principally include increased public-sector investment in infrastructure projects and related construction activity. Despite these efforts, many countries and regions throughout the world continue to experience low growth rates, tight credit conditions, and high interest rates, resulting in continued muted demand for rebar in the construction sector.

In Europe, the continued Eurozone debt crisis, tight credit conditions, and austerity measures to reduce government spending have resulted in fewer state-funded infrastructure projects, resulting in subdued domestic demand for rebar. The northern and eastern European market is reportedly stronger than peripheral southern European countries such as Spain, Portugal, Italy, and Greece, although demand for rebar and other long products remains weak in those regional markets.[75] In Poland, weak domestic demand, coupled with an increase in rebar imports from other eastern European mills, reportedly have put added competitive pressure on some Polish rebar producers.[76] As of April 2013, rebar demand in Eastern Europe has been characterized as "poor," while cold weather and wintry conditions in Western Europe have delayed construction work and tempered rebar demand.[77] Europe's construction sector is forecast to improve in 2014, although rebar demand will likely vary by country, with stronger demand in northern Europe than in southern Europe.[78]

In Russia, buoyant construction activity has driven recent demand for rebar.[79] Looking forward, rebar demand is anticipated to remain robust due to increased investment in the residential and transport

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[75] ***; International Rebar Producers and Exporters Association (IREPAS), "Outlook is Positive except Europe," September 30, 2011; Metal Bulletin, "Scarce Demand Weights on Domestic Rebar, Wire Rod Producers in S. Europe," February 28, 2013.

[76] Metal Bulletin, "'Deluge' of Imports, Eurozone Crisis Hit CMC Poland Operations," January 8, 2013.

[77] MEPS, *International Steel Review*, April 2013, p. 9.

[78] ***.

[79] ***.

infrastructure sectors.[80] The commissioning of several new steel mills in central Russia is expected to add approximately *** shorts tons of long products (including rebar) capacity by late 2013. The *** ton per year Kaluga mill (owned by Russia-based Novolipestsk Steel), the *** ton per year Balakovo mill (Russia-based Severstal), and the *** ton per year Tumen mill (Russia-based UGMK) are reportedly expected to compete with other domestic rebar producers, as well as Belorussian and Ukrainian rebar imports.[81]

In certain parts of the Middle East, particularly in Saudi Arabia and Qatar, demand for rebar is reportedly firm, supported by strong demand from government-funded residential housing and infrastructure projects.[82] However, in other parts of the Middle East and North Africa, continued political and social unrest has dampened construction activity and demand for rebar. However, in Algeria, the governments of Qatar and Algeria agreed to a joint venture to build a steel mill with a total steel capacity of *** short tons per year by 2017. In the first phase of the project, the mill is expected to produce approximately *** short tons per year of rebar and *** short tons per year of wire rod.[83] In addition, Turkish steel producer Toscelik has invested *** in a steel mill in Oran, Algeria, to build an 80-ton electric arc furnace capable of producing *** short tons of rebar annually.[84] The investment is seen by some industry observers as a way for the Turkish company to enter the Algerian rebar market that is otherwise protected by a 15 percent import tariff on rebar.[85]

In Central and South America, demand for rebar from the construction sector has varied. In Brazil, despite the government's stimulus efforts, civil construction activity has reportedly lagged behind the broader economy, although a reduction in interest rates is expected to spur increased civil construction activity, thereby boosting demand for rebar.[86] By contrast, construction activity in Peru has reportedly grown at a faster pace than that in Brazil.[87] Looking forward, demand for rebar in Central and South America is forecasted to increase, fueled by growth in civil construction and infrastructure projects. In Brazil, civil construction is forecast to grow rapidly in 2013 as more infrastructure projects are announced. In Peru, the government reportedly increased the budget for infrastructure projects by 40 percent, which will drive rebar demand in the country.[88]

In Asia, demand for rebar has varied within the region, driven by varying levels of economic growth, infrastructure investment, and construction activity. In China, infrastructure investment and construction activity have reportedly improved.[89] Increasing sales of high-rise apartment buildings in many Chinese cities point to an anticipated uptick in residential construction activity.[90] However, recent government efforts to cool residential construction activity have reportedly dampened demand for rebar.[91] Indeed, as of April 2013, the Chinese rebar market reportedly continues to suffer from domestic

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[80] ***.

[81] ***.

[82] Metal Bulletin, "Global Longs Market 'Unpredictable,' Irepas Says," August 10, 2012.

[83] ***;

[84] ***.

[85] ***.

[86] ***.

[87] ***.

[88] ***.

[89] ***.

[90] ***.

[91] ***.

overproduction, weak demand, and rising inventories.[92] Despite current weak demand for rebar in China, some mills continue to increase production capacity. For instance, General Steel Holdings, a steel producer based in Beijing, announced plans to increase rebar production capacity by *** short tons per year to *** short tons per year by the end of 2013.[93]

In Japan and Korea, domestic rebar demand is reportedly weak due to declining public-sector investment and lackluster residential and commercial construction activity.[94] New civil engineering and infrastructure projects in Japan in 2013, however, are expected to boost consumption of steel long products, including rebar.[95] Indeed, beginning in April 2013, rebar demand in the Japanese market reportedly improved, driven by growing construction activity in Japan.[96] In contrast, by one measure private and public investment in Korea's construction sector in 2012 reached its lowest point in seven years.[97] As of April 2013, demand for rebar in the Korean market has been characterized as "dismal," despite the onset of the spring construction season.[98] In Vietnam, tight credit availability and high interest rates have muted construction activity in the country.[99] Similarly, in India, high interest rates and high raw materials costs have reportedly delayed planned infrastructure projects.[100] However, recent economic reforms to allow more foreign investment in India's retail sector is expected to increase construction-related activity and rebar demand to accommodate growth in retail infrastructure.[101]

Respondents to the Commission questionnaire almost universally acknowledged the negative impact the global financial crisis has had on global economic growth, infrastructure development, construction activity, and demand for rebar.[102] Most questionnaire respondents expect future demand for rebar to fluctuate regionally, with demand expected to improve more slowly in developed countries hit by the financial crisis compared with emerging economies that were relatively more shielded from it. Several questionnaire respondents cited global uncertainty as a driving factor affecting future demand for rebar, including continued political unrest in the Middle East and North Africa, continued concerns over unsustainable debt levels in Europe constraining construction activity, and slower growth in Asia, particularly in China. Some questionnaire respondents pointed to growth in infrastructure development and construction activity in Eastern Europe, the CIS, and Russia as a bright spot. Indeed, one questionnaire respondent noted an uptick in rebar demand in Russia associated with infrastructure development and construction activity related to the 2014 Winter Olympics and 2018 World Cup.[103]

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[92] MEPS, *International Steel Review*, April 2013, p. 9.

[93] ***.

[94] ***.

[95] MEPS, *International Steel Review*, February 2013, p. 6.

[96] MEPS, *International Steel Review*, April 2013, p. 9.

[97] MEPS, *International Steel Review*, February 2013, p. 6.

[98] MEPS, *International Steel Review*, April 2013, p. 9.

[99] ***.

[100] ***.

[101] ***.

[102] *** responses to the Commission's domestic producer questionnaire, section IV-20; *** responses to the Commission's foreign producer questionnaire, section III-16.

[103] *** response to the Commission's foreign producer questionnaire, section III-16.

*** was the sole foreign producer that reported increasing home market demand, with industrial and civil construction projects driving that demand. It also is the firm that expects its home market demand to continue to increase due to "***."

With respect to trade, annual exports of carbon steel rebar in straight lengths are compiled for reporting countries by Global Trade Information Services ("GTIS"). As shown in table IV-50, between 2007 and 2012, worldwide exports decreased by 12 percent to 27 million short tons. Top exporters include Turkey, Ukraine, and Spain. With respect to imports, top import markets include Algeria, Hong Kong, Russia, and Canada (table IV-51).[104]

Yearly export unit values and quantities for subject countries are presented in figure IV-3. Polish and Latvian unit values mirror each other consistently, as do Byelorrussian and Ukrainian unit values in each year but 2007.

[104] In 2012, rebar imports from the United States accounted for 65 percent (458,923 short tons) of Canada's total imports of rebar, while Turkey accounted for 24 percent. GTIS, Global Trade Atlas (accessed April 29, 2013).

