Certain Steel Threaded Rod From Thailand

Investigation No 731-TA-1214 (Final)

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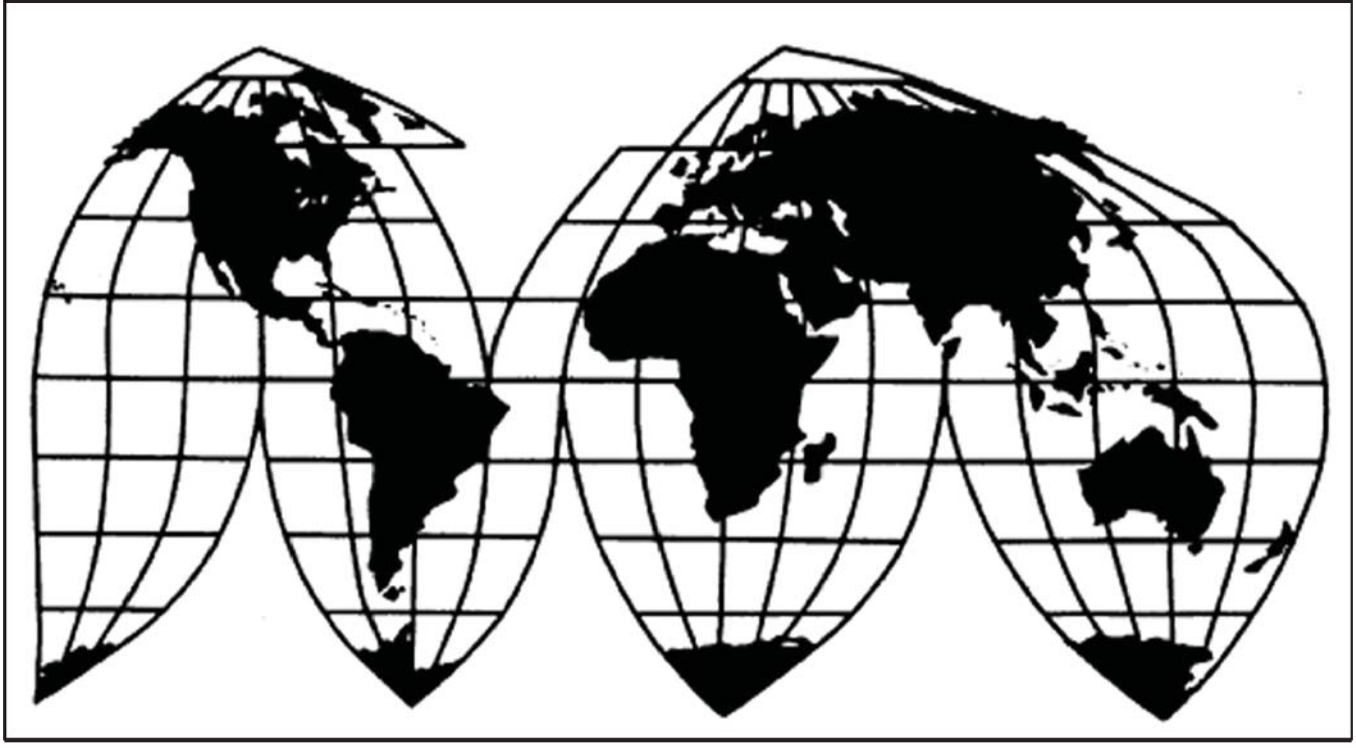
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1214 (Final)

CERTAIN STEEL THREADED ROD FROM THAILAND

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission (Commission) determines,[2] pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded by reason of imports from Thailand of certain steel threaded rod, provided for primarily in subheading 7318.15.50 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted this investigation effective June 27, 2013, following receipt of a petition filed with the Commission and Commerce by All America Threaded Products Inc., Denver, Colorado; Bay Standard Manufacturing Inc., Brentwood, California; and Vulcan Threaded Products Inc., Pelham, Alabama. The final phase of the investigation was scheduled by the Commission following notification of a preliminary determination by Commerce that imports of certain steel threaded rod from Thailand were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 17, 2014 (79 FR 3245). The hearing was held in Washington, DC, on March 20, 2014, 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] Commissioner Rhonda Schmidtlein was not a member of the Commission at the time of the vote.

Views of the Commission

Based on the record in the final phase of this investigation, we find that an industry in the United States is not materially injured or threatened with material injury by reason of imports of certain steel threaded rod from Thailand found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value.

I. Background

The petitions in the steel threaded rod ("STR") investigations were filed on June 27, 2013, by Vulcan Threaded Products, Inc. ("Vulcan"), All America Threaded Products, Inc. ("All America"), and Bay Standard Manufacturing Inc. ("Bay Standard") (collectively "Petitioners"), U.S. producers of STR.[1] Petitioners appeared at the hearing and submitted prehearing and posthearing briefs as well as final comments. No respondent party appeared at the hearing or submitted briefs.

Unless otherwise noted, U.S. industry data cited herein are based on the questionnaire responses of five producers, accounting for nearly all of U.S. production of STR in 2013.[2] U.S. import data are based on official Commerce import statistics from a single tariff subheading because several large importers did not provide responses to the Commission's questionnaires.[3] The Commission received usable responses to its questionnaires from six foreign producers or exporters of STR in India, accounting for the majority of U.S. imports of subject merchandise from India during the period of investigation ("POI"), which encompasses January 2011 through December 2013.[4] The Commission did not receive any responses to its questionnaires from any foreign producers or exporters of STR from Thailand.[5]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[6] Section 771(4)(A) of the Tariff Act

[1] The petitions concerned STR from both India and Thailand. Commerce had not yet made its final dumping and subsidy determinations in its investigations of STR from India as of the time the record closed in the Commission's investigation of STR from Thailand.

[2] Confidential Report ("CR") at I-5; Public Report ("PR") at I-4.

[3] CR at I-5; PR at I-4. Petitioners reported that the majority of imports of subject merchandise are reported under Harmonized Tariff Schedule of the United States ("HTSUS") 7318.15.5056 and that the majority of merchandise entered under this subheading is subject merchandise. CR at I-5 n.5; PR at I-4 n.5.

[4] CR/PR at VII-3.

[5] CR at VII-5; PR at VII-4.

[6] 19 U.S.C. § 1677(4)(A).

of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[7] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[8]

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[9] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[10] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[11] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[12] the Commission determines what domestic product is like the imported articles Commerce has identified.[13]

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[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

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

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

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

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

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

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

> Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. Included in the scope of this investigation are steel threaded rod, bar, or studs, in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:
>
> - 1.80 percent of manganese, or
> - 1.50 percent of silicon, or
> - 1.00 percent of copper, or
> - 0.50 percent of aluminum, or
> - 1.25 percent of chromium, or
> - 0.30 percent of cobalt, or
> - 0.40 percent of lead, or
> - 1.25 percent of nickel, or
> - 0.30 percent of tungsten, or
> - 0.012 percent of boron, or
> - 0.10 percent of molybdenum, or
> - 0.10 percent of niobium, or
> - 0.41 percent of titanium, or
> - 0.15 percent of vanadium, or
> - 0.15 percent of zirconium.
>
> Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (‘‘HTSUS’’). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Excluded from the scope of this

> investigation are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (''ASTM'') A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.[14]

The scope encompasses carbon steel rod threaded along greater than 25 percent of its length. The great majority of STR is made from low-carbon steel, which is easier to cut than steel with higher levels of carbon, and is threaded along its entire length. Rod threaded along its entire length is a versatile product as it can be cut to the desired length at a construction site. Petitioners estimate that fully threaded STR that is three-eighths inch in diameter or greater accounts for the great majority of the U.S. market for low-carbon STR, with STR that is exactly three-eighths inch in diameter accounting for about 60 percent. Petitioners estimate that STR with diameters of less than three-eighths inch accounts for less than ten percent of the U.S. market. Standard lengths of STR are two, three, six, ten, and twelve feet. STR that is threaded only on one end or both ends, but not in the middle, accounts for a small share of the U.S. STR market. Such products are usually ordered for specific applications where the customer knows the exact length that is required.[15]

STR is primarily used in non-residential construction applications to suspend support systems such as those for electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler systems. Normally, one end of the STR is fastened to the ceiling and the other end is fastened to the support that holds the pipes or ductwork or sprinkler system. Other applications include structural tie-downs in earthquake and hurricane restraint systems for roofing, headless screws and general fasteners, and bolts to join pipe joints in the waterworks industry. The product is also used for basic industrial repairs.[16]

C. Domestic Like Product Analysis

In the preliminary determinations, the Commission defined a single domestic like product, STR, that was coextensive with the scope of the investigations. The Commission determined that, although STR can vary in terms of length, diameter, finishes, and whether it is fully or partially threaded, there did not appear to be any clear dividing lines based on physical characteristics. The Commission further determined that all types of STR have common characteristics (threaded grooves and ease of cutting to size) and end uses (noncritical bolting applications), and STR is not interchangeable with threaded rod made from other materials. The Commission concluded that all STR is produced using common manufacturing facilities, employees, and production processes and that almost all shipments of STR by domestic producers were made to distributors and master distributors. The Commission found that

[14] *Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 Fed. Reg. 14476 (Mar. 14, 2014).

[15] CR at I-10 – I-12; PR at I-7 – I-9.

[16] CR at I-10 – I-12; PR at I-7 – I-9.

there was nothing in the record to contradict petitioners' assertion that customers view STR as a single product category. It also found that there is some variation in STR prices according to length, finish, size, and other such features.[17]

The record in the final phase of these investigations does not contain any new information concerning the domestic like product factors, and there is no argument that the Commission should adopt a definition of the domestic like product different from that in the preliminary determinations.[18] Therefore, for the same reasons set forth in the preliminary determinations, we find one domestic like product that is coextensive with the scope definition.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[19] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 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.[20] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[21]

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[17] *Certain Steel Threaded Rod from India and Thailand*, Inv. No. 701-TA-498 and 731-TA-1213-1214 (Preliminary), USITC Pub. 4420 (Aug. 2013) at 7-9.

[18] The information in the record pertaining to the domestic like product factors is largely unchanged from that in the preliminary phase. CR at I-10 – I-14; PR at I-7 – I-10. Petitioners argue that the Commission should define the domestic like product to be STR, coextensive with the definition of the scope of the subject merchandise, as it did in its preliminary determinations. Petitioners' Prehearing Brief at 3-5.

[19] 19 U.S.C. § 1677(4)(A).

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

[21] 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

(Continued...)

The record indicates that six domestic producers produced STR during the POI: Vulcan, All America, Bay Standard, All Ohio, Interstate, and Conklin & Conklin.[22] Conklin & Conklin did not respond to the Commission's questionnaire.[23] Of the five responding domestic producers, four (***, ***, ***, and ***) are subject to possible exclusion under the related parties provision because each imported subject merchandise during the POI.[24] Petitioners argue that appropriate circumstances do not exist to exclude any producer from the domestic industry under the related party provision.[25]

For the reasons discussed below, we do not exclude any firm from the domestic industry as a related party.

***. ***, a ***, was the *** largest domestic producer, accounting for *** percent of domestic production during the POI.[26] Its production volumes *** over the POI.[27] *** ratio of subject imports to its domestic production was *** percent in 2011, 2012, and 2013, respectively.[28] *** explained that it imported subject merchandise from *** because ***.[29] *** ratio of operating income to net sales ***.[30] [31]

We find that appropriate circumstances do not exist to exclude *** from the domestic industry. Because it is a *** and imported ***, *** interests appear to lie principally in domestic production.

***. ***, another ***, was the *** largest domestic producer, accounting for *** percent of domestic production during the POI.[32] Its production volumes *** over the POI.[33] *** ratio of subject imports to its domestic production was *** percent ***, which was the *** during the POI that it imported subject merchandise from ***.[34] *** explained that it imported

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(…Continued)

(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 Co. v United States*, 790 F. Supp. at 1168.