Table IV-50
Rebar: Reported worldwide exports, 2007-12

Reporting country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
United States	309,219	631,193	394,850	547,387	534,541	629,453
Top exporters:						
Turkey[1]	9,090,520	11,113,245	9,469,766	6,576,517	7,634,951	9,183,512
Ukraine	3,283,764	2,633,432	2,290,869	2,596,728	2,376,942	2,676,359
Spain	740,921	2,132,751	2,227,371	1,666,214	1,486,994	1,718,174
Italy	1,292,701	1,669,303	913,094	693,199	1,047,031	1,576,978
Poland	450,152	555,645	826,217	840,195	871,088	1,090,484
Portugal	657,405	700,523	601,831	569,373	872,852	1,002,671
Belarus	(2)	862,522	986,063	789,476	848,242	923,765
Latvia	709,698	660,691	765,115	698,242	626,534	878,877
Germany	1,004,651	1,096,244	910,122	900,076	845,018	845,463
Mexico	404,031	593,019	339,285	473,702	454,440	589,993
All other	12,670,509	7,506,263	6,898,117	6,209,571	6,973,478	5,851,763
Total	30,613,570	30,154,832	26,622,701	22,560,681	24,572,112	26,967,493
	Value (*$1,000*)					
United States	193,979	346,990	201,659	341,008	384,095	446,479
Top exporters:						
Turkey[1]	4,477,360	8,645,129	3,817,024	3,239,887	4,560,895	5,210,552
Ukraine	1,503,123	1,800,199	799,509	1,196,301	1,430,447	1,512,476
Spain	415,192	1,617,898	943,352	843,508	942,033	1,006,461
Italy	723,539	1,314,704	402,443	370,047	680,783	925,660
Poland	256,479	457,204	335,784	433,791	570,233	657,069
Portugal	367,470	489,603	256,694	286,508	557,554	581,301
Belarus	(2)	593,040	350,241	367,903	506,466	518,415
Latvia	408,015	528,394	321,793	360,854	420,891	544,057
Germany	608,725	828,247	453,998	494,642	584,615	536,341
Mexico	235,045	468,518	190,371	243,234	286,066	376,206
All other	5,941,264	5,568,599	3,078,482	3,324,855	4,708,922	3,778,650
Total	15,130,192	22,658,527	11,151,351	11,502,537	15,633,001	16,093,665
	Unit value (*dollars per short ton*)					
United States	627	550	511	623	719	709
Top exporters:						
Turkey[1]	493	778	403	493	597	567
Ukraine	458	684	349	461	602	565
Spain	560	759	424	506	634	586
Italy	560	788	441	534	650	587
Poland	570	823	406	516	655	603
Portugal	559	699	427	503	639	580
Belarus	(2)	688	355	466	597	561
Latvia	575	800	421	517	672	619
Germany	606	756	499	550	692	634
Mexico	582	790	561	513	629	638
All other	469	742	446	535	675	646
Average	494	751	419	510	636	597

[1] Because Turkey suppresses certain export data reported to GTIS for purposes of business confidentiality, Turkey's reported worldwide exports are therefore incomplete and likely understated.
[2] Not reported.

Note.--Includes HS subheading 7214.20. Not all countries have reported full-year 2012 export data to GTIS. As a result, complete 2012 data are unavailable. Original data published in metric tons, which were converted to short tons by multiplying by 1.1023.

Source: GTIS, Global Trade Atlas online database (accessed April 29, 2013).

Table IV-51
Rebar: Reported worldwide imports, 2007-12

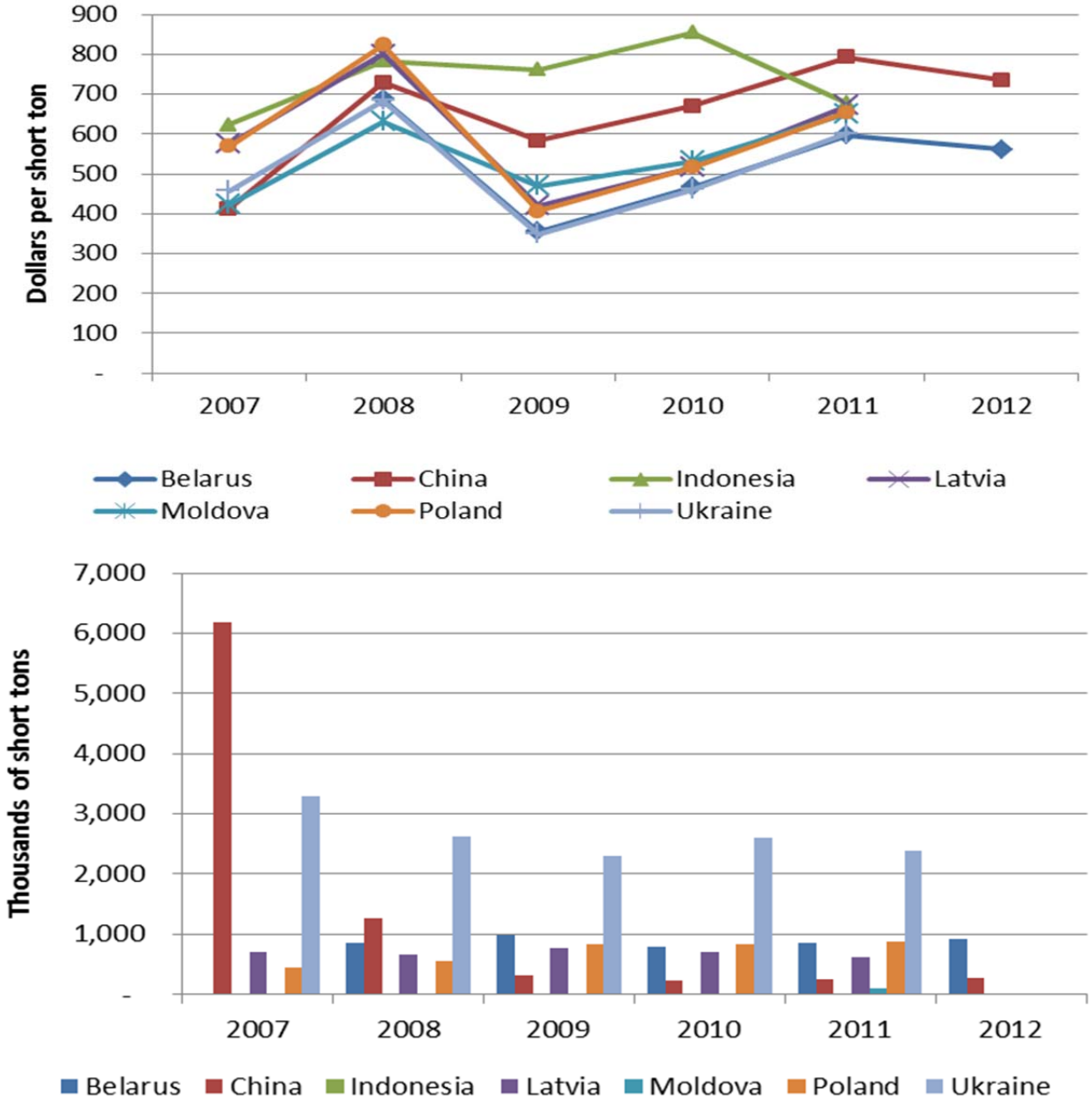
Reporting country	2007	2008	2009	2010	2011	2012
	Quantity (*short tons*)					
United States	1,827,331	962,337	413,641	495,433	631,114	897,462
Top import markets:						
Algeria	1,750,884	2,739,077	3,125,603	2,026,556	2,664,351	3,331,265
Hong Kong	1,164,390	1,048,450	730,341	935,994	935,345	1,162,497
Russia	963,434	539,472	205,193	470,111	626,788	885,913
Canada	580,583	514,291	349,193	558,618	583,285	773,522
Singapore	342,406	799,475	483,210	450,926	695,232	751,933
Germany	455,405	572,174	596,863	569,259	740,045	675,423
South Korea	1,430,698	1,654,753	670,117	735,374	481,303	539,761
Czech Republic	163,541	179,339	150,750	157,532	326,768	389,389
Switzerland	352,934	328,805	301,639	280,544	282,376	332,999
France	303,470	311,344	253,647	252,989	255,896	294,562
All other	8,830,351	8,277,810	8,231,869	6,669,547	6,771,494	5,957,725
Total	18,165,427	17,927,329	15,512,065	13,602,883	14,993,997	15,992,453
	Value (*$1,000*)					
United States	909,858	693,296	223,022	239,339	379,594	529,873
Top import markets:						
Algeria	977,758	2,092,173	1,462,939	1,068,001	1,777,859	2,051,722
Hong Kong	538,136	759,030	312,572	492,045	594,950	670,625
Russia	473,466	387,544	89,962	235,899	396,491	518,735
Canada	342,331	379,885	167,805	316,973	379,203	489,673
Singapore	143,393	581,641	205,949	217,050	432,236	414,373
Germany	260,785	437,594	267,518	298,788	487,825	412,332
South Korea	637,345	1,235,426	312,089	388,423	305,512	304,183
Czech Republic	94,648	127,414	68,022	87,559	218,868	240,996
Switzerland	199,256	256,254	140,056	151,337	200,497	210,538
France	194,638	253,114	127,838	140,340	188,200	183,507
All other	5,101,810	6,610,780	3,948,998	3,964,578	4,776,491	4,522,447
Total	8,963,566	13,120,855	7,103,750	7,360,993	9,758,133	10,019,131
	Unit value (*dollars per short ton*)					
United States	498	720	539	483	601	590
Top import markets:						
Algeria	558	764	468	527	667	616
Hong Kong	462	724	428	526	636	577
Russia	491	718	438	502	633	586
Canada	590	739	481	567	650	633
Singapore	419	728	426	481	622	551
Germany	573	765	448	525	659	610
South Korea	445	747	466	528	635	564
Czech Republic	579	710	451	556	670	619
Switzerland	565	779	464	539	710	632
France	641	813	504	555	735	623
All other	578	799	480	594	705	759
Average	493	732	458	541	651	626

[1] Not reported.

Note.--Includes HS subheading 7214.20. Not all countries have reported full-year 2012 import data to GTIS. As a result, complete 2012 data are unavailable. Original data published in metric tons, which were converted to short tons by multiplying by 1.1023.

Source: GTIS, Global Trade Atlas online database (accessed April 29, 2013).

Figure IV-3
Rebar: Subject country exports unit values, 2007–12



Source: GTIS, Global Trade Atlas online database (accessed March 5, 2013).