[22] Petition at Exhibit 1.

[23] CR/PR at III-1 n.1.

[24] CR at III-8; PR at III-3; CR/PR at Table III-5.

[25] Petitioners' Prehearing Brief at 5-8.

[26] CR/PR at Table III-1.

[27] CR/PR at Table III-5.

[28] CR/PR at Table III-5.

[29] *** Importer Questionnaire Response.

[30] CR/PR at Table VI-2.

[31] Commissioner Pinkert does not rely upon the importing companies' financial performance as a factor in determining whether there are appropriate circumstances to exclude them from the domestic industry in these investigations. The record is not sufficient to infer from their profitability on U.S. operations whether they have derived a specific benefit from importing. *See Allied Mineral Products v. United States*, 28 CIT 1865-67 (2004).

[32] CR/PR at Table III-1.

[33] CR/PR at Table III-5.

[34] CR/PR at Table III-5.

subject merchandise because ***.[35] *** ratio of operating income to net sales was *** than the industry average in 2011 and 2012 but *** than the industry average in 2013.[36]

We find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party. Because it is a *** and imported ***, *** interests appear to lie principally in domestic production.

****.* *** accounted for *** percent of domestic production during the POI.[37] Its production quantities *** overall during the POI.[38] *** ratio of subject imports to its domestic production was *** percent, *** percent, and *** percent in 2011, 2012, and 2013, respectively.[39] During the preliminary phase, *** reported that it imported subject merchandise ***.[40] *** ratio of operating income to net sales was *** than the industry average in 2011 and 2012, but *** than the industry average in 2013.[41] *** with respect to these investigations of STR from India and Thailand.[42]

In the preliminary determinations, we found appropriate circumstances did not exist to exclude *** from the domestic industry because the firm "accounts for such a small share of domestic production that, even if *** were excluded, the aggregate financial data for the domestic industry would be essentially unchanged." We also emphasized a lack of clear correlation between the firm's import activities and its financial performance.[43] These facts remain true; moreover, during the POI, *** domestic production increased and its ratio of imports to net sales declined. On balance, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.[44]

****.* *** accounted for *** percent of domestic production during the POI.[45] Its production volumes *** overall during the POI.[46] *** ratio of subject imports to its domestic production was *** percent in 2011, 2012, and 2013, respectively.[47] *** reported that it imported subject merchandise ***.[48] *** ratio of operating income to net sales was *** than

[35] *** Importer Questionnaire Response.

[36] CR/PR at Table VI-2.

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

[38] CR/PR at Table III-5.

[39] CR/PR at Table III-5.

[40] *** Preliminary Phase Importer Questionnaire Response.

[41] CR/PR at Table VI-2.

[42] CR/PR at Tables III-1 & III-5.

[43] Confidential Preliminary Determination, EDIS Doc. 867794 at 16-17.

[44] Chairman Williamson excludes *** from the domestic industry because he finds that *** principal interest lies in importing rather than domestic production. The factual findings on the domestic industry defined by the majority are also applicable to the domestic industry as he defines it, in light of *** share of domestic production. CR/PR at Table VI-2, note.

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

[46] CR/PR at Table III-5.

[47] CR at Table III-5.

[48] *** Importer Questionnaire Response.

the industry average for each year of the POI.[49] *** with respect to these investigations of STR from India and Thailand.[50]

We find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party. As an initial matter, *** accounts for such a small share of domestic production that, even if it were excluded, the aggregate data for the domestic industry would be essentially unchanged.[51] In addition, even though *** production volumes *** over the POI, its ratio of imports to net sales *** overall during the POI, and in 2012 and 2013, its U.S. production was considerably larger than its imports of subject merchandise. Moreover, it does not appear that *** derived a significant benefit from its importation of subject STR from *** because its financial results were *** the industry average throughout the POI.

For the foregoing reasons, we define the domestic industry as all U.S. producers of steel threaded rod.[52]

IV. Cumulation[53]

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

(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;

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[49] CR/PR at Table VI-2.

[50] CR/PR at Tables III-1 & III-5.

[51] CR/PR at Table VI-2, note.

[52] Chairman Williamson defines the domestic industry as all U.S. producers of STR except for ***.

[53] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). Negligibility is not an issue in the investigations of STR from India and Thailand. Based on official Commerce statistics, subject imports from India and Thailand each exceeded the requisite 3 percent statutory negligibility threshold for the most recent 12-month period preceding the filing of the petition for which data are available. From June 2012 to May 2013, U.S. imports from India accounted for 27.9 percent of total U.S. imports of STR by quantity, and U.S. imports from Thailand accounted for 28.9 percent of total U.S. imports. CR at IV-13 – IV-14, PR at IV-9 – IV-10.

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[54]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[55] Only a "reasonable overlap" of competition is required.[56]

The threshold requirement for cumulation is satisfied because petitioners filed the petitions on STR from India and Thailand on the same day, June 27, 2013.[57] As discussed below, we find there to be a reasonable overlap of competition between subject imports from both countries, and between subject imports from each source and the domestic like product.

Fungibility. The record indicates that STR, when produced to the desired length, diameter, and finish, is generally fungible.[58] All responding U.S. producers, almost all responding importers, and most purchasers reported that STR, regardless of whether it was produced in the United States, India, or Thailand, was "always" or "frequently" interchangeable.[59] A majority of purchasers found the domestic like product comparable with subject imports from India and Thailand with respect to each of 18 factors.[60] When asked whether differences other than price are ever significant to purchasers choosing between the domestic like product and subject imports or among subject imports, all responding U.S. producers and most responding importers and purchasers indicated that differences other than

[54] *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), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

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

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

[57] None of the statutory exceptions to cumulation applies.

[58] CR at II-16; PR at II-11.

[59] CR at II-21 – II-22; PR at II-14.

[60] CR/PR at Table II-17.

price were only "sometimes" or "never" a significant factor in comparing the domestic like product with subject imports or in comparing subject imports with each other.[61]

Channels of Distribution. The record indicates that subject imports from both countries and the domestic like product were sold to distributors and end users throughout the POI. The large majority of shipments of both the domestic like product and imports from India and Thailand were to distributors.[62]

Geographic Overlap. The record reflects that the market for STR is nationwide and that the domestic like product and subject merchandise from India and Thailand are sold throughout the United States.[63]

Simultaneous Presence in Market. Subject imports from India and Thailand and the domestic like product were present throughout the POI, with subject imports entering the United States every month of the POI, except in November and December 2013 when there were no imports from Thailand.[64] Petitioners report that they sell STR in the U.S. market every day.[65]

Conclusion. Because the antidumping and countervailing duty petitions were filed on the same day, and the record indicates that there is a reasonable overlap of competition between and among the subject imports and the domestic like product, we analyze subject imports from India and Thailand on a cumulated basis for our analysis of whether there is material injury by reason of subject imports.

V. No Material Injury by Reason of Subject Imports

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[66] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[67] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[68] In

[61] CR at II-22 – II-23; PR at II-14 – II-16; CR/PR at Table II-8.
[62] CR at II-2 – II-3; PR at II-2; CR/PR & Table II-1.
[63] CR/PR at Table II-2.
[64] CR at IV-15; PR at IV-10; CR/PR at Tables V-3 – V-8.
[65] Petitioners' Prehearing Brief at 16.
[66] 19 U.S.C. §§ 1671d(b), 1673d(b).
[67] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).
[68] 19 U.S.C. § 1677(7)(A).

assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[69] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[70]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[71] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[72] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[73]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[74] In performing its examination, however, the Commission need not isolate

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[69] 19 U.S.C. § 1677(7)(C)(iii).

[70] 19 U.S.C. § 1677(7)(C)(iii).

[71] 19 U.S.C. §§ 1671d(a), 1673d(a).

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

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

[74] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.[75] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[76] It is clear that the existence of injury caused by other factors does not compel a negative determination.[77]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[78] [79] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[80]

(…Continued)
attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[75] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[76] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[77] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

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

[79] Commissioner Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when considering present material injury, to undertake a particular (Continued...)

The Federal Circuit's decisions in *Gerald Metals, Bratsk*, and *Mittal Steel* all involved cases where the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[81] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.[82] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals, Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[83]

(…Continued)
kind of analysis of non-subject imports, albeit without reliance upon presumptions or rigid formulas. *Mittal Steel* explains as follows:

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

542 F.3d at 878.

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

[81] *Mittal Steel*, 542 F.3d at 875-79.

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

[83] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in final phase investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more (Continued...)

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard. Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[84]

B. Conditions of Competition and the Business Cycle

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

1. Demand Considerations

Demand for STR depends on demand for the downstream products in which STR is used.[85] STR is generally used in commercial construction, where it is cut to length on site and used to suspend electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler pipes for fire protection systems.[86] STR accounts for a relatively small although highly variable share of the cost of the end-use products in which it is commonly used,[87] and most questionnaire respondents reported no substitutes for STR in the applications in which it is used.[88]

The main U.S. purchasers of STR are master distributors, which buy large quantities or containers from manufacturers for resale to smaller distributors, and distributors that resell STR along with many other fastening products.[89] As a whole, these distributors sell to a wide variety of firms in the commercial construction industry, but individual distributors tend to focus on specific industry segments, such as electrical, plumbing, and general construction.[90]

Questionnaire respondents reported that U.S. demand for STR follows general economic and commercial construction trends.[91] Most U.S. producers, importers, and purchasers reported that demand either fluctuated or did not change during the POI, and about an equal

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(…Continued)
complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of nonsubject imports.

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

[85] CR at II-11 – II-12; PR at II-8.

[86] CR at I-10 – I-12, II-1; PR at I-7 – I-9, II-1. STR is also used, among other things, as structural tie-downs in earthquake and hurricane roofing restraint systems, as headless screws in general fastener applications, to bolt together pipe joints in the waterworks industry, for joint restraint systems for underground piping, and for basic industrial repairs. *Id.*

[87] CR at II-15; PR at II-11.

[88] CR at II-15; PR at II-9.

[89] CR at I-4 & II-2; PR at I-3, II-1; CR/PR at Table II-1.

[90] CR at I-4; PR at I-3.

[91] CR at II-13; PR at II-9.

number indicated that demand increased or decreased.[92] Most purchasers reported that demand for their products has not changed since January 1, 2011.[93] Petitioners assert that demand for STR increased as activity in the nonresidential construction sector improved.[94] As measured by apparent U.S. consumption of STR, demand increased from *** million pounds in 2011 to *** million pounds in 2012 and *** million pounds in 2013.[95]

2. Supply Considerations

Sources of supply to the U.S. market during the POI included the domestic industry, subject imports, and imports from nonsubject sources.[96]

The domestic industry was the largest source of STR, supplying about half of the U.S. market during the POI.[97] Vulcan and All America are the largest of the six known manufacturers of STR in the United States.[98] All producers except *** reported that they produced or anticipated producing other products (***) on the same equipment and machinery used to produce STR. However, ***.[99]

During the POI, cumulated subject imports from India and Thailand were the second-largest source of supply to the U.S. market.[100] The largest responding producers of threaded rod in India are Maharaja International, Mangal Steel Enterprises Limited, Meeras International, and Sunil Industries.[101] No threaded rod producer from Thailand responded to the Commission's questionnaire,[102] although Petitioners assert that Tycoons Worldwide Group is the largest producer in Thailand and likely accounts for the vast majority of STR exports to the United States from Thailand.[103]

Imports of STR from nonsubject sources held the third-largest share of the U.S. market during the POI.[104] The largest nonsubject sources of U.S. STR imports are Taiwan and China.[105]

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[92] CR at II-13; PR at II-9; CR/PR at Table II-3.

[93] CR at II-13; PR at II-9.

[94] Petitioners' Posthearing Brief, Responses to Commission's Questions at 2.

[95] CR/PR at Table IV-7. Apparent consumption is calculated using official import data from HTSUS subheading 7318.15.5056. According to Petitioners, as noted above, the majority of imports of subject merchandise are reported under HTSUS subheading 7318.15.5056, and the majority of merchandise entered under this subheading is subject merchandise. CR at I-5 n.5; PR at I-4 n.5.