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PART V: PRICING AND RELATED INFORMATION

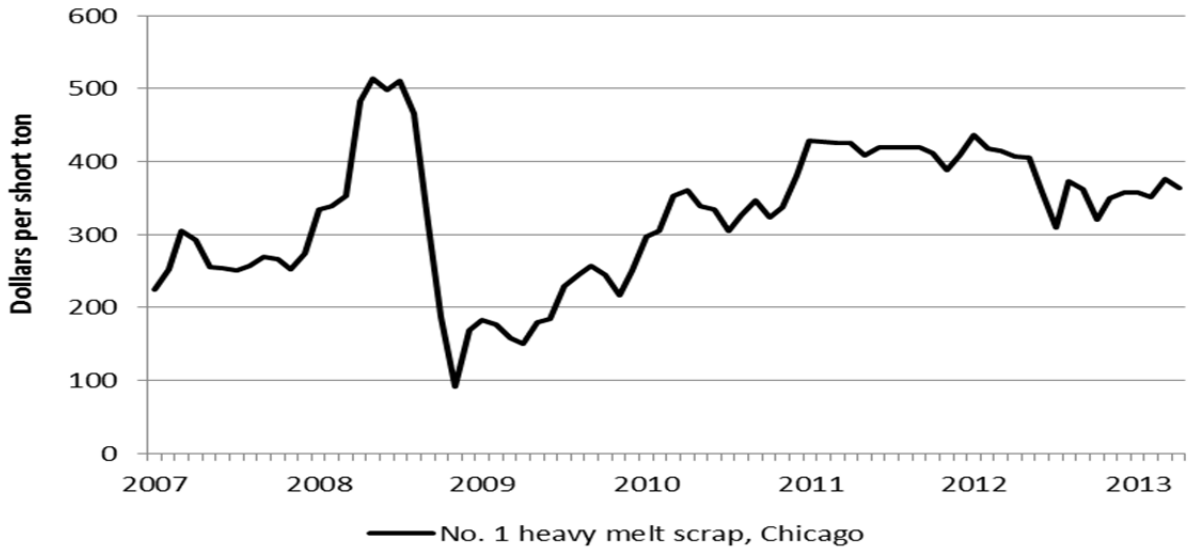
FACTORS AFFECTING PRICES

As noted earlier, demand factors such as fluctuations in the non-residential (and to a lesser extent in residential) construction sectors as well as overall U.S. economic activity impact rebar prices. In terms of supply factors, scrap prices directly influence rebar prices.

Raw Material Costs

Between 2007 and 2012, raw materials accounted for 62.7 to 70.1 percent of the cost of goods sold of rebar, except in 2009, when raw materials accounted for only 54.5 percent. The principal raw material used and primary price driver for rebar is scrap metal. Other metals also figure into the price of rebar, but are much less important than scrap. As shown in figure V-1, prices for steel scrap in the United States have fluctuated between January 2007 and April 2013, first increasing rapidly through the middle of 2008, peaking at over $500 per ton in May and July 2008, but falling to below $100 per ton in November 2008. Afterwards, scrap prices rose irregularly until January 2011, declined irregularly through July 2012 and have increased slowly since that point. Overall, prices in April 2013 are 61.5 percent higher than in January 2007.

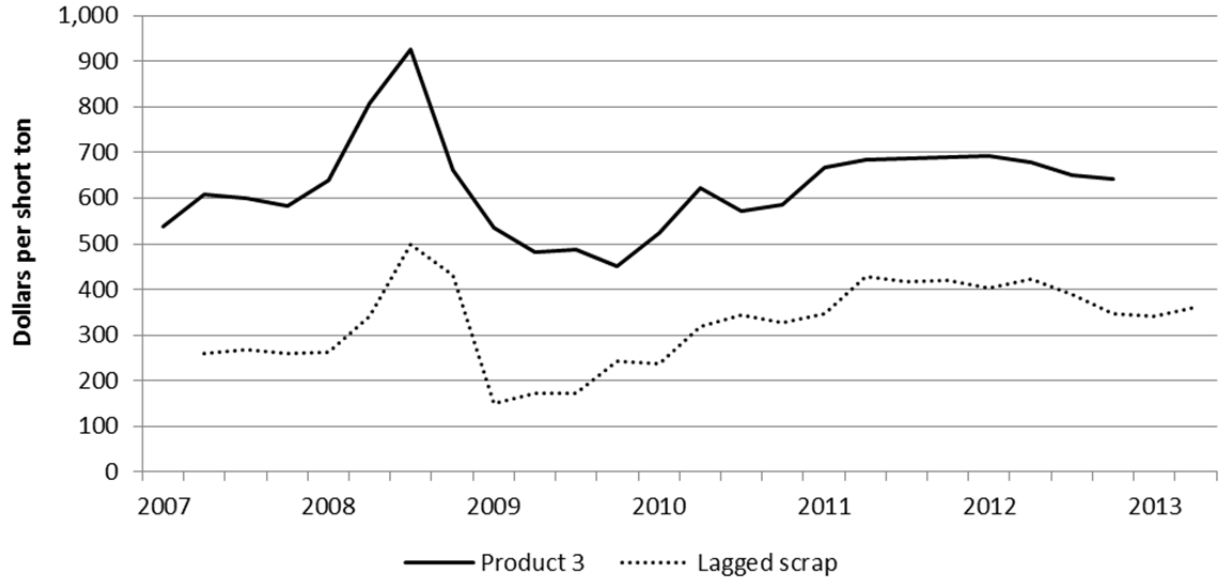
Figure V-1
Scrap: Monthly average prices, January 2007-April 2013



Source: American Metal Markets, April 2013.

A large majority of questionnaire respondents reported that scrap price levels greatly affect the price of rebar, with some also noting that the volatility of scrap prices affect rebar prices. Available data also suggest that scrap prices lagged by one quarter correlate strongly with the domestic prices of the four rebar pricing products for which the Commission collected quarterly data. This is illustrated by figure V-2, which shows domestic scrap prices (lagged by one quarter) and the quarterly price of the highest-volume rebar product (product 3, straight ASTM A615, No. 5, grade 60 rebar). The correlation coefficient between these two data series is 0.8.[1] This suggests that current scrap prices may provide an indication of the direction rebar prices will move in the following quarter.

Figure V-2
Rebar and scrap: Quarterly average prices of Product 3 and scrap (lagged by one quarter), January 2007-March 2013



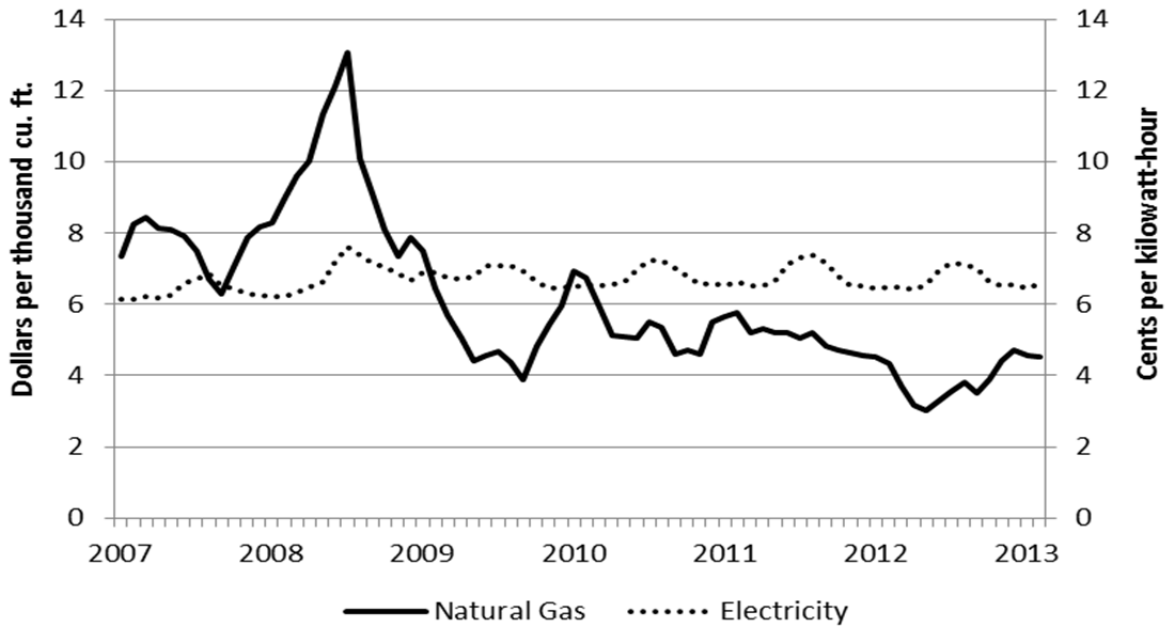
Source: Figures V-1 and V-7.

In addition to scrap metal, other metals and energy are the next largest components in determining the raw materials costs of producing rebar. However, a representative of Nucor testified at the hearing that energy (and non-scrap metal) costs are much less important than the cost of scrap.[2] Nonetheless, included in figure V-3 are the costs of electricity and natural gas during January 2007 - February 2013 based on industrial prices from the Department of Energy. Although the price of natural gas has fallen sharply since its peak in 2008, the cost of electricity has remained relatively stable except

[1] The correlation coefficient is robust no matter which of the four pricing products is used and among differing specifications (log-log and log-linear). The correlation coefficients ranged between 0.785 and 0.804 when comparing lagged scrap prices to each of the four pricing products. If scrap prices were used but not lagged, the correlation coefficients range between 0.710 and 0.726. Lagged scrap prices are not highly correlated with the difference between product 3 prices and the lagged scrap prices, *i.e.*, similar to a "metal margin" (correlation coefficient of -0.170).

[2] "Sixty to 65 percent of our costs come from scrap, as we just discussed. The next largest one would be either labor or electrical costs, and then gas is a distant fourth in terms of cost structure." Hearing transcript, p. 61 (Ferriola). "(I)n spite {of} the fact that energy costs are significant because electricity is expensive, it's probably less than 10 percent, well under 10 percent of the total cost of scrap, not the total cost of manufacture." Hearing transcript, p. 62 (Alvarado).