[96] CR/PR at Table IV-8.

[97] CR/PR at Table IV-8.

[98] CR/PR at I-4.

[99] CR at III-4 – III-5; PR at III-2. *** is the only domestic producer that uses its equipment primarily in the production of ***. CR at III-4; PR at III-2.

[100] CR/PR at Table IV-8.

[101] CR/PR at I-4.

[102] CR/PR at I-4.

[103] CR at I-4 n.4; PR at I-3 n.4.

[104] CR/PR at Table IV-8.

[105] CR at II-11; PR at II-7 – II-8.

STR imports from China have been subject to an antidumping duty order since April 2009.[106] Petitioners assert that imports of STR from China fell after the order was imposed,[107] but imports from China continue to have a U.S. market presence.[108]

3. Substitutability

We find a high degree of substitutability among domestically produced STR and STR from both subject import sources.[109] As explained above, all domestic producers, almost all responding importers, and the majority of responding purchasers reported that the domestic like product and subject imports were "always" or "frequently" interchangeable and that differences other than price were only "sometimes" or "never" a significant factor in STR sales.[110] Buy America policies were reported to affect only a very small portion of purchases.[111]

4. Other Conditions

The primary raw material used to manufacture STR is low-carbon steel wire rod, or in the case of larger-diameter STR, low-carbon steel bar.[112] Raw materials (including wire rod) accounted for approximately 65 percent of the cost of goods sold ("COGS") for STR during the POI.[113] The price of carbon steel wire rod increased slightly during 2011 and then declined with minor fluctuations until 2013, for an overall decrease of almost 18 percent during the POI.[114]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[115]

The volume of cumulated subject imports was 34.8 million pounds in 2011, 42.8 million pounds in 2012, and 46.4 million pounds in 2013.[116] As explained above, demand as measured by apparent U.S. consumption rose *** percent from 2011 to 2013.[117] The volume of

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[106] *Certain Steel Threaded Rod from China: Notice of Antidumping Duty Order*, 70 Fed. Reg. 17154 (Apr. 14, 2009). *See also Certain Steel Threaded Rod from China,* Inv. No. 731-TA-1145 (Final), USITC Pub. 4070 (Apr. 2009) at 3.

[107] Tr. at 11 (Upton).

[108] CR/PR at Table IV-8.

[109] CR/PR at II-16; PR at II-11.

[110] CR at II-21 – II-23; PR at II-14 – II-16; CR/PR at Tables II-8 & II-9.

[111] Tr. at 88 (Upton).

[112] CR at I-13 & V-1; PR at I-9, V-1.

[113] CR/PR at V-1.

[114] CR/PR at V-1 & Figure V-1.

[115] 19 U.S.C. § 1677(7)(C)(i).

[116] CR/PR at Table IV-2.

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

cumulated imports of STR rose at a higher rate, increasing 33.2 percent from 2011 to 2013, although the rate of increase slowed at the end of the POI.[118]

The share of apparent U.S. consumption held by cumulated subject imports, by quantity, increased from *** percent in 2011 to *** percent in 2012 and then to *** percent in 2013, for an overall increase of *** percentage points.[119] The domestic industry's market share, by quantity, remained relatively stable during the POI, decreasing slightly from *** percent in 2011 to *** percent in 2012 before increasing to *** percent in 2013.[120] Nonsubject imports' share of apparent U.S. consumption, by quantity, decreased from *** percent in 2011 to *** percent in 2013 before decreasing further to *** percent in 2013.[121] Cumulated subject imports were equivalent to *** percent of U.S. production in 2011, *** percent in 2012, and *** percent in 2013.[122]

We find that the volume of cumulated subject imports, and the increase in that volume, is significant both in absolute terms and relative to consumption and production in the United States.[123] However, for reasons we discuss below, we do not find significant adverse price

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[118] CR/PR at Table C-1. Cumulated subject imports increased 22.9 percent from 2011 to 2012 but only 8.4 percent from 2012 to 2013. *Id.*

[119] CR/PR at Tables IV-8 & C-1.

[120] CR/PR at Tables IV-8 & C-1.

[121] CR/PR at Tables IV-8 &C-1. Nonsubject imports, by quantity, were 32.9 million pounds in 2011, 36.8 million pounds in 2012, and 35.1 million pounds in 2013. CR/PR at Tables IV-2 & C-1.

[122] CR/PR at Table IV-2.

[123] Petitioners contend that HTSUS 7318.15.5056 is a unique and discrete subheading covering most of the subject merchandise. Petitioners' Prehearing Brief at 17, n.71, Petitioners' Posthearing Brief at 2-3. Petitioners further contend that U.S. importers have reported to the Commission that virtually all of their subject imports were classified under this HTS subheading during the POI. *Id.* Accordingly, petitioners argue that official import statistics for HTS 7318.15.5056 are "a nearly perfect proxy" for evaluating the volume of subject imports during the POI. Petitioners' Posthearing Brief at 3, Tr. at 41 (Waite). Notwithstanding this assertion, petitioners also argue that the official import statistics understate the volume of subject imports from India in 2012. Posthearing Brief at Responses to Commission's Questions at 5, Attachment A. Petitioners assert that the export data reported by the 14 Indian producers which responded to the Commission's questionnaires in the preliminary phase track the official import statistics for 2010 and 2011 but diverge significantly in 2012, when Indian producers reported a significantly higher volume of exports than is reflected in the reported imports for HTSUS 7318.15.5056. *Id.* (stating that Indian producers reported total exports of *** million pounds in 2012, but only 20.7 million pounds were reported for the same year under HTSUS 7318.15.5056); *see also* Hearing Tr. at 33-34, 77-80. Petitioners further assert that the accuracy and reliability of the questionnaire responses is supported by the fact that the largest Indian exporter's questionnaire response corresponds with data in the ZEPOL ImportIQ database, both of which vary from the official import statistics by between *** million pounds. *Id.*

As explained in the staff report, import data are based on official statistics rather than questionnaire responses because several larger importers did not provide responses to the questionnaires in the final phase investigations. Moreover, the record indicates that the majority of subject merchandise is classified under HTSUS 7318.15.5056. CR at I-5 & n.5; PR at I-4 & n.5. Consequently, the official statistics provide the most complete data available for subject import volume (Continued...)

effects or a significant adverse impact on the domestic industry by reason of cumulated subject imports.

We also observe that the record does not indicate that there was an overall noticeable decline in the volume of cumulated subject imports due to the pendency of the investigations. The monthly data indicate relatively consistent monthly levels of cumulated imports during most of 2013.[124] Although subject imports from Thailand declined in October and left the U.S. market altogether in November and December, they had more than doubled the previous August. Furthermore, the decline in subject imports from Thailand during the last few months of 2013 was largely offset by increased imports from India. In light of this, we do not conclude that the filing of the petition materially affected the volume of cumulated subject imports in 2013 and decline to give reduced weight to the 2013 data in the record.[125]

D. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
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> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[126]

We find that there is a high degree of substitutability between subject imports from India and Thailand and the domestic like product and that price is an important consideration in purchasing decisions. As explained above, all U.S. producers, almost all responding importers, and most purchasers reported that STR produced in the United States, India, and Thailand was "always" or "frequently" interchangeable.[127] All responding U.S. producers and most

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during the entire POI. Even if we were to accept petitioners' assertion regarding the 2012 data, however, it would not change our conclusion that the volume of subject imports was significant during the POI.

[124] Monthly import statistics classified under HTSUS 7318.15.5056, EDIS Doc. 531569. Monthly imports of STR from India typically fell within the range of *** pounds to *** pounds, with the exception of October and November 2013, in which imports from India increased to *** pounds and ***, respectively. *Id.* Monthly imports from Thailand likewise typically fell within the range of *** pounds to *** pounds and, although imports from Thailand declined to *** pounds in October 2013 and were zero in November and December 2013, they were *** pounds in August 2013. *Id.*

[125] Moreover, no party has argued that 2013 data should be given reduced weight in these investigations.

[126] 19 U.S.C. § 1677(7)(C)(ii).

[127] CR at II-21 – II-22; PR at II-14.

importers and purchasers reported that differences other than price were only "sometimes" or "never" a significant factor in STR sales.[128]

The Commission sought quarterly pricing data for six types of STR.[129] Subject imports were generally priced higher than the domestic product.[130] Cumulated subject imports oversold the domestic like product in *** out of 142 quarterly comparisons, by margins ranging from less than 1 percent to 220.9 percent, and undersold it in the remaining *** comparisons, with margins ranging from less than 1 percent to 39.2 percent.[131] Overselling by subject imports occurred with relatively greater frequency in the higher volume pricing products, products 1, 2, and 3, with the subject imports overselling the domestic like product in *** out of 72 quarterly comparisons.[132] Underselling was concentrated in pricing product 5, which represented a relatively lower volume of sales for both the domestic industry and subject

[128] CR at II-23; PR at II-16.

[129] CR at V-5; PR at V-4. The pricing products consisted of the following: (1) low-carbon steel fully threaded rod, electroplated with zinc, 3/8 inch diameter, and 10 feet in length; (2) low-carbon steel fully threaded rod, electroplated with zinc, 3/8 inch diameter, and six feet in length; (3) low-carbon steel fully threaded rod, electroplated with zinc, 1/2 inch diameter, and 10 feet in length; (4) low-carbon steel fully threaded rod, plain, 3/4 inch diameter, and 12 feet in length; (5) low-carbon steel fully threaded rod, electroplated with zinc, 1/4 inch diameter, and 10 feet in length; and (6) low-carbon steel fully threaded rod, hot dipped galvanized, 5/8 inch diameter, and 12 feet in length. *Id.* The Commission received usable data from four U.S. producers and 22 importers, although not all responding firms reported for all quarters. *Id.* Pricing data reported by these firms accounted for *** percent of the domestic industry's shipments of STR, *** percent of U.S. shipments of subject imports from India, and *** percent of U.S. shipments of subject imports from Thailand. CR at V-6; PR at V-4.

[130] Petitioners argue that the Commission's analysis regarding price effects should focus on average unit value ("AUV") data rather than the data that the Commission collected with respect to the pricing products. Petitioners' Prehearing Brief at 18-19; Petitioners' Posthearing Brief at 4-5; Petitioners' Final Comments at 5-6. We do not rely on AUV data in analyzing price effects in these investigations for several reasons. First, prices for individual products vary widely. For example, U.S. producers' prices for hot-dipped galvanized product 6 ranged from $0.92 to $1.00 per pound, and the price for the smaller diameter product 5 ranged from $0.74 to $0.78 per pound, while prices for products 1 through 4 ranged from $0.58 to $0.66 per pound. CR at V-23; PR at V-12. Consequently, product differences and product mix issues make a comparison of AUVs less reliable for analyzing price effects than the direct comparisons produced by the pricing product data. CR at V-22 – V-23; PR at V-11 – V-12. *See Allegheny Ludlum Corp. v. United States*, 287 F.3d 1365, 1373-74 (Fed. Cir. 2002). Further, as noted in the staff report, AUV data understate sales prices of subject imports. CR at V-22; PR at V-11. Although petitioners contend that the Commission could adjust AUV data to account for the markup, we decline to do so, observing that the markup percentages are only examples of how importers increase the prices. Thus, adding a markup to the AUV data does not make it more reliable than the direct comparisons in the pricing product data. Finally, we note that petitioners' counsel indicated that staff had addressed the concerns petitioners previously expressed concerning the pricing data. CR at V-21 n.7; PR at V-9 n.7. Indeed, petitioners have not identified any specific concerns with pricing product data that staff has not already addressed. Petitioners' Final Comments at 8. Accordingly, we have followed our normal practice of relying on the pricing data concerning specific products.

[131] CR at V-19; PR at V-9.