Figure V-3
Rebar: Industrial electricity and natural gas prices, monthly, January 2007-February 2013



Source: U.S. Energy Information Administration, Department of Energy.

for changes due to seasonal demand. Despite the decline in natural gas prices, rebar producers have not noticed a drop in their relative energy costs since little natural gas is used directly in the production of rebar.[3]

Transportation Costs to the United States

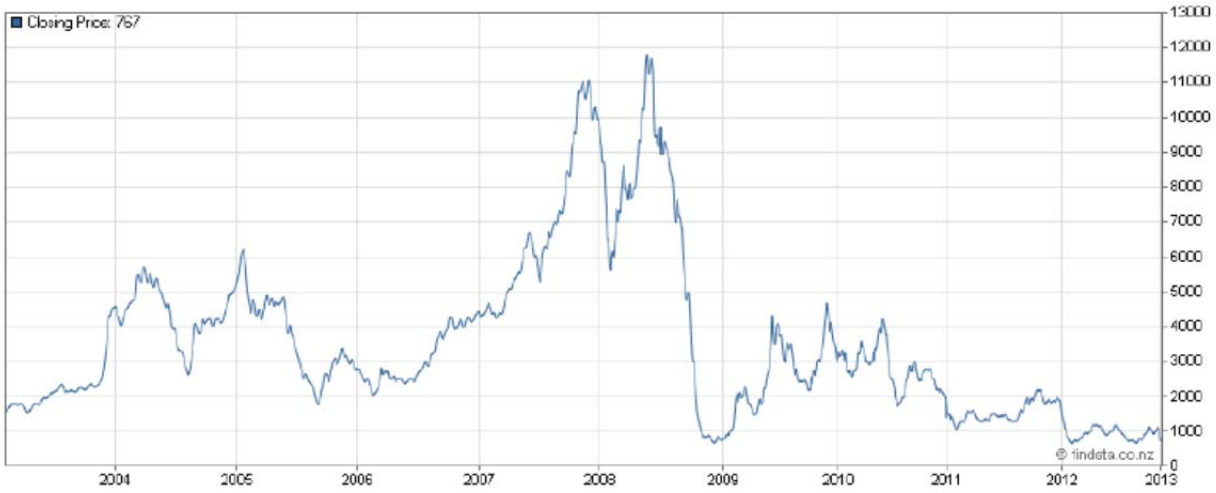
Overseas transportation costs have declined overall since 2007. One index to which parties referred in this proceeding, and often used as a point of reference for overseas shipping costs, is the Baltic Dry Index.[4] After rising from slightly more than 4,000 at the beginning of 2007 to its peak of more than 11,500 in the first half 2008, the index has fallen to approximately 1,000 (figure V-4). In 2012, the index was at its lowest yearly average since 2002, and fluctuated between 650 and 1,150.[5]

[3] Hearing transcript, pp. 61 and 63 (Ferriola).

[4] The Baltic Dry Index is "a shipping and trade index created by the London-based Baltic Exchange that measures changes in the cost to transport raw materials such as metals, grains and fossil fuels by sea. The Baltic Exchange directly contacts shipping brokers to assess price levels for a given route, product to transport and time to delivery (speed). The Baltic Dry Index is a composite of three sub-indexes that measure different sizes of dry bulk carriers (merchant ships) - Capesize, Supramax and Panamax. Multiple geographic routes are evaluated for each index to give depth to the index's composite measurement. It is also known as the 'Dry Bulk Index'." Found at http://www.investopedia.com/terms/b/baltic_dry_index.asp, retrieved April 30, 2013. Data for the Baltic Dry Index found at http://investmenttools.com/futures/bdi_baltic_dry_index.htm, retrieved April 30, 2013.

[5] These levels are more in line with historical levels. Between 1993 and 2003, the index fluctuated between 800 and 2,300. It began to increase in 2002, and reached more than 6,000 at the beginning of 2005, before dropping to below 2,000 in the fall of 2005. After that, the index began its rise to the record-high levels in 2008.

Figure V-4
Ocean transportation costs: Baltic Dry Index closing prices, January 2003-January 2013



Source: FinData, found at http://www.findata.co.nz/markets/index/bdi/chart.htm, retrieved May 15, 2013.

Domestic interested parties submitted that ocean freight for rebar is currently inexpensive relative to earlier in the review period. They contend that ocean freight from ports in countries such as Latvia or Turkey are in the range of $*** per short ton, based on quotes received from shipping companies based on quantities of 20,000 to 35,000 metric tons. In addition, domestic interested parties compared c.i.f. data to the customs value for rebar, and showed that, for rebar, the difference was less than $30 per ton in January 2013.[6] They further contend that these shipping costs are similar or less than LM's shipping costs to its other large markets, Poland and Algeria.[7] Also, domestic interested parties contend that U.S. inland waterway shipping to, e.g., Cincinnati or Louisville, is relatively inexpensive,[8] especially compared to overland shipping within the United States.[9]

Respondent interested party LM contends that shipping rates presented by the domestic interested parties are too low. The unloading and stevedoring charges at the port of Houston[10] are ***.[11] LM estimates that for quantities it is typically able to sell, 10,000 to 15,000 metric tons, the freight cost from Latvia to the Gulf Coast, including discharge fees, is approximately $73 per short ton.[12] Respondent interested party LM also stated that it enjoys favorable overland shipping rates to Poland since many goods are shipped from Poland to Latvia and truckers are willing to accept a lower price on the return trip rather than go home with an empty truck.[13]

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[6] Domestic interested parties' posthearing brief, exh. 1, pp. 5-11.

[7] Domestic interested parties' prehearing brief, p. 37. It should be noted, however, that Algerian ports are unable to accept shipments larger than 10,000 metric tons, so freight costs to Algeria will be higher in general. Domestic interested parties' prehearing brief, exh. 8. Also, the domestic interested parties' data includes freight from Leipajas to the work site in Poland, not to just the border.

[8] Hearing transcript, p. 157 (Byer).

[9] Hearing transcript, pp. 156-158 (Alvarado, Byer, and Kirkvliet).

[10] Houston was the leading port of entry for U.S. imports of rebar in 2012 (247,388 short tons, according to official import statistics of Commerce).

[11] Respondent interested party LM's posthearing brief, p. 4.

[12] Hearing transcript, p. 172 (Zaharin). In its posthearing brief, LM presented some actual freight costs through ***. Including freight and discharge expenses, for ***, in one instance these amount to $*** per metric ton (around $*** per short ton). Recent quotes that *** received varied between $*** per short ton, plus $*** unloading charges. Respondent interested party LM's posthearing brief, exh. 3.

[13] Hearing transcript, p. 176 (Zaharin).

U.S. Inland Transportation Costs

Among the responding U.S. producers, approximately 33 percent of rebar is shipped within 100 miles of the production point, 21 percent is shipped between 101 and 250 miles, 26 percent is shipped between 251 and 500 miles, 17 percent is shipped between 501 and 1,000 miles, and 3 percent is shipped more than 1,000 miles.[14]

U.S. producers' shipping costs as a share of the delivered price of rebar ranged from 4 to 7 percent, with a majority of firms reporting 5 percent.[15] All but one of the responding producers arrange for transportation of rebar to their customers, whereas only one of five responding importers provide such arrangements.

In addition, purchasers were asked to characterize inland shipping costs associated with transporting rebar from either a domestic production facility or the nearest port. Responses were highly varied, with the most frequent response noting that it is highly dependent on the location of the work site for the project. Cost estimates varied from $125 to $800 per truckload (approximately $5 to $33 per ton).

Pricing Methods

U.S. producers generally rely on transaction-by-transaction negotiations, although *** also rely on contracts, and *** also rely on set price lists to determine rebar prices. Twelve of the 14 responding importers use transaction-by-transaction negotiations in determining prices, with *** also relying on contracts. The other two importers, ***, stated that market forces set prices. The large majority of U.S. producers and importers stated that scrap prices are included in the price of rebar, although two purchasers noted the existence of a scrap surcharge.[16]

The majority of U.S. production of rebar is sold on a spot basis. Based on reported production shares, more than 84 percent of domestic rebar is sold on the spot market, 11 percent via short-term contracts, and 5 percent via long-term contracts. Six producers reported selling a majority of their sales on a spot basis, and three of these selling exclusively on a spot basis. *** is the only domestic producer to sell a majority of its rebar on a *** contract basis.[17] Of the four U.S. producers that use short-term contracts, one fixes only price, while three fix both price and quantity. Two of four noted that prices cannot be renegotiated, and three of four indicated that the contracts contain meet-or-release provisions. Of the three producers that use long-term contracts, one fixes only price, while two fix both price and quantity. Two of three producers noted that prices cannot be renegotiated, and two of three indicated that the contracts contain meet-or-release provisions. No importer reported selling on a contract basis.

Price Leadership

Every responding purchaser not associated with a rebar producer reported that Nucor is the price leader in the market. The three purchasers associated with producers, ***, stated that imports or "the market" lead prices. In addition, two purchasers stated that Gerdau is a price leader, and one indicated that CMC is a price leader.

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[14] No importer reported imports from subject countries, so data are not available regarding inland transportation distances for rebar from subject countries.

[15] No importer reported imports from subject countries, so data are not available regarding inland transportation costs for rebar from subject countries.

[16] Producer *** stated that it uses a separate surcharge to account for scrap prices, while producer *** noted that scrap prices are "included base on market." Importer *** also stated that it also uses a separate surcharge for scrap prices when setting its price of rebar.

[17] No importer reported imports from subject countries, so data are not available regarding spot vs. contract sales for rebar from subject countries.

Sales Terms and Discounts

U.S. producers and importers commonly quote prices on either an f.o.b. or delivered basis. Three producers quote prices on an f.o.b. basis, two quote prices on a delivered basis, and two quote on both bases. Among 14 responding importers, nine quote prices on a delivered basis and five quote prices on an f.o.b. basis. Producer f.o.b. quotes are commonly based on the location of the mill, and importer f.o.b. quotes are based on the port of entry or discharge.

The majority of responding U.S. producers offer volume-based discounts, whereas no importer offers such discounts. Five U.S. producers reported that they offer either quantity discounts or annual total volume discounts, or both. U.S. producer *** stated that it adjusts its prices in response to market prices. In addition, five U.S. producers offer some type of early payment discount. None of the 14 responding importers reported offering any discounts, except for ***, which reported sometimes using an early payment discount.

PRICE DATA

The Commission requested U.S. producers and importers of rebar to provide quarterly data for the total quantity and value of their shipments to U.S. distributors of the following four products during January 2007-December 2012:

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

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

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

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

Six U.S. producers provided price data, with all producers providing data for all products and all quarters, during 2007-12. Producer price data accounted for 61.7 percent of the quantity of U.S. commercial shipments during this period. No responding importer reported price data for rebar from China, the only subject source of U.S. imports of rebar during this period.

Price Trends

Quarterly weighted-average prices and shipment quantities for the four products are presented in table V-1 and figures V-5 through V-8. U.S. producer prices of the four products fluctuated during the six-year period. In all instances, these prices generally increased through the third quarter of 2008, decreased through the second quarter of 2009, and then increased generally through the second quarter of 2011. Thereafter, prices were stable through the end of 2011/early 2012. Over the course of 2012, prices for each of the four pricing products declined relative to fourth quarter 2011 levels. Table V-5 presents a summary of price trends. Overall, prices for these four products increased by 18.2 to 19.1 percent between the first quarter of 2007 and the last quarter of 2012.

The products with the greatest volumes were products 2 and 3. Since 2009, however, volumes of product 4 have approached those of products 2 and 3. Volumes were generally highest in 2007 and the first half of 2008 and lowest in the second half of 2008 and the first half of 2009. Since 2010, volumes generally reached their highest levels in the third quarter (i.e., summer) of each year.

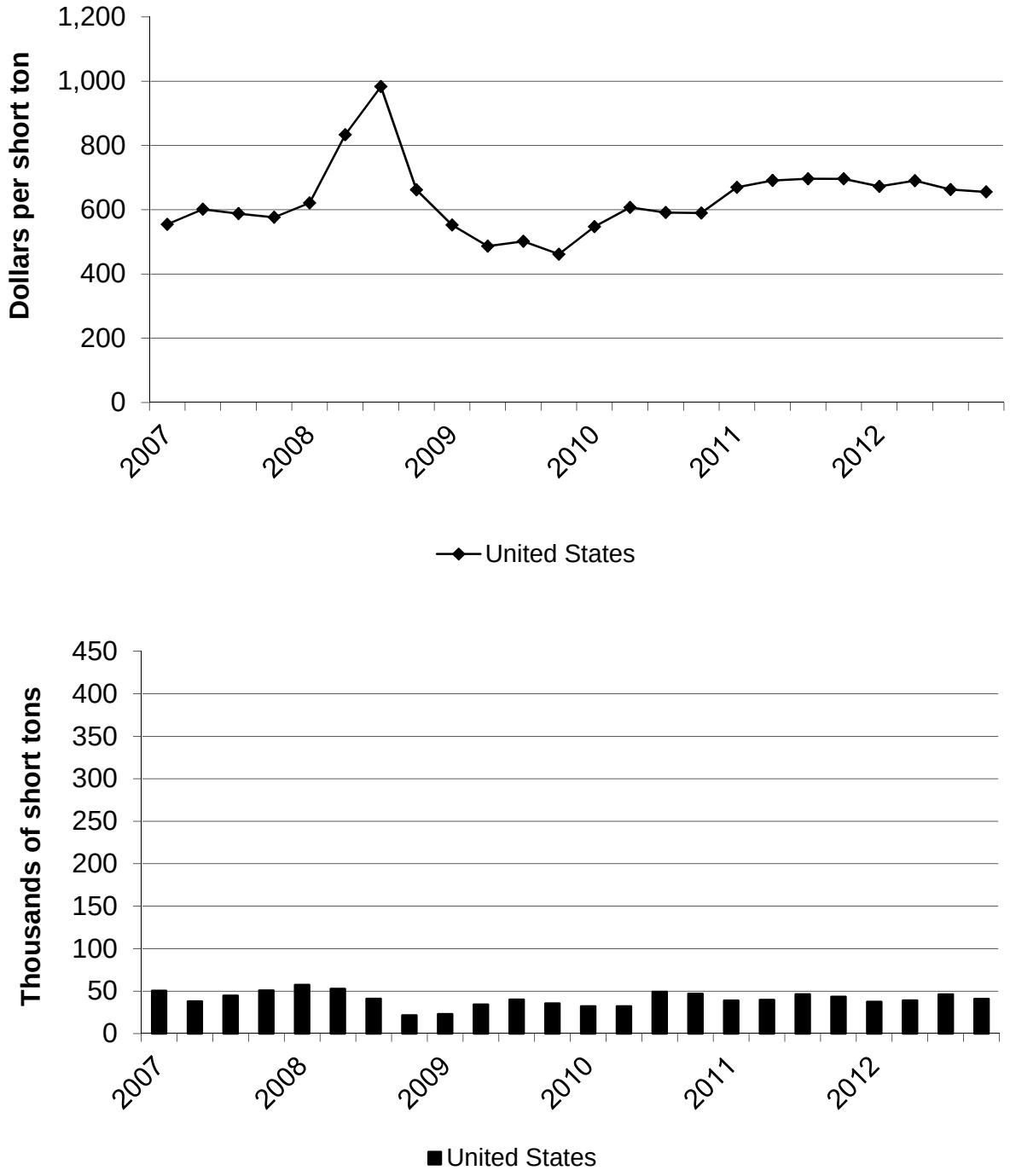
Table V-1
Rebar: Weighted-average f.o.b. prices and quantities of domestic products 1, 2, 3 and 4,[1] by quarters, January 2007-December 2012

Period	Product 1		Product 2		Product 3		Product 4	
	Price (*per short ton*)	Quantity (*short tons*)	Price (*per short ton*)	Quantity (*short tons*)	Price (*per short ton*)	Quantity (*short tons*)	Price (*per short ton*)	Quantity (*short tons*)
2007:								
Jan.-Mar.	$555	50,499	$538	358,362	$539	410,382	$543	227,324
Apr.-June	601	37,987	609	233,003	607	284,596	598	194,121
July-Sept.	588	44,709	600	244,431	598	303,476	599	223,118
Oct.-Dec.	576	50,749	572	310,552	582	345,633	581	217,090
2008:								
Jan.-Mar.	621	57,311	638	339,607	639	399,017	636	222,624
Apr.-June	833	52,695	797	350,017	807	384,223	797	234,855
July-Sept.	983	40,938	951	241,742	926	302,007	899	182,588
Oct.-Dec.	662	21,490	651	110,772	658	164,888	659	127,364
2009:								
Jan.-Mar.	552	23,002	530	145,896	535	165,876	555	116,797
Apr.-June	487	34,229	480	171,872	480	187,987	503	131,154
July-Sept.	501	40,065	485	188,078	487	189,185	508	130,606
Oct.-Dec.	461	35,475	449	165,372	449	183,167	460	119,580
2010:								
Jan.-Mar.	547	32,159	524	174,998	522	182,535	684	116,754
Apr.-June	607	32,096	604	132,360	619	146,258	601	102,396
July-Sept.	591	49,247	574	176,280	570	197,066	573	133,961
Oct.-Dec.	590	46,945	587	177,017	583	175,576	588	134,121
2011:								
Jan.-Mar.	669	38,950	667	123,043	666	165,400	672	120,952
Apr.-June	691	39,622	682	151,757	684	167,894	678	118,868
July-Sept.	696	46,267	686	179,738	686	191,500	680	145,807
Oct.-Dec.	696	43,365	689	179,273	688	182,741	687	126,227
2012:								
Jan.-Mar.	673	37,440	689	149,085	692	152,558	691	114,190
Apr.-June	690	39,062	680	163,682	678	174,264	676	128,624
July-Sept.	663	46,102	650	197,426	647	205,451	647	141,807
Oct.-Dec.	655	40,747	641	182,990	640	185,752	642	123,325

[1] Product 1.-- Straight ASTM A615, No. 3, grade 60 rebar. Product 2.-- Straight ASTM A615, No. 4, grade 60 rebar. Product 3.-- Straight ASTM A615, No. 5, grade 60 rebar. Product 4.-- Straight ASTM A615, No. 6, grade 60 rebar.