[132] CR/PR at Tables V-3 – V-5.

imports than products 1, 2, and 3.[133] Consequently, we do not find the underselling by subject imports to be significant.

Additionally, the instances of underselling that occurred did not result in a significant loss of market share by the domestic industry. As discussed above, although the domestic industry's share of the U.S. market declined slightly in 2012, it returned in 2013 to essentially the same level as in 2011.[134] Thus, the subject imports' gain in market share over the POI came predominantly at the expense of nonsubject imports rather than the domestic industry.[135]

We also do not find that subject imports depressed prices to a significant degree. From the first quarter of 2011 to the final quarter of 2013, prices for domestically produced products 2, 4, and 6 slightly increased while prices for domestically produced product 1 remained the same.[136] In addition, although prices for domestically produced products 3 and 5 slightly declined, the decrease in price from the first quarter of 2011 to the final quarter of 2013 was only 1 cent per pound.[137] Moreover, although the prices of several products decreased from peak levels in 2011 or 2012, we observe that the price declines that occurred were largely coincident with declines in raw material costs.[138] Specifically, the price of steel wire rod, the main raw material used in the production of STR, increased in 2011 before declining sharply in January 2012 and then declining further for the next two years for an overall decline of almost 18 percent by the end of 2013.[139]

We have also examined whether subject imports have prevented price increases, which otherwise would have occurred, to a significant degree during the POI. The domestic industry's unit net sales value initially increased from $*** to $*** from 2011 to 2012 and then decreased to $*** in 2013.[140] Similarly, the domestic industry's unit COGS increased from $*** in 2011 to

[133] CR/PR at Table V-7.

[134] Petitioners argue that, when comparing pricing product data for the domestically produced product to the prices for the ***, subject imports undersold the domestic like product 50 percent of the time. Petitioners' Final Comments at 7. Although we acknowledge this, CR at V-21 – V-22; PR at V-9, it does not change our conclusion because, as described above, any underselling did not result in any significant loss of market share by the domestic industry by the end of the POI. Moreover, although we base our analysis on the domestic industry as a whole, we note that *** (*see* responses to question III-23 in the U.S. purchasers' questionnaire), consistently undersold both other domestic producers and subject imports. Specifically, for products 1, 2, 3, and 4, *** prices were lower than *** prices for domestically produced STR as well as *** prices for STR from Thailand and *** prices for STR from India in the majority of comparisons. Responses to question IV-2 in the U.S. producers questionnaire for ***; responses to question III-3 in the U.S. importers questionnaire for ***.

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

[136] CR/PR at Tables V-3, V-4, V-6 & V-8.

[137] CR/PR at Tables V-5 & V-7.

[138] *Compare* CR/PR at Figure V-1 *with* CR/PR at Tables V-3 to V-8.

[139] CR/PR at V-1; CR/PR at Figure V-1. Although the domestic industry reported that the unit value of costs for steel increased slightly from $*** in 2011 to $*** in 2012, it fell to $*** in 2013. CR/PR at Table VI-1.

[140] CR/PR at Tables VI-1 & C-1.

$*** in 2012 before declining to $*** in 2013.[141] The domestic industry's COGS as a ratio to net sales declined overall during the POI.[142] Given the overall declines in both unit COGS and the COGS/sales ratio, we do not find that subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

We acknowledge that there are a number of confirmed allegations of lost sales and lost revenues. However, in light of the other information on the record concerning the predominant overselling by the subject imports, the lack of significant loss of market share by the domestic industry, the domestic industry's relatively stable prices, and the absence of significant price depression or price suppression, we do not find that the confirmed lost sales and lost revenues allegations demonstrate significant price effects. Moreover, considering that the domestic industry was able to regain market share by the final year of the POI, we find that the responses to the lost sales and lost revenues allegations do not appear to reflect what was occurring in the market as a whole.

Accordingly, based on the record in the final phase of these investigations, we do not find significant underselling, nor do we find that subject imports have depressed prices or prevented price increases, which otherwise would have occurred, to a significant degree.

E. Impact of the Subject Imports[143]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on

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[141] CR/PR at Tables VI-1 & C-1. Petitioners argue that, although the domestic industry's ratio of COGS to net sales decreased from 2012 to 2013, the 2013 ratio is still greater than the 2010 ratio found in the preliminary phrase. Petitioners' Posthearing Brief, Responses to Commission's Questions at 23. We have followed our usual practice in final phase investigations of analyzing data for a three-year period and note that, in their comments on the Commission's questionnaires, petitioners did not assert that we should deviate from this standard practice. *See* Petitioners' Comments on Draft Questionnaires for Final Investigation.

[142] CR/PR at Tables VI-1 & C-1. COGS as a ratio to net sales was *** percent in 2011, *** percent in 2012, and *** percent in 2013. *Id.*

[143] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). As instructed by the statute, we have relied on the margins on STR from India Commerce published in its preliminary determination. 19 U.S.C. § 1677(35)(C)(ii). Commerce published notice of its preliminary determination regarding imports from India with antidumping duty margins of 8.63 to 119.87 percent. Commerce published notice of its final determination regarding imports from Thailand with antidumping duty margins of 68.41 to 74.90 percent. CR at I-7 – I-8; PR at I-5 (citing *Steel Threaded Rod from India: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstance, in Part, and Postponement of Final Determination* , 79 Fed. Reg. 9164 (Feb. 18, 2014); *Steel Threaded Rod from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 78 Fed. Reg. 76815 (Dec. 19, 2013); *Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 Fed. Reg. 14476 (Mar. 14, 2014)).

the state of the industry."[144] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."

Many of the domestic industry's trade and employment indicators improved or essentially were stable during the POI. As discussed above, the U.S. producers' share of the U.S. market initially declined slightly from *** percent in 2011 to *** percent in 2012 but subsequently increased to *** percent in 2013.[145] The domestic industry's production increased steadily by *** percent overall between 2011 and 2013, starting at *** pounds in 2011 and then increasing to *** pounds in 2012 and *** pounds in 2013.[146] The domestic industry's U.S. shipments increased from *** pounds in 2011 to *** pounds in 2012 and *** pounds in 2013, representing an overall increase of *** percent, although the domestic industry's end-of-period inventories increased both on an absolute basis and relative to production and shipments from 2011 to 2013.[147] Net sales by quantity and value increased by *** and *** percent, respectively, during the POI.[148] The domestic industry's production capacity increased *** percent overall from 2011 to 2013, while capacity utilization increased by *** percentage points, from *** percent in 2011 to *** percent in 2012 and *** percent in 2013.[149] The number of production workers decreased slightly, while hours worked, wages paid and productivity increased overall.[150]

Although the domestic industry reported operating losses during the POI, its financial condition improved from 2011 to 2013. Notwithstanding increasing volumes of subject imports, the industry's net sales quantities and revenues both increased. Because of the subject imports' lack of significant price effects, per unit sales values and COGS moved in

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[144] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

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

[146] CR/PR at Tables III-2 & C-1.

[147] CR/PR at Tables III-3, III-4 & C-1.

[148] CR/PR at Table C-1. Net sales, by quantity, increased from *** pounds in 2011 to *** pounds in 2012 and *** pounds in 2013. CR/PR at Table VI-1. Net sales, by value, increased from $*** in 2011 to $*** in 2012 and $*** in 2013. *Id.*

[149] CR/PR at Tables III-2 & C-1. The domestic industry's production capacity was *** pounds in 2011, *** pounds in 2012, and *** pounds in 2012. *Id.*

[150] CR/PR at Table III-6. The number of production workers was *** in 2011, *** in 2012, and *** in 2013. *Id.* The total hours worked were *** in 2011, *** in 2012, and *** in 2013. *Id.* Wages paid were $*** in 2011, $*** in 2012, and $*** in 2013. *Id.* Productivity was *** short tons per 1,000 hours in 2011, *** short tons per 1,000 hours in 2012, and *** short tons per 1,000 hours in 2013. CR/PR at Table C-1.

tandem from 2011 to 2013.[151] The domestic industry was able to improve its financial performance due to increased sales quantities and revenues that increased at a greater rate than COGS and selling, general, and administrative ("SG&A") expenses combined.[152] The domestic industry's aggregate operating income improved from operating losses in 2011 and 2012 of $*** and $***, respectively, to an operating loss of only $*** in 2013.[153] The domestic industry's ratio of operating income to net sales increased by *** percentage points from 2011 to 2013, with operating margins declining from negative *** percent in 2011 to negative *** percent in 2011 before improving to negative *** percent in 2013.[154] The domestic industry's aggregate capital expenditures increased from $*** in 2011 to $*** in 2012 and $*** in 2013.[155]

The record indicates that some of the domestic industry's performance indicators have not improved. We further acknowledge, as noted above, that the domestic industry experienced operating losses throughout the POI. Nevertheless, the record fails to show a meaningful correlation between subject imports and the domestic industry's condition. As discussed above, the domestic industry increased production from 2011 to 2013 when apparent consumption was also increasing and the market was continuing to recover from the recession.[156] In addition, the domestic industry did not lose significant market share from 2011 to 2013; rather, subject imports' increase in market share came overwhelmingly at the expense of nonsubject imports. The domestic industry's production, shipments, capacity utilization, and financial performance improved in 2013 when the volume of cumulated subject imports, based on official import statistics, was at its highest level during the POI.[157]

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[151] Per unit net sales values were $*** in 2011, $*** in 2012, and $*** in 2013. CR/PR at Table VI-1. Per unit COGS was $*** in 2011, $*** in 2012, and $*** in 2013. *Id.*

[152] CR/PR at Table C-1. COGS increased *** percent overall, from $*** in 2011 to $*** in 2012 and $*** in 2013. *Id.* SG&A expenses increased *** percent overall, decreasing from $*** in 2011 to $*** in 2012 before increasing to $*** in 2013. *Id.*

[153] CR/PR at Table VI-1.

[154] CR/PR at Tables VI-1 & C-1.

[155] CR/PR at Table VI-3. No firms reported research and development expenses. CR at VI-6; PR at VI-2.

[156] CR at II-11 – II-12; PR at II-8 – II-9.

[157] CR/PR at Table C-1. In asserting that there is a correlation between the domestic industry's performance and subject imports, petitioners rely on data from questionnaire responses during the preliminary phase investigations rather than official import statistics. Petitioners' Final Comments at 3-4 & Exhibit 1. These data would indicate that the volume of subject imports increased more than is reported in official statistics for 2012 and then declined in 2013, rather than increasing each year of the POI as official import statistics show. *Id. Compare also* CR/PR at Table C-1 *with* CR/PR at Table C-2. Petitioners argue that this demonstrates a causal relationship between subject imports and the domestic industry's condition because subject imports were highest in 2012 when the domestic industry experienced the highest level of operating losses. Petitioners' Final Comments at pp. 3-4 & Exhibit 1. However, setting aside the data for 2012, which petitioners claim is aberrational, we observe that a comparison of the data for 2011 and 2013 does not show a correlation between subject imports and the domestic industry's financial performance. The domestic industry's operating losses were greater in 2011 than in 2013, but the volume of cumulated subject imports was higher in the latter year. CR/PR at (Continued...)

Moreover, we do not find that the record supports petitioners' assertion that the domestic industry's improvement can be explained by the exit of subject imports from the market following the petition.[158] As discussed above, although subject imports from Thailand decreased in October 2013 and left the U.S. market in November and December 2013, this did not result in a noticeable overall decline in the volume of cumulated subject imports during 2013. Thus, we do not find that the pendency of these investigations explains the improvement in the domestic industry's condition.

Based on the foregoing reasons, we find that cumulated subject imports have not had a significant impact on the domestic industry. Thus, we conclude that, notwithstanding the domestic industry's operating losses during the POI, the industry is not materially injured by reason of cumulated subject imports.

VI. No Threat of Material Injury by Reason of Subject Imports

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[159] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[160] In making our determination, we consider all statutory threat factors that are relevant.[161]

(…Continued)
Table C-1. Accordingly, even if we were to rely on the import trends shown in the preliminary phase questionnaire data rather than official import statistics, it would not materially alter our conclusion.