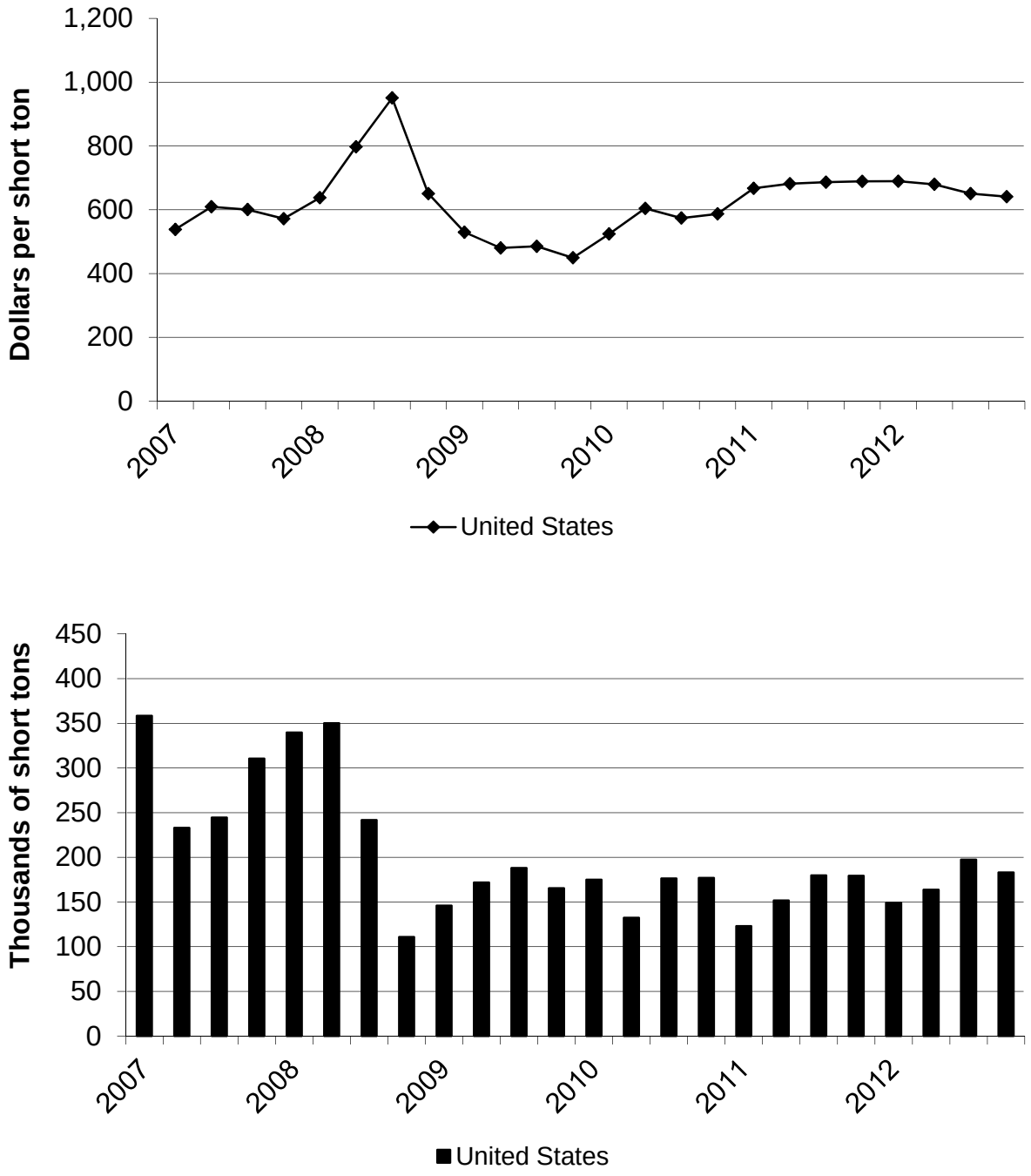
Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-5
Rebar: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 1,[1] by quarters, January 2007-December 2012



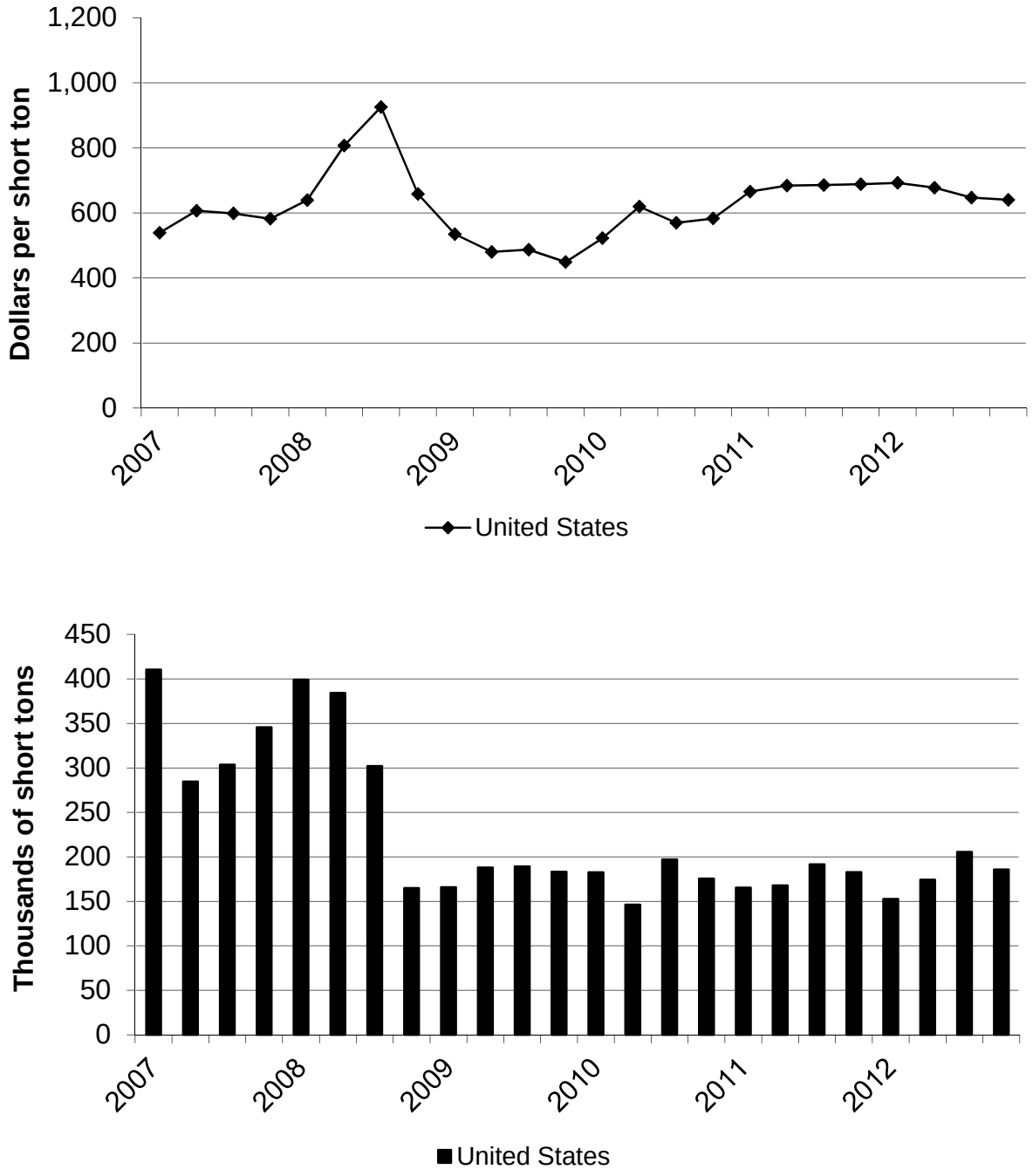
Product 1: Straight ASTM A615, No. 3, grade 60 rebar.

Figure V-6
Rebar: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 2,[1] by quarters, January 2007-December 2012



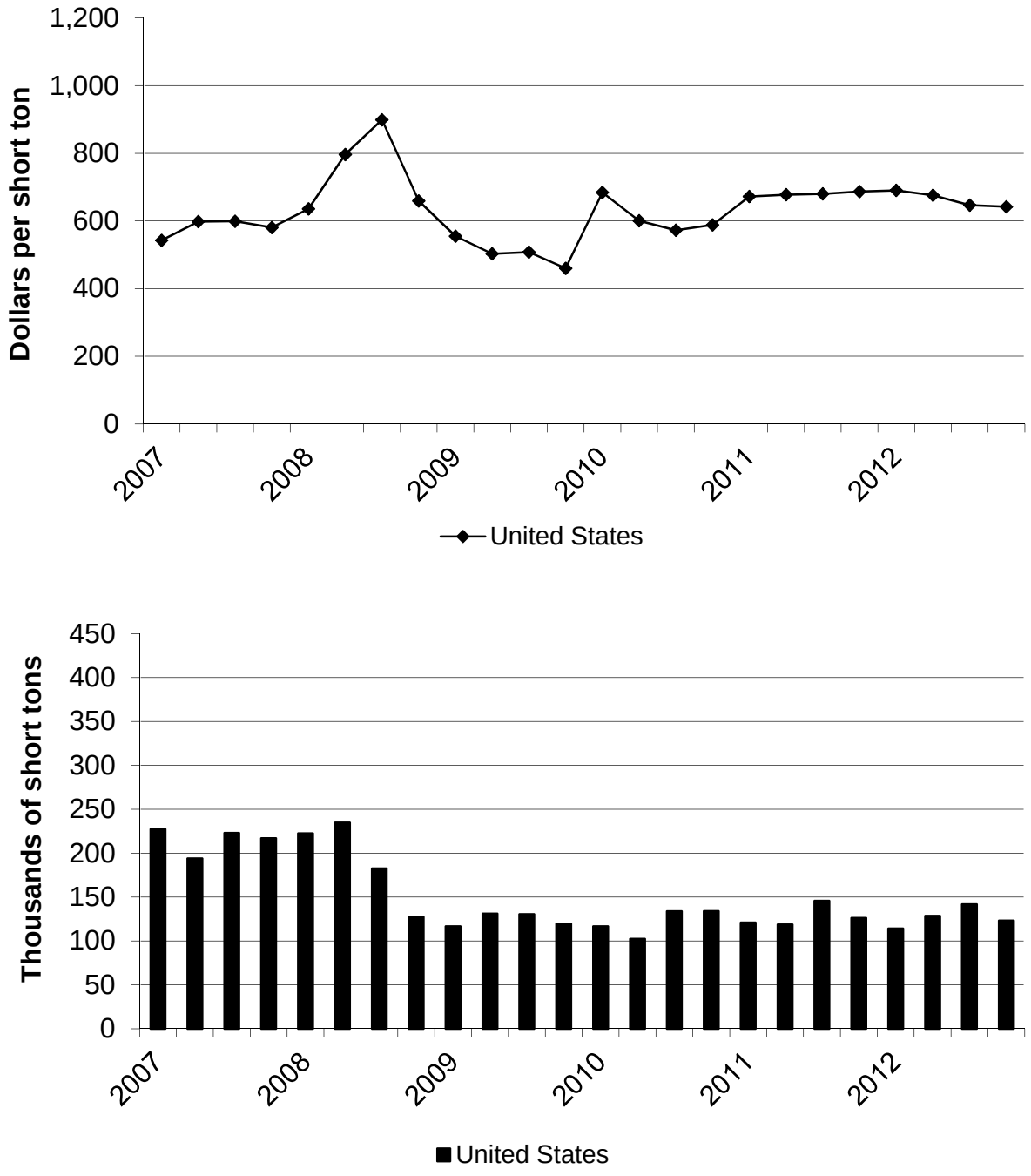
Product 2: Straight ASTM A615, No. 4, grade 60 rebar.