[158] Petitioners' Final Comments at 3-4.

[159] 19 U.S.C. § 1677(7)(F)(ii).

[160] 19 U.S.C. § 1677(7)(F)(ii).

[161] These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,
(Continued...)

B. Cumulation for Threat

Under section 771(7)(H) of the Tariff Act, the Commission may "to the extent practicable" cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.[162] Petitioners argue that the Commission should exercise its discretion to cumulate subject imports from India and Thailand in assessing threat of material injury.[163]

As discussed in section IV above, the record indicates that there is a reasonable overlap of competition between and among the domestic like product and subject imports from India and Thailand, and the record does not contain any evidence that this overlap is likely to change in the future. We have also considered whether subject imports from India and Thailand exhibited similar volume and price trends during the POI that would justify exercising our discretion to cumulate these imports for our threat analysis. There are some variations in these trends, but on this record we do not find them to be sufficient to indicate that subject imports from India and Thailand would compete in the U.S. market under different conditions of competition in the imminent future. Accordingly, we exercise our discretion to cumulate subject imports from India and Thailand in assessing threat of material injury.

(…Continued)

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

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

…

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this determination.

[162] 19 U.S.C. § 1677(7)(H).

[163] Petitioners' Posthearing Brief at 8-9, Responses to Commission's Questions at 4-7 & Attachment A; Petitioners' Final Comments at 11-12.

C. Analysis of Threat of Material Injury by Reason of Subject Imports

As discussed above, although it continued to experience operating losses each year, the domestic industry's performance generally improved during the POI, and we have found that the cumulated subject imports have not had significant adverse effects on the condition of the domestic industry. As discussed below, we likewise find that the domestic industry is not threatened with material injury by reason of cumulated subject imports.

Likely Subject Import Volume[164]

We find that the increase in cumulated subject imports and market share during the POI does not indicate a likelihood of substantially increased imports in the imminent future. As detailed above, although cumulated subject imports increased over the POI, the rate of increase slowed considerably in 2013.[165] Moreover, subject imports increased their share of the U.S. market primarily at the expense of nonsubject imports. By contrast, the domestic industry increased its market share in 2013 to roughly the level of its market share in 2011. Moreover, the industry increased its production and U.S. shipments throughout the period as apparent consumption increased. There is no evidence that these factors will change in the imminent future.[166] [167]

We also find that excess capacity in the subject countries, although significant, does not indicate the likelihood of substantially increased imports of the subject merchandise. Responding foreign producers from India reported that their production capacity increased each year and was nearly 9.0 million pounds – or 28.1 percent – higher in 2013 than in 2011.[168] Reported Indian excess capacity during the POI increased from 4.7 million pounds in 2011 to

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[164] In its preliminary affirmative countervailing duty determinations on STR from India, Commerce found five subsidy programs to be countervailable: pre- and post-shipment export financing, a duty draw back program, an export promotion of capital goods scheme, a focus product scheme, and a status holder incentive scrip scheme. *Steel Threaded Rod from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 78 Fed. Reg. 76815 (Dec. 19, 2013) and accompanying Issues and Decisions Memorandum at 11-18.

[165] CR/PR at C-1.

[166] At the hearing, two representatives appearing on behalf of petitioners indicated that commercial construction, which is the principal end use for STR, is expected in increase in the imminent future. Tr. at 40 (McGrath), 81 (Logan).

[167] Petitioners' assertion that the volume of subject imports from India in 2012 based on official import statistics is understated does not change our analysis. If we were to rely on data from the preliminary phase questionnaire responses, they show that cumulated subject imports actually declined from 2012 to 2013 rather than increased at a slower rate than that observed from 2011 to 2012. CR/PR at Table C-2. *See also* Petitioners' Final Comments at Exhibit 1. This would further support our conclusion that subject imports are not likely to increase substantially in the imminent future and that any increase in subject imports is not likely to be at the expense of the domestic industry.

[168] CR/PR at VII-3. We also note, however, that over *** of the increase in capacity was attributed to a single firm, which was one of the few firms that did not export the majority of its STR to the United States and projected exports to the U.S. market to drop to zero in 2014-2015. CR/PR at VII-3 – VII-4. By contrast, ***, reported stable capacity of *** pounds throughout the POI. CR/PR at VII-3 n.5.

10.4 million pounds in 2012 before decreasing to 8.4 million pounds in 2013.[169] Although no Thai producer responded to the Commission's questionnaires, the largest STR producer in Thailand, Tycoons Worldwide Group ("Tycoons"), has publicly reported an annual threaded rod capacity of 39.7 million pounds,[170] which is almost twice the quantity of U.S. imports of STR from Thailand in 2012.[171] Notwithstanding subject producers' substantial excess capacity throughout the POI, and a significant increase in capacity during the period, the rate at which subject merchandise entered the United States slowed considerably in 2013, and the domestic industry increased its market share that year.[172] We also observe that the majority of STR is sold from inventory and that the domestic industry maintained inventory levels throughout the POI that were comparable to the cumulated U.S. inventories of STR from subject countries in 2012 and 2013.[173]

We acknowledge that foreign producers in India and Thailand were export oriented and were substantially focused on supplying the U.S. market during the POI. Although responding Indian producers reported that their exports to the United States declined overall during the POI in absolute terms as well as relative to their overall shipments, the vast majority of shipments of STR from India during the POI were exported to the United States.[174] Again, although no Thai producer responded to the Commission's questionnaires, Tycoons has publicly reported that exports accounted for 59 percent of its total sales, including threaded rod, in 2010 and 2011 and 52 percent in 2012.[175] Notwithstanding this focus on the U.S. market, however, cumulated subject imports to the United States did not increase rapidly in 2013, and there is nothing to indicate that they would increase to levels sufficient to have adverse effects on the domestic industry in the imminent future.

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[169] CR/PR at Table VII-1.

[170] CR at VII-5; PR at VII-4 – VII-5.

[171] CR at Table C-1. Imports of STR from Thailand were 20.6 million pounds in 2012. *Id.*

[172] Petitioners again claim that the capacity figures are understated because they are based on data from only the six Indian producers that responded to the Commission's questionnaires in the final phase investigation. Petitioners' Prehearing Brief at 27-29. According to petitioners, the more complete coverage from the preliminary phase investigation shows that the Indian STR industry is *** to *** percent larger than reported in the final phase questionnaire responses and, therefore, the industry's unused capacity is much greater than the above data indicate. *Id.*, Petitioners' Posthearing Brief at 10. Regardless of whether we rely upon the data from the preliminary phase investigations, however, we have acknowledged that Indian excess capacity is significant. Nevertheless, the existence of excess capacity is unlikely to result in substantially increased volumes of subject imports in light of the subject import volume trends during the latter portion of the POI. CR/PR at Table C-1. We also find that, although there is some reported potential for product shifting, CR at II-9 – II-10; PR at II-7, it is unlikely due to the substantial excess capacity to produce STR.

[173] CR at II-16 – II-17; PR at II-11; CR/PR at Table C-1.

[174] CR at VII-3 – VII-4; CR/PR at Table VII-1. Shipments of STR exported to the United States were 21.7 million pounds in 2011, 21.8 million pounds in 2012, and 20.6 million pounds in 2013. *Id.* As a share of Indian producers' total shipments, exports of STR to the United States accounted for 82.6 percent in 2011, 76.6 percent in 2012, and 64.4 percent in 2013. *Id.*

[175] CR/PR at VII-5.

We recognize that U.S. importers' end-of-period inventories increased between 2011 and 2013, increasing steadily from *** pounds in 2011 to *** pounds in 2013.[176] Even if the increased inventory levels make some increase in subject imports likely, the record does not indicate that any such increase would be sufficient to have any significant likely impact on the domestic industry. We note that U.S. inventories of subject imports also increased substantially from 2011 to 2012,[177] but this did not result in a rapid increase in cumulated subject import volumes in 2013, a year in which the domestic industry increased its production, shipments, and market share and showed improved financial performance.[178]

In sum, we find that, notwithstanding subject producers' excess capacity, inventory levels of subject STR in the U.S. market, and subject producers' export orientation, there was not a rapid increase in cumulated subject imports in 2013, and one is not likely in the imminent future. To the extent that subject imports may increase in the imminent future, any such increase is likely to be commensurate with increases in apparent consumption. As this occurs, the domestic industry is likely to continue to maintain its market share and increase its output, as it did during the POI.[179]

Likely Price Effects

We find that imports of subject merchandise are not likely to enter the U.S. market at prices that are likely to have significant depressing or suppressing effects on domestic prices or that are likely to increase demand for further imports. As detailed above, we have found that, during the POI, subject imports neither depressed nor suppressed prices for the domestic like product to a significant degree and that there was not significant underselling by subject imports. Because we have found that there is not a likelihood of substantially increased imports, and the record fails to demonstrate imminent changes in pricing trends in the U.S. market, the absence of significant price effects observed during the POI would likely continue in the imminent future.

Likely Impact

We have found above that, notwithstanding the significant and increased volume of subject imports, several domestic industry financial and trade indicators improved during the POI. Moreover, the domestic industry's financial performance improved as demand recovered from recession levels, concluding the period at *** levels. Continued improving demand appears likely in the imminent future. Nothing in the record of these investigations gives us reason to believe that subject imports, which caused no material injury during the POI, would

[176] CR/PR at Table C-1. In particular, we observe that inventories of STR from Thailand increased from *** pounds in 2011 to *** pounds in 2013. CR/PR at Table C-1. In addition, STR producers in India reported end-of-period inventories of 4.3 million pounds in 2011, 3.3 million pounds in 2012, and 3.5 million pounds in 2013. CR/PR at Table VII-1.

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

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

[179] No responding producer, importer, or foreign producer reported antidumping duty orders on STR from India or Thailand in any third-country market. CR at VII-7; PR at VII-5.

likely have a significant adverse impact on the condition of the domestic industry in the imminent future.[180]

In light of the foregoing, we conclude that an industry in the United States is not threatened with material injury by reason of cumulated subject imports.

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of STR from Thailand that are sold in the United States at less than fair value.

[180] Petitioners did not argue that subject imports had a significant actual or potential negative effect on the existing development and production efforts of the domestic industry. Indeed, no domestic firm reported research and development expenses. CR at VI-6; PR at VI-2.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by All America Threaded Products, Inc., Denver, CO ("All America"), Bay Standard Manufacturing, Inc., Brentwood, CA, ("Bay Standard") and Vulcan Threaded Products, Inc., Pelham, AL ("Vulcan"), on June 27, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of certain steel threaded rod ("threaded rod") [1] from India and LTFV imports for threaded rod from Thailand. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
June 27, 2013	Petitions filed with Commerce and the Commission; institution of the Commission investigations (78 FR 40170, July 3, 2013)
July 24	Commerce's notice of initiation (78 FR 44526 and 78 FR 44532, antidumping duty and countervailing duty, respectively)
November 5	Commission's preliminary determination (78 FR 66382)
December 19	Commerce's preliminary CVD determination on India (78 FR 76815)
December 31	Commerce's preliminary AD determination on Thailand (78 FR 79670); scheduling of final phase of the Commission's investigation (79 FR 3245, January 17, 2014)
February 18, 2014	Commerce's preliminary AD determination on India (78 FR 79670)
March 14	Commerce's final AD determination on Thailand 79 FR 14476)
March 20	Commission's hearing
April 17	Scheduled date for the Commission's vote (Thailand)
May 1	Scheduled date for Commission's views (Thailand)
May 29	Scheduled date for the Commission's vote (India)
June 12, 2014	Scheduled date for Commission's views (India)

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

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

[3] Appendix B presents the list of witnesses who appeared at the Commission's hearing.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

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

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

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

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.*
> *. . .*
> *In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.*
> *. . .*
> *In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to . . . (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the*

domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

Organization of report

Part I of this report presents information on the subject merchandise, subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV* and *V* present the volume of subject imports and pricing of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

Threaded rod is generally used in commercial construction to suspend electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler systems. The leading U.S. producers of threaded rod are Vulcan and All America, while leading responding producers of threaded rod outside the United States include Maharaja International, Mangal Steel Enterprises Limited ("Mangal"), Meeras International ("Meeras"), and Sunil Industries ("Sunil") of India. No responses were received from threaded rod producers in Thailand.[4] The leading U.S. importers of threaded rod from India are Elite Components and Fastenal Company ("Fastenal"), while the leading importers of threaded rod from Thailand are Brighton-Best International, Inc. and Porteous Fastener Company ("Porteous"). Leading importers of threaded rod from nonsubject countries (primarily China and Taiwan) include Fastenal, Itochu Building Products Inc. Co. ("Itochu"), and Porteous. The main U.S. purchasers are distributors who resell threaded rod along with many other fastening products. These distributors/purchasers tend to focus on specific industry segments, such as electrical, plumbing, general construction, etc. The end users to whom these distributors of threaded rod sell constitute a wide variety of firms in the commercial construction industry. For example, end-user purchasers of threaded rod are firms that install sprinkler systems, hang pipes for plumbing or electrical conduit, install HVAC ductwork, install structural tie-downs, and provide basic industrial installation and repair services.