Figure V-7
Rebar: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 3,[1] by quarters, January 2007-December 2012



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

Figure V-8
Rebar: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 4,[1] by quarters, January 2007-December 2012



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

Table V-5
Rebar: Summary of weighted-average f.o.b. prices for products 1-4 from the United States

Item	Number of quarters	Low price[1] (*per short ton*)	High price[1] (*per short ton*)	Change in price[1 2] (*percent*)
Product 1:	24	461	983	18.2
Product 2:	24	449	951	19.1
Product 3:	24	449	926	18.8
Product 4:	24	460	899	18.3

[1] The high price occurred in the third quarter of 2008 and the low price occurred in the fourth quarter of 2009 for each pricing product.
[2] Percentage change from the first month in which price data were available to the last month in which price data were available, based on unrounded data.

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

Price Comparisons

No quarterly price comparisons were possible for sales between the domestic rebar products 1-4 and those imported from the seven subject countries during 2007-12. In the original investigations, there were 238 possible price comparisons between U.S.-produced rebar and imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine. For Belarus, there were 29 instances of underselling and 3 instances of overselling, with average margins of underselling ranging from 3.5 to 18.3 percent. For China, there were 20 instances of underselling and no instances of overselling, with average margins of underselling ranging from 20.5 to 32.2 percent. For Indonesia, there were 24 instances of underselling and no instances of overselling, with average margins of underselling ranging from 18.1 to 30.9 percent. For Latvia, there were 46 instances of underselling and no instances of overselling, with average margins of underselling ranging from 16.5 to 32.4 percent. For Moldova, there were 36 instances of underselling and no instances of overselling, with average margins of underselling ranging from 15.2 to 29.2 percent. For Poland, there were 46 instances of underselling and 2 instances of overselling, with average margins of underselling ranging from 17.0 to 28.4 percent.[18] For Ukraine, there were 23 instances of underselling and 1 instance of overselling, with average margins of underselling ranging from 16.2 to 29.0 percent.

In the first reviews, there were 48 possible price comparisons between U.S.-produced rebar and imports from Latvia. There were 17 instances of underselling and 31 instances of overselling, with margins of underselling ranging from 0.3 to 22.8 percent.[19]

Published Price Data

U.S. f.o.b. mill price data from ***, shown in figure V-9, indicate that broad rebar prices show similar trends to pricing products 1-4. Prices generally increased through mid-2008, decreased through 2009, increased during 2010, stabilized in 2011, and then declined modestly in 2012.

Figure V-9
Rebar: Quarterly prices from *, January 2007–March 2013**

* * * * * * *

[18] *Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, May 2001, Appendix G.
[19] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
77 FR 39218 July 2, 2012	*Initiation of Five-Year ("Sunset") Review*	http://www.gpo.gov/fdsys/pkg/FR-2012-07-02/pdf/2012-16182.pdf
77 FR 39254 July 2, 2012	*Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*	http://www.gpo.gov/fdsys/pkg/FR-2012-07-02/pdf/2012-15776.pdf
77 FR 64127 October 18, 2012	*Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Notice of Commission Determinations to Conduct Full Five-Year Reviews*	http://www.gpo.gov/fdsys/pkg/FR-2012-10-18/pdf/2012-25666.pdf
77 FR 70140 November 23, 2012	*Steel Concrete Reinforcing Bars From Belarus, Indonesia, Latvia, Moldova, Poland, People's Republic of China and Ukraine: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*	http://www.gpo.gov/fdsys/pkg/FR-2012-11-23/pdf/2012-28480.pdf
77 FR 71631 November 3, 2012	*Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine; Scheduling of Full Five-Year Reviews Concerning the Antidumping Duty Orders on Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*	http://www.gpo.gov/fdsys/pkg/FR-2012-12-03/pdf/2012-29068.pdf
Note.–The press release announcing the Commission's determinations concerning adequacy and the conduct of a full reviews can be found at http://usitc.gov/press_room/news_release/2012/er1005kk2.htm. A summary of the Commission's votes concerning adequacy and the conduct of full reviews can be found at http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11499 (Belarus), http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11497 (China), http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11501 (Indonesia), http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11503 (Latvia), http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11505 (Moldova), http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11507 (Poland), and http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11509 (Ukraine). The Commission's explanation of its adequacy determinations can be found at http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11500.		

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine

Inv. Nos.: 731-TA-873-875, 878-880, and 882 (Second Review)

Date and Time: April 25, 2013 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room, 500 E Street (room 101), S.W., Washington, D.C.

CONGRESSIONAL WITNESS:

The Honorable Gregg Harper, U.S. Representative, 3rd District, Mississippi

OPENING REMARKS:

In Support of Continuation of Orders (**Alan H. Price**, Wiley Rein LLP)
In Opposition to Continuation of Orders (**Donald B. Cameron**, Morris Manning & Martin LLP)

In Support of the Continuation of Antidumping Duties:

Wiley Rein LLP
Washington, D.C.
on behalf of

Rebar Trade Action Coalition

John J. Ferriola, Chief Executive Officer *and* President, Nucor Corporation

James Darsey, Executive Vice President, Nucor Corporation

Joseph Alvarado, Chairman of the Board, President *and* Chief Executive Officer, Commercial Metals Company

Tracy Porter, Senior Vice President *and* President, Commercial Metals Company Americas Division

In Support of Continuation of
Antidumping Duty Orders (continued):

Jerzy Kozicz, Managing Director, CMC Poland sp. z.o.o

Jim Kerkvliet, Vice President of Sales & Marketing, Gerdau
Long Steel North America

Burke Byer, President *and* Chief Executive Officer,
Byer Steel Group

Thomas M. Conway, International Vice President (Administration),
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,
Allied Industrial and Service Workers International Union
(United Steelworkers)

Dr. Seth T. Kaplan, Senior Economic Advisor, Capital Trade Inc.

Alan H. Price)
John R. Shane) - OF COUNSEL
Timothy C. Brightbill)

In Opposition of the Continuation of
Antidumping Duties:

Morris Manning & Martin LLP
Washington, D.C.
on behalf of

JSC Liepajas Metalurgs ("LM")

Alex Zaharin, Vice-Chairman of the Council, LM

Kirils Polovenko, Trade Remedies Advisor to the
Executive Director Telecommunication and
IT Dept. Head, LM

Donald B. Cameron)
Julie C. Mendoza) - OF COUNSEL
R. Will Planert)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Orders **(Alan H. Price,** Wiley Rein LLP)
In Opposition to Continuation of Orders **(Donald B. Cameron**, Morris Manning & Martin LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Rebar: Summary data concerning the U.S. market, 2007-12

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data						Period changes					
	2007	2008	2009	2010	2011	2012	2007-12	2007-08	2008-09	2009-10	2010-11	2011-12
U.S. consumption quantity:												
Amount	9,604,076	8,268,422	5,538,851	5,939,054	6,117,449	6,987,682	(27.2)	(13.9)	(33.0)	7.2	3.0	14.2
Producers' share (1)	80.9	88.4	92.5	91.7	89.7	87.2	6.2	7.4	4.2	(0.9)	(2.0)	(2.5)
Importers' share (1):												
Subject country (China)	(2)	(2)	(2)	(2)	(2)	0.0	(2)	(2)	(2)	(2)	(2)	(2)
Nonsubject countries	19.0	11.6	7.5	8.3	10.3	12.8	(6.2)	(7.4)	(4.2)	0.9	2.0	2.5
Total imports	19.1	11.6	7.5	8.3	10.3	12.8	(6.2)	(7.4)	(4.2)	0.9	2.0	2.5
U.S. consumption value:												
Amount	5,499,655	6,220,264	2,711,534	3,195,489	3,975,506	4,492,485	(18.3)	13.1	(56.4)	17.8	24.4	13.0
Producers' share (1)	82.2	88.3	91.4	92.2	90.1	87.7	5.6	6.1	3.2	0.8	(2.1)	(2.4)
Importers' share (1):												
Subject country (China)	(2)	(2)	(2)	(2)	(2)	0.0	(2)	(2)	(2)	(2)	(2)	(2)
Nonsubject countries	17.8	11.7	8.6	7.8	9.9	12.3	(5.5)	(6.1)	(3.2)	(0.8)	2.1	2.4
Total imports	17.8	11.7	8.6	7.8	9.9	12.3	(5.6)	(6.1)	(3.2)	(0.8)	2.1	2.4
U.S. imports from:												
Subject country (China):												
Quantity	2,385	39	43	31	118	0	(100.0)	(98.4)	11.4	(29.4)	284.0	(100.0)
Value	1,222	38	32	24	116	0	(100.0)	(96.9)	(15.6)	(25.3)	381.0	(100.0)
Unit value	$513	$983	$745	$787	$986	(3)	(3)	91.8	(24.3)	5.8	25.2	(3)
Ending inventory quantity	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)
Nonsubject countries:												
Quantity	1,829,160	962,258	413,677	495,402	630,995	897,462	(50.9)	(47.4)	(57.0)	19.8	27.4	42.2
Value	979,561	730,041	232,220	249,417	393,178	551,056	(43.7)	(25.5)	(68.2)	7.4	57.6	40.2
Unit value	$536	$759	$561	$503	$623	$614	14.7	41.7	(26.0)	(10.3)	23.8	(1.5)
Ending inventory quantity	1,689	5,131	2,804	2,791	9,538	21,886	1,195.8	203.8	(45.4)	(0.5)	241.7	129.5
All countries:												
Quantity	1,831,546	962,297	413,720	495,432	631,113	897,462	(51.0)	(47.5)	(57.0)	19.8	27.4	42.2
Value	980,784	730,079	232,252	249,441	393,295	551,056	(43.8)	(25.6)	(68.2)	7.4	57.7	40.1
Unit value	$535	$759	$561	$503	$623	$614	14.7	41.7	(26.0)	(10.3)	23.8	(1.5)
Ending inventory quantity	1,689	5,131	2,804	2,791	9,538	21,886	1,195.8	203.8	(45.4)	(0.5)	241.7	129.5
U.S. producers':												
Average capacity quantity	9,814,516	9,814,413	9,671,520	9,398,878	9,242,659	9,663,799	(1.5)	(0.0)	(1.5)	(2.8)	(1.7)	4.6
Production quantity	7,932,289	7,669,513	5,356,488	5,902,047	6,068,574	6,564,137	(17.2)	(3.3)	(30.2)	10.2	2.8	8.2
Capacity utilization (1)	80.8	78.1	55.4	62.8	65.7	67.9	(12.9)	(2.7)	(22.8)	7.4	2.9	2.3
U.S. shipments:												
Quantity	7,772,530	7,306,125	5,125,131	5,443,622	5,486,336	6,090,220	(21.6)	(6.0)	(29.9)	6.2	0.8	11.0
Value	4,518,871	5,490,185	2,479,282	2,946,048	3,582,211	3,941,429	(12.8)	21.5	(54.8)	18.8	21.6	10.0
Unit value	$581	$751	$484	$541	$653	$647	11.3	29.3	(35.6)	11.9	20.6	(0.9)
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	542,788	514,797	370,148	348,948	454,757	508,550	(6.3)	(5.2)	(28.1)	(5.7)	30.3	11.8
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	5,791	4,714	4,450	3,933	3,833	3,944	(31.9)	(18.6)	(5.6)	(11.6)	(2.5)	2.9
Hours worked (1,000s)	9,209	8,975	7,987	7,701	7,696	8,024	(12.9)	(2.5)	(11.0)	(3.6)	(0.1)	4.3
Wages paid ($1,000)	309,598	325,596	275,113	268,671	274,140	301,350	(2.7)	5.2	(15.5)	(2.3)	2.0	9.9
Hourly wages ($ per hour)	$33.62	$36.28	$34.45	$34.89	$35.62	$37.56	11.7	7.9	(5.1)	1.3	2.1	5.4
Productivity (short tons per 1,000 hours)	861.4	854.5	670.7	766.4	788.5	818.1	(5.0)	(0.8)	(21.5)	14.3	2.9	3.7
Unit labor costs	$39	$42	$51	$46	$45	$46	17.6	8.8	21.0	(11.4)	(0.8)	1.6
Net Sales:												
Quantity	7,959,326	7,840,213	5,427,985	5,813,508	6,003,091	6,501,637	(18.3)	(1.5)	(30.8)	7.1	3.3	8.3
Value	4,606,489	5,799,436	2,662,761	3,142,456	3,907,728	4,214,958	(8.5)	25.9	(54.1)	18.0	24.4	7.9
Unit value	$579	$740	$491	$541	$651	$648	12.0	27.8	(33.7)	10.2	20.4	(0.4)
Cost of goods sold (COGS)	3,479,874	4,776,294	2,522,341	3,033,341	3,573,458	3,836,958	10.3	37.3	(47.2)	20.3	17.8	7.4
Gross profit of (loss)	1,126,614	1,023,142	140,420	109,116	334,270	378,000	(66.4)	(9.2)	(86.3)	(22.3)	206.3	13.1
SG&A expenses	131,865	173,195	154,693	129,299	145,784	148,457	12.6	31.3	(10.7)	(16.4)	12.7	1.8
Operating income or (loss) (4)	994,750	849,947	(14,273)	(20,184)	188,486	229,543	(76.9)	(14.6)	(3)	41.4	(3)	21.8
Capital expenditures	159,065	155,191	158,345	56,090	51,621	76,564	(51.9)	(2.4)	2.0	(64.6)	(8.0)	48.3
Unit COGS	$437	$609	$465	$522	$595	$590	35.0	39.3	(23.7)	12.3	14.1	(0.9)
Unit SG&A expenses	$17	$22	$28	$22	$24	$23	37.8	33.3	29.0	(22.0)	9.2	(6.0)
Unit operating income or (loss)	$125	$108	($3)	($3)	$31	$35	(71.8)	(13.3)	(3)	(32.0)	(3)	12.4
COGS/sales (1)	75.5	82.4	94.7	96.5	91.4	91.0	15.5	6.8	12.4	1.8	(5.1)	(0.4)
Operating income or (loss)/sales (1)	21.6	14.7	(0.5)	(0.6)	4.8	5.4	(16.1)	(6.9)	(3)	(0.1)	(3)	0.6

Note.--There were no rebar imports from subject sources other than China during 2007-12; accordingly, only U.S. imports of rebar from China are presented separately in this table.

(1) Report data are in percent and period changes are in percentage points.
(2) Less than 0.05 percent or percentage points.
(3) Undefined.
(4) The sign of the percentage change does not necessarily correspond to whether financial data are improving or worsening.

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, U.S. PURCHASERS, AND FOREIGN PRODUCERS CONCERNING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

This appendix is confidential in its entirety. All content has been redacted.

APPENDIX E

RESPONDING FOREIGN PRODUCERS' COMBINED DATA

Table E-1
Rebar: Data for producers in Belarus, Latvia, Moldova, Poland, and Ukraine, 2007-12

Item	2007	2008	2009	2010	2011	2012
			Quantity (short tons)			
Capacity	7,690,577	7,966,970	7,621,389	7,475,855	7,043,974	7,091,227
Production	6,853,145	6,233,789	5,312,853	5,454,206	5,210,420	5,768,581
End-of-period inventories	206,353	210,995	215,853	263,147	252,093	166,814
Shipments:						
Internal consumption/transfers	42,019	38,812	79,190	91,150	72,304	54,427
Home market	1,389,505	1,452,028	921,072	1,116,049	1,307,107	1,150,417
Exports to:						
United States	0	0	0	0	0	0
European Union	950,755	1,031,592	671,611	879,565	905,468	896,828
Asia	21,420	38,133	15,090	3,217	0	1,917
All other markets	4,425,960	3,668,581	3,622,029	3,316,932	2,924,274	3,749,267
Total exports	5,398,135	4,738,306	4,308,730	4,199,714	3,829,742	4,648,012
Total shipments	6,829,659	6,229,146	5,308,992	5,406,913	5,209,153	5,852,856
			Ratios and shares (percent)			
Capacity utilization	89.1	78.2	69.7	73.0	74.0	81.3
Inventories/production	3.0	3.4	4.1	4.8	4.8	2.9
Inventories/total shipments	3.0	3.4	4.1	4.9	4.8	2.9
Share of total shipment quantity:						
Internal consumption/transfers	0.6	0.6	1.5	1.7	1.4	0.9
Home market	20.3	23.3	17.3	20.6	25.1	19.7
Exports to:						
United States	0.0	0.0	0.0	0.0	0.0	0.0
European Union	13.9	16.6	12.7	16.3	17.4	15.3
Asia	0.3	0.6	0.3	0.1	0.0	0.0
All other markets	64.8	58.9	68.2	61.3	56.1	64.1
Total exports	79.0	76.1	81.2	77.7	73.5	79.4
			Value ($1,000)			
Commercial shipments:						
Home market	715,058	1,023,079	314,936	484,485	723,627	633,381
Exports to:						
United States	0	0	0	0	0	0
European Union	528,667	712,408	266,857	418,802	575,884	510,306
Asia	9,578	24,589	5,775	2,107	0	1,161
All other markets	1,951,374	2,417,413	1,301,817	1,553,343	1,753,143	2,116,453
Total exports	2,489,619	3,154,410	1,574,449	1,974,252	2,329,027	2,627,920
Total shipments	3,204,677	4,177,489	1,889,385	2,458,737	3,052,654	3,261,301
			Unit value (dollars per short ton)			
Commercial shipments:						
Home market	$515	$705	$342	$434	$554	$551
Exports to:						
United States	(1)	(1)	(1)	(1)	(1)	(1)
European Union	$556	$691	$397	$476	$636	$569
Asia	$447	$645	$383	$655	(1)	$606
All other markets	$441	$659	$359	$468	$600	$564
Total exports	$461	$666	$365	$470	$608	$565
Total shipments	$472	$675	$361	$463	$594	$562

(1) Undefined.

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