Apparent U.S. consumption of threaded rod totaled approximately *** million pounds ($*** million) in 2013. Currently, six firms are known to produce threaded rod in the United

[4] Petitioners reported that Tycoons Worldwide Group is by far the largest producer in Thailand. Hearing transcript, p.89 (Waite) and conference transcript, p. 79 (Waite) and p. 90 (Logan); and Petitioners' postconference brief, Exh. 1, p. 1.

States. U.S. producers' U.S. shipments of threaded rod totaled *** million ($*** million) in 2013, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** million ($*** million) in 2013 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** million ($*** million) in 2013 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of five firms that accounted nearly all of U.S. production of threaded rod during 2013. U.S. imports are based on official statistics as there are several larger importers that did not provide questionnaire responses.[5]

PREVIOUS AND RELATED INVESTIGATIONS

Threaded rod has been the subject of one prior antidumping duty investigation in the United States. On March 5, 2008, Vulcan filed an antidumping duty petition against imports of threaded rod from China. Following an affirmative determination by Commerce, on February 27, 2009, the Commission determined that the U.S. threaded rod industry was materially injured by reason of imports of threaded rod from China.[6] Commerce issued an antidumping duty order on Chinese imports of threaded rod in October 2008, with margins ranging from 55.16 percent to 206.00 percent. The final results of the first administrative review were published on November 4, 2011, with margins of 0.37 percent for one company (RMB Fasteners Ltd.), 55.16 percent for seven companies, and 206.00 percent for the China-wide rate. On November 9, 2012, the final results of the second administrative review were published, with margins of 19.68 percent for one company (RMB Fasteners Ltd.) and 206.00 percent for the China-wide rate. On November 5, 2013, the final results of the third administrative review were published, with a margin of 19.54 percent for two companies (RMB/IFI Group and Zhejiang New Oriental Fastener Co., Ltd), and 206.00 percent for the China-wide rate.[7]

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[5] Petitioners reported that the majority of imports of threaded rod covered under the scope of these investigations are imported under 7318.15.5056 of the 2013 U.S. harmonized tariff schedule ("HTS") and that the majority of merchandise entered under this provision is covered merchandise. Hearing transcript, p. 78 (Waite) and conference transcript, pp. 38 (Magrath) and 39-41 (Waite).

[6] *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. 3.

[7] *Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 70 FR 17154, April 14, 2009. *Certain Steel Threaded Rod from the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 68400, November

(*continued*...)

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On December 19, 2013, Commerce published a notice in the *Federal Register* of its preliminary determination of countervailable subsidies for producers and exporters of threaded rod from India.[8] Table I-1 presents Commerce's findings of subsidization of threaded rod in India.

Table I-1
Threaded rod: Commerce's preliminary subsidy determination with respect to imports from India

Entity	Preliminary countervailable subsidy margin (*percent*)
Mangal Steel Enterprises Ltd.	8.13
Babu Exports	38.98
All others	8.13

Source: 78 FR 76815, December 19, 2013.

Sales at LTFV

On March 14, 2014, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports from Thailand.[9] Table I-2 presents Commerce's dumping margins with respect to imports of product from Thailand.

Table I-2
Threaded rod: Commerce's final weighted-average LTFV margins with respect to imports from Thailand

Producer/Exporter	Final dumping margin (*percent*)
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	74.90
All others	68.41

Source: 79 FR 14476, March 14, 2014.

(…*continued*)
4, 2011. *Certain Steel Threaded Rod from the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review; 2010–2011*, 77 FR 67332, November 9, 2012. *Certain Steel Threaded Rod From the People's Republic of China; Final Results of Third Antidumping Duty Administrative Review; 2011–2012*, 78 FR 66330, November 5, 2013.

[8] *Steel Threaded Rod From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 76815, December 19, 2013

[9] *Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances,* 79 FR 14476, March 14, 2014.

On February 18, 2014, Commerce published a notice in the *Federal Register* of its preliminary determination of sales at LTFV with respect to imports from India.[10] Table I-3 presents Commerce's dumping margins with respect to imports of product from India.

Table I-3
Threaded rod: Commerce's preliminary weighted-average LTFV margins with respect to imports from India

Producer/Exporter	Preliminary dumping margin (*percent*)
Mangal Steel Enterprises., Ltd.	8.63
Babu Exports	119.87
All others	8.63

Source: 79 FR 9164, February 18, 2014.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of this investigation as follows:[11]

> *Certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. Included in the scope of this investigation are steel threaded rod, bar, or studs, in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:*

[10] *Steel Threaded Rod from India: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination,* 79 FR 9164, February 18, 2014.

[11] *Steel Threaded Rod From Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 FR 14476, March 14, 2014.

- *1.80 percent of manganese, or*
- *1.50 percent of silicon, or*
- *percent of copper, or*
- *0.50 percent of aluminum, or*
- *1.25 percent of chromium, or*
- *0.30 percent of cobalt, or*
- *0.40 percent of lead, or*
- *1.25 percent of nickel, or*
- *0.30 percent of tungsten, or*
- *0.012 percent of boron, or*
- *0.10 percent of molybdenum, or*
- *0.10 percent of niobium, or*
- *0.41 percent of titanium, or*
- *0.15 percent of vanadium, or*
- *0.15 percent of zirconium.*

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is classifiable in subheading 7318.15.50, a provision for threaded steel studs, and primarily imported under statistical reporting number 7318.15.5056 of the 2013 HTS.[12]

THE PRODUCT

Description and applications[13]

The subject product is carbon steel rod threaded along greater than 25 percent of its length (figure I-1). This product is primarily used in commercial construction applications to suspend support systems for electrical conduit, pipes for plumbing, HVAC ductwork, sprinkler systems, etc. Normally, one end of the threaded rod is fastened to the ceiling and the other end is fastened to the support that is holding the pipes or ductwork or sprinkler system (figure I-2).

[12] Threaded rod may also be imported under statistical reporting numbers 7318.15.5051, 7318.15.5090, and 7318.15.2095 depending on constituent materials and whether it is continuously threaded; subheading 7318.15.20 covers bolts and bolts imported with their nuts and washers.

[13] Unless otherwise indicated, information in this section is taken from the conference transcript, pp. 16-18 (Logan) and the hearing transcript, pp. 14-18 (Logan).

Figure I-1
Threaded rods

Source: All America Threaded Products, http://www.aatprod.com/, accessed March 25, 2014.

Figure I-2.
Threaded rod in a piping support system

Source: American Fire Sprinkler Association, *Sprinkler Age* magazine, cover photograph, June 2013, http://www.firesprinkler.org/sprinkleragesite/archives.htm , accessed March 25, 2014. The arrows superimposed on the photograph indicate a threaded rod.

Other applications include structural tie-downs in earthquake and hurricane restraint systems for roofing, headless screws and general fasteners, and bolts to join pipe joints in the waterworks industry. The product is also used for basic industrial repairs. Often, the threaded rod is cut on site to the required length.

The great majority of threaded rod is made from low carbon steel[14] and threaded along its entire length. Rod threaded along its entire length is a versatile product as it can be cut to the needed length on site. A small share of the U.S. threaded rod market is accounted for by threaded rod which is threaded only on one end or both ends, but not in the middle. Such products are usually ordered for specific applications where the customer knows the exact length that is required. Although threaded rod is produced in various diameters and lengths, about 60 percent of the U.S. market for low carbon steel threaded rod is accounted for by rod three-eighths inches in diameter. The great majority of threaded rod in the U.S. market is of rod with diameters of three-eighths inches and greater; Vulcan estimates that threaded rod with diameter less than three-eighths inches accounts for less than 10 percent of the U.S. market.[15] Standard threaded rod lengths are two feet, three feet, six feet, 10 feet, and 12 feet.

Manufacturing processes[16]

The primary raw material used in the production of the subject product is low carbon steel wire rod or low carbon steel bar for larger diameters.[17] The production process is the same for either raw material.

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[14] Low-carbon steel is defined by the petitioners as carbon steel with a carbon level at or below that specified in grade SAE 1018, i.e. 0.18 percent carbon or less. Threaded rod made of medium- and high-carbon steel reportedly accounts for less than 3 percent of U.S. threaded rod production and are included in the threaded rod product scope. Petitioners' postconference brief, exh. 1, p. 11. Low-carbon steel is easier to cut than carbon steel with higher levels of carbon. Threaded rod made from alloy or stainless steel is outside the scope of these investigations and is used in applications demanding heat resistance, high strength, or corrosion resistance, such as for the automotive, aerospace, and oil and gas industries. Carbon steel threaded rod cannot be used in these applications. Petitioners' prehearing brief, p. 4.

[15] Hearing transcript, p. 38 (Logan).

[16] Unless otherwise indicated, information in this section is from the conference transcript, pp. 14-16, (Logan) and the hearing transcript, pp. 14-16 (Logan). Although this section describes Vulcan's manufacturing process, the manufacturing process is similar for all producers worldwide. Conference transcript, pp. 47-48 (Logan).

[17] During the preliminary phase of these investigations, Porteous , a U.S. importer, stated that U.S. producers do not make threaded rod in sizes below 3/8 inches in diameter. Porteous' postconference brief, p. 5. In the final phase of these investigations, U.S. producers testified that they produce threaded rod in sizes below 3/8 inches in diameter. Hearing transcript, p. 14 (Logan) and p. 22 (Broderick). Also, U.S. producers reported sales of domestically-produced ¼ inch diameter threaded rod (product 5) throughout the 2011-13 period. *See* Part V of the report. Porteous has not participated in the final phase of these investigations.

The production process begins with the removal of surface scale[18] from the wire rod or bar which is then cold drawn, straightened, and cut to length. Cold drawing and straightening the wire rod ensures that it is round and properly sized in terms of the desired diameter. Next, the wire rod is fed through a threading machine, which forms the threaded grooves along the rod's length by a process known as thread rolling, which pushes the steel out of the valleys and into peaks, forming the threaded grooves. Finally, the threaded rod is either coated with a plain oil finish in the threading process or is galvanized using either zinc plating or a hot-dip galvanizing process. In the U.S. market, most threaded rod is zinc plated and the coating does not blend into the underlying material. In the hot dip process, the steel is dipped into molten zinc and the zinc actually bonds chemically with the steel. In other words, the zinc penetrates the steel and this physical bond between the zinc and the steel provides greater corrosion resistance than the zinc plating process. Hot-dipped galvanized threaded rod accounts for a 5-10 percent share of the U.S. market.[19]

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product have been raised in these investigations. For the purposes of its determinations in the preliminary phase of these investigations, the Commission found "a single domestic like product, coextensive with the scope."[20] [21] Petitioners argue, as they did in the preliminary phase of these investigations, that the Commission should define the domestic like product to be coextensive with the definition of the scope of the subject merchandise.[22] Respondent Porteous, for the purposes of the preliminary phase investigations, did not dispute the Petitioners' proposed definition of the domestic like product.[23] Respondents have not provided any comments on the definition of domestic like product in these final phase investigations.

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[18] Scale is the oxide of iron that forms on the surface of steel after heating and occurs, unless preventative measures are taken, after the wire rod manufacturing process.

[19] Hearing transcript, p. 21 (Broderick).

[20] *Certain Steel Threaded Rod from India and Thailand, Inv. No. 701-TA-498 and 731-TA-1213-1214 (Preliminary)*, USTIC Publication 4420, August 2013, p. 9.

[21] In the earlier investigation of steel threaded rod from China, the Commission also found a single domestic like product coextensive with the scope of the investigation. *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. 6.

[22] Petition p. I-14 and Petitioners' postconference brief, p. 5. Petitioners did not comment on domestic like product in the comments on the draft questionnaires.

[23] Porteous' postconference brief, p. 2. Respondents did not provide comments on the draft questionnaires.

PART II: SUPPLY AND DEMAND INFORMATION

U.S. MARKET CHARACTERISTICS

Although threaded rod has a variety of applications and uses, its primary uses are in commercial construction, where it is cut to different lengths, depending on the application. Threaded rod has many uses—to support electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler pipes for fire protection systems; as structural tie downs in earthquakes and hurricane restraints for roofing; as headless screws in general fastener applications; for bolting together pipe joints in the waterworks industry; for basic industrial repairs; and for joint restraint systems for underground piping.[1]

Threaded rod is manufactured in various diameters and lengths, and can have several different finishes applied.[2] According to Petitioners, most of the threaded rod in the U.S. market is zinc plated, with hot-dipped galvanized threaded rod accounting for about 7 to 10 percent of the market.[3] Most responding producers and importers indicated that there had been no significant changes in product range, product mix, or marketing since January 2011.[4]

U.S. PURCHASERS

The Commission sent purchasers' questionnaires to 131 companies believed to have purchased threaded rod since 2011. Questionnaire responses were received from 34 purchasers, with 33 reporting that they had purchased threaded rod since 2011. Thirty responding purchasers reported that they were distributors, three characterized themselves as end users, and three reported being a "manufacturer" of some type (some firms provided more than one response). Of the responding firms, the two largest U.S. purchasers of threaded rod in terms of quantity in 2013 were ***.

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[1] Petition, p. I-9.

[2] *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. II-1.

[3] Hearing transcript, p. 15 (Logan) and conference transcript, pp. 15, 57 (Logan).

[4] One producer (***) reported changes, adding that since it ***." Three importers indicated changes and one added that it ***, and another that dumping duties and exchange rates had altered its purchasing patterns.

CHANNELS OF DISTRIBUTION

The large majority of U.S. producers' and importers' U.S. shipments of threaded rod are sold to distributors (table II-1).[5] Petitioners also stated that threaded rod is sold almost exclusively sold through distributors.[6] Petitioners explained that threaded rod is initially purchased primarily by distributors of threaded rod, who are reselling threaded rod as one of many other fastening products. In addition, Petitioners explained that starting in the late 1960s and 1970s, "master distributors" emerged that will buy mass quantities from manufacturers to sell to smaller distributors, which tend to focus on specific industry segments, such as electrical, plumbing, general construction, etc.[7] End users to whom the distributors of threaded rod sell constitute a wide variety of firms in the commercial construction industry. For example, end-user purchasers of threaded rod are firms that install sprinkler systems, hang pipes for plumbing or electrical conduit, install HVAC ductwork, install structural tie-downs, and provide basic industrial installation and repair services.[8] According to importer Porteous, "threaded rod with coil threads is a relatively new product that is sold to the concrete distribution trade and not through normal threaded rod distribution channels."[9]

Table II-1
Threaded rod: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2011-13

* * * * * * *

[5] Importer ***.

[6] Petition, pp. I-13, I-14. According to Petitioners, a substantial amount of imported subject merchandise is imported through master distributors. Hearing transcript, p. 19 (Logan), pp. 22 -23 (Broderick), and conference transcript, p. 54 (Logan).

[7] Conference transcript, pp. 51-53 (Logan).

[8] Petitioners add that "carbon steel threaded rod cannot be used in critical applications which have more demanding performance requirements. For example, carbon steel threaded rod cannot be used in applications that require heat resistance, high-strength, or corrosion resistance, such as for the automotive, aerospace, and oil and gas industries." Petitioners' postconference brief, p. 4.

[9] Porteous postconference brief, p. 5.

GEOGRAPHIC DISTRIBUTION

Most of the responding U.S. producers reported selling threaded rod to all regions of the contiguous United States (table II-2). Most responding importers of threaded rod from India reported selling to at least three regions, with seven selling to all regions of the contiguous United States. About half of the responding importers of threaded rod from Thailand reported selling to three or more regions of the United States.

Three U.S. producers shipped more than 75 percent of their sales between 101 and 1,000 miles of their production facility, while one shipped more than 80 percent of its sales within 100 miles. Most importers reported shipping threaded rod from their storage facilities. Most responding importers reported shipping at least 50 percent of their product within 100 miles of their U.S. point of shipment with many of these reporting shipping at least 75 percent within 100 miles of their U.S. point of shipment. A number of responding importers reported selling most of their product between 101 and 1,000 miles; and none reported shipping at least 50 percent of their product over 1,000 miles of their U.S. point of shipment.

Table II-2

Threaded rod: Geographic market areas in the United States served by U.S. producers and importers, by number of responding firms

Region	U.S. producers	U.S. importers from India	U.S. importers from Thailand
Northeast	4	12	4
Midwest	4	12	4
Southeast	4	15	5
Central Southwest	3	14	5
Mountains	4	10	7
Pacific Coast	5	12	8
Other[1]	3	7	3
Present in all continental regions (except other)	3	7	3
Responding Firms	5	24	9

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

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 of threaded rod have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced threaded rod to the U.S. market. The main contributing factors to the moderate-to-high degree of responsiveness of supply are the availability of unused capacity and the existence of some inventories.

Petitioners identified six U.S. producers: All American, All-Ohio, Bay Standard, Conklin & Conklin, Interstate, and Vulcan. Vulcan is the largest domestic producer.[10]

Industry capacity

Domestic capacity utilization increased slightly from *** percent in 2011 to *** percent in 2013, driven by small and similar increases in both production and capacity. This relatively low level of capacity utilization suggests that U.S. producers may have substantial capacity to increase production of threaded rod in response to an increase in prices. Petitioners reported that the "U.S. industry alone has more than enough capacity to satisfy domestic demand."[11] According to respondent Porteous, "the U.S. industry does not produce hot-dipped galvanized threaded rod in sufficient quantities to satisfy demand."[12] Porteous also added that "domestic producers do not produce threaded rod in sizes below 3/8 inches in diameter."[13]

Alternative markets

U.S. producers *** suggesting that U.S. producers have ***, ability to shift shipments between the U.S. market and other markets in response to price changes.

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[10] Petition, p. I-2, I-4. The Commission received questionnaire responses from five of the six identified U.S. producers. See Part III for more information.

[11] Petitioners' postconference brief, p. 13.

[12] Porteous postconference brief, p. 4.

[13] Porteous postconference brief, p. 5. Vulcan representatives reported that the firm produces "diameters under one-quarter of an inch, which are called machine screw sizes, and up to two and a half inches in diameter." In addition, All America representatives reported that "All America produces and sells the full range of threaded rod and stud products in terms of diameter, length, finish in metallurgy, including high volumes of low carbon steel." Hearing transcript, p. 38 (Logan) and conference transcript, p. 14 (Logan) and p. 23 (Broderick).

Inventory levels

U.S. producers' inventories, as a ratio to total shipments, increased slightly from *** percent in 2011 to *** percent in 2013. These inventory levels suggest that U.S. producers have an ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Some U.S. producers stated that they could switch production from other products to threaded rod, although some producers indicated that product shifting is limited. Other products that producers reportedly can produce on the same equipment as threaded rod include alloy steel, stainless steel and double and single end threaded rod, anchor bolt and stab bolts, threaded rod manufactured in other grades, and threaded rod "not covered in the scope." U.S. producers identified several factors affecting their ability to shift production between alternate products, including qualified workers, "product sales and market size," physical size of the facilities, and overall production capacity.

Supply constraints

U.S. producers did not report any supply constraints.

Subject imports

According to Petitioners, production capacity of producers in India and Thailand has increased "significantly" during the POI, and "there are more than 70 producers/exporters of {threaded rod} in India and Thailand."[14] Petitioners also argued that "Imports from India and Thailand are focused on the high volume products, what we would call our bread and butter products."[15]

[14] Petition, p. I-26. Petitioners also estimated that in 2010, imports of threaded rod from India and Thailand were 27.3 million pounds, and had increased by 57 percent to 42.8 million pounds in 2012. Petition, p. I-12.

[15] Hearing transcript, p. 27 (Iverson), p. 45 (Waite), and conference transcript, p. 25 (Broderick).

Subject imports from India[16]

Based on available information, producers of threaded rod from India have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of threaded rod to the U.S. market. The main contributing factor to the moderate-to-high degree of responsiveness of supply is the availability of unused capacity.

Industry capacity

Capacity utilization for responding Indian producers decreased slightly from 85.4 percent in 2011 to 79.5 percent in 2013, and is projected to decrease to 76.9 and 79.1 percent in 2014 and 2015, respectively. This moderate level of capacity utilization suggests that Indian producers may have some capacity to increase production of threaded rod in response to an increase in prices. According to Porteous, the "market for {hot-dipped galvanized threaded rod} is serviced by subject countries, particularly India, and is sold to different customers in the United States, particularly customers that want threaded rod for use in high corrosion environments such as marine markets, at higher prices."[17]

Alternative markets

Indian producers exported between *** percent and *** percent of total shipments to the U.S. market, and from *** to *** percent to non-U.S. markets, and less than 1 percent to their domestic market. About 12 to 18 percent of their shipments were internal consumption/transfers. These data indicate that Indian producers have some ability to shift shipments of threaded rod between the U.S. market and other markets.

Inventory levels

For Indian producers of threaded rod, inventories as a ratio to total shipments decreased from approximately 16.3 percent in 2011 to 10.9 percent in 2013. These inventory levels suggest that Indian producers have an ability to respond to changes in demand with changes in the quantity shipped from inventories.

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[16] Petitioners' economist identified 69 Indian producers and exporters of threaded rod. Conference transcript, p. 35 (Magrath). They estimated that 10 to 12 of these producers account for the vast majority of exports to the United States. They also stated that Indian producers export all types of threaded rod, but generally do not produce the larger diameter sizes. Conference transcript, pp. 46, 59, 90 (Logan). The Commission received responses from 14 Indian producers of threaded rod in the preliminary phase and nine producers in the final phase of these investigations. The nine producers in the final phase of the investigations represented at least 80 percent of reported imports of steel threaded rod from India during the period of investigation.

[17] Porteous postconference brief, p. 4.

Production alternatives

Almost all responding Indian producers indicated that they did not produce any other products on the same machinery or equipment. One Indian producer (***) reported that it also produced stainless steel and alloy steel threaded rod on the same machinery or equipment as threaded rod and indicated the ability to shift production between stainless steel and alloy steel threaded rod (as well as metric-sized rods) and threaded rod in response to a change in price.[18]

Supply constraints

Almost all importers of threaded rod from India reported no supply constraints. Two importers identified antidumping duty laws as a supply constraint.

Subject imports from Thailand[19]

The Commission did not receive any questionnaire responses from Thai producers of threaded rod.

Industry capacity

Petitioners stated that Tycoons Worldwide Group, a Thai manufacturer of steel wire rod, "has reported publically that its capacity to produce threaded rod is 40 million pounds annually."[20]

Supply constraints

None of the importers of threaded rod from Thailand reported any supply constraints.

Nonsubject imports

The largest sources of nonsubject imports during 2011-13 were China and Taiwan. Combined, these countries accounted for approximately 36 percent (by quantity) of total

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[18] In the preliminary phase, two Indian producers indicated the ability to shift production between threaded rod and double ended rods. One firm (***) also indicated that it had not yet manufactured this product.

[19] Petitioners' economist stated that they had identified 18 Thai producers and exporters of threaded rod. Conference transcript, p. 35 (Magrath). Petitioners added that one of these producers accounts for the vast majority of exports to the United States. They also stated that Thai producers export only plain and zinc plated threaded rod, and while their product range covers a majority of the market, they do not produce steel threaded rod with a diameter greater than 1 1/8 inches in diameter. Hearing transcript, pp. 26-27 (Iverson) and conference transcript, pp. 46, 59, 90 (Logan).

[20] Petitioners' postconference brief, p. 31. They added that this capacity represents twice the volume of U.S. imports of threaded rod from Thailand in 2012. Petitioners' postconference brief, Ex. 1, p. 10.

imports in 2013, although imports from Taiwan declined from approximately 17 percent of total imports (by quantity) in 2011 to about 12 percent of total imports (by quantity) in 2013.

U.S. demand

Based on available information, the overall demand for threaded rod is likely to change relatively little in response to changes in price. The main contributing factors are the very limited substitutes and the relatively small cost share of threaded rod in the most common end-use products, though this varies considerably across end-use and definition of end product (e.g., sprinkler system vs. commercial building).

Petitioners identified commercial construction as the primary use for threaded rod.[21] They also stated that "In general, total demand for threaded rod has increased solidly over the period as the industry recovered from the deep recession."[22]

End uses

U.S. demand for threaded rod depends on the demand for U.S.-produced downstream products. Reported end uses include commercial construction; hanging of pipe, sprinkler systems, conduit, electrical, lights, struts, and HVAC units; tie downs and fastening; concrete anchors; aluminum door and window manufacturing; embeds and extenders; and general framing and anchoring.

Business cycles

Four of five responding U.S. producers (including ***) and almost one-third of responding importers and purchasers indicated that the market was subject to business cycles or conditions of competition. U.S. producers indicated that the threaded rod demand generally follows the general economic business cycle and the business cycle of the commercial construction industry. One producer noted that activity was slowest in November and December. Two U.S. producers reported changes in business cycles or conditions of competition; changes include lower prices driven by increased competition and overseas supply, and improvement in the economy since the recession. U.S. importers and purchasers also identified seasonal business cycles associated with the construction market and general economic conditions.[23] Some of these responding importers and purchasers also reported changes in the business cycles or conditions of competition, including improvements in the construction industry, a decrease in price from competitors, increased price and margin

[21] Petition, p. I-9 and hearing transcript, p. 17 (Logan).

[22] Conference transcript, p. 28 (Magrath).

[23] In general, U.S. importers reported increased demand in the spring and summer months, and decreased demand in fall and winter months. One importer added that the market was "highly competitive," and another added that threaded rod was a "worldwide commodity" influenced by "labor, steel prices and currency fluctuations."

pressure from U.S. producers, "strong Indian currency," China not being a viable source due to the antidumping order, and less overall business driving down prices.

Demand trends

Overall demand for threaded rod depends on the demand for its end uses, of which most are connected to nonresidential/commercial construction activity. Private nonresidential construction spending increased by almost 40 percent between January 2011 and December 2013 (see figure II-1).

Most producers, importers, and purchasers indicated that demand either fluctuated or did not change since January 1, 2011 and about an equal number indicated that demand increased or decreased (see table II-3). Most firms cited changes in the economy or the construction market and several indicated that demand is unstable or difficult to predict. The one U.S. producer (***) that indicated that demand had increased characterized the change in demand as a "slight increase." Most firms indicated that demand outside the United States had not changed during this period. Most purchasers indicated that final demand for their products had not changed since January 1, 2011.

Petitioners noted that demand for threaded rod increased as activity in the nonresidential sector improved. They indicate that the 15 percent increase in annual private nonresidential construction between 2011 and 2013 parallels the increase in apparent consumption. Petitioners also cited inelastic demand of threaded rod as reason why changes in supply, including the price of inputs such as steel wire rod would have little or no effect on demand for threaded rod.[24]

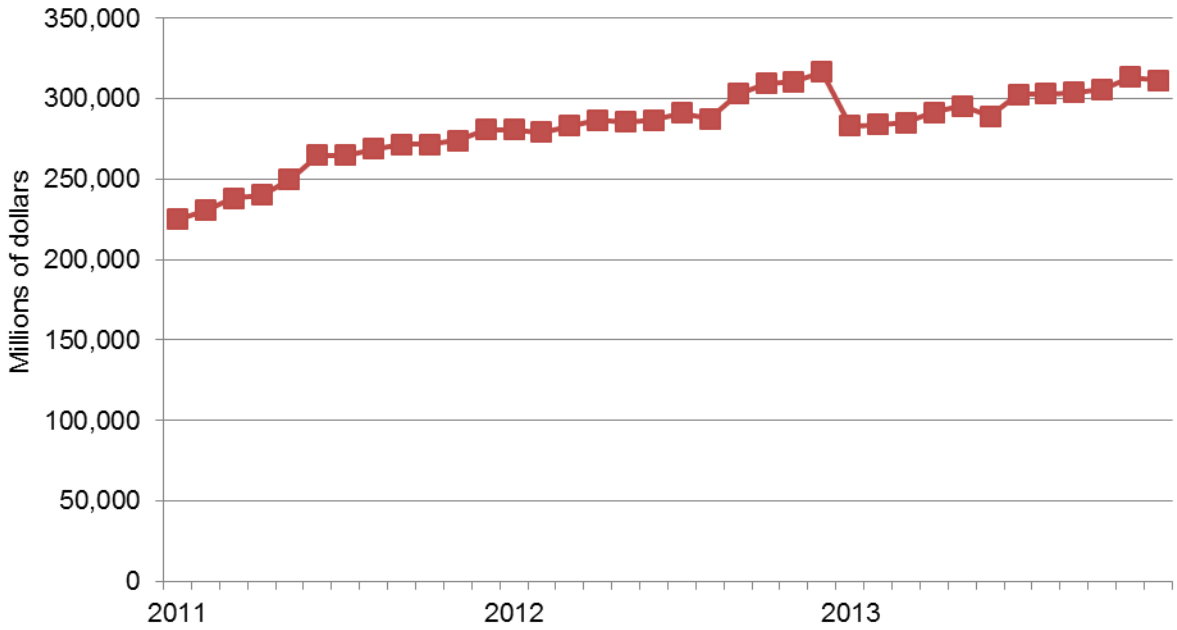
Substitute products

Three of five responding U.S. producers and almost all U.S. importers and purchasers indicated that there were no substitutes for threaded rod. Substitute products cited by a few importers and purchasers were speed link/tie wire, double end machine rods, wire hanger, rebar, heat treaded carbon rods, bolts, stainless steel wire rods, concrete anchors, and "DE stud" for hanging pipe. The purchaser reporting double end machine rods as a substitute indicated that changes in the price of double end machine rods affects the price for threaded rod. No other firm indicated that changes in the price of these substitutes affected the price of threaded rod. According to Petitioners, there is "little interchangeability between {the subject steel threaded rod} and other types of threaded rod due to engineering and design requirements, end-user preferences, and pricing differences."[25]

[24] Petitioners' posthearing brief, Exhibit 1, Posthearing responses to questions from the Commission on behalf of the Petitioners, p. 2.

[25] Petition, p. I-14.

Figure II-1
Private, nonresidential construction: Private, nonresidential construction spending (seasonally-adjusted, annual rate, reported monthly), January 2011—December 2013



Source: U.S. Census Bureau at http://www.census.gov/construction/c30/c30index.html, retrieved July 6, 2013.

Table II-3
Threaded rod: Firms' perceptions regarding changes in U.S. demand since January 1, 2011, by number of responding firms

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States: U.S. producers	1	1	0	3
Importers	4	4	5	10
Purchasers	6	11	5	9
Demand outside the United States: U.S. producers	0	2	0	0
Importers	1	7	1	2
Purchasers	1	7	1	3
Demand for purchasers' final products: Purchasers	2	5	0	0

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

Cost share

Most responding firms did not identify cost shares with associated end uses, with some noting that the information was "unknown" or that they were distributors/wholesalers. Of the identified end uses, threaded rod accounted for a highly variable share of the cost of the end-use products in which it is used. Some reported end uses and cost shares were as follows: commercial construction, pipe hanging, and electrical (1 to 20 percent); cable spools (2 percent), hanging lights, pipes, struts, HVAC units (10 to 20 percent), concrete anchors (10 percent), galvanized, zinc plated, and plain studs (60 percent), embeds (85 percent), concrete ties (95 percent), and general framing and anchoring (80 percent).

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported threaded rod depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, 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 is high degree of substitutability between domestically produced threaded rod and threaded rod imported from subject sources.

Lead times

Most responding U.S. producers ship at least 80 percent of threaded rod from inventory (including ***), with lead times ranging from 2 to 7 days; lead times for product that is produced to order ranged from 5 to 30 days.[26] Most U.S. responding producers typically arranged for transportation.

The vast majority of importers sold at least 90 percent of sales from inventory at lead times ranging from 1 to 7 days[27] (with most 5 days or less); several importers sold 100 percent of product that is produced to order with almost all reporting lead times ranging from 75 to 128 days; and only a few importers indicated that 100 percent of subject product was sold from the foreign manufacturers' inventory with lead times ranging from 90 to 120 days.[28] Most importers generally arrange for transportation.

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[26] ***.

[27] One firm indicated a lead time of 90 days.

[28] One importer selling with a "7 day" lead time produced to order and one reported selling from foreign inventory with a 2 day lead time.

Knowledge of country sources

As shown in table II-4, most purchasers and their customers at most "sometimes" make purchasing decisions based on the producer or country of origin. Of the four purchasers that reported that they "always" make decisions based on the producer, firms cited consistent source of supply, quality, and delivery performance.

Table II-4
Threaded rod: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	4	2	9	16
Purchaser's customer's decision	1	1	8	22
Purchases based on country of origin:				
Purchaser's decision	5	2	12	12
Purchaser's customer's decision	0	2	15	14

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

Factors affecting purchasing decisions

Available information indicates that purchasers consider a variety of factors when purchasing threaded rod. While price, quality, and availability were cited most frequently as being top factors in their purchase decisions, other factors such as product consistency, and reliability of supply were cited just as often as being very important purchasing factors.
Price was most frequently cited by purchasers as their top factor in purchasing threaded rod with 18 of 33 responding purchasers indicating that price was the most important factor in considering a purchase and 30 of 33 purchasers indicating that price was one of the three most important purchasing factors (see table II-5). All but four responding purchasers indicated that price is a very important factor in purchasing threaded rod (see table II-6). Twenty-six of 32 responding purchasers indicated that they either "sometimes" or "usually" purchase the lowest price threaded rod.

Seven of 33 purchasers indicated that quality was the most important factor used in purchasing decisions and 22 of 33 purchasers indicated that it was one of the three most important factors. Twenty-seven of 33 responding purchasers indicated that quality meeting industry standards was a very important factor in their purchases. Twenty-five of 31 purchasers indicated that quality exceeding industry standards was at least a somewhat important purchasing factor. U.S. purchasers identified various principal factors they considered in determining the quality of threaded rod including: quality of threads and finish; appearance; packaging; meeting specifications; coating available and consistency; threading quality, consistency, integrity, gauge, precision and pitch; lack of rust; straightness; properly formed ends; quality of hot dipped galvanized; lack of galling; and meeting standards.

Table II-5
Threaded rod: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by number of reporting firms

Factor	First	Second	Third	Total
Availability	2	14	5	21
Customer care	0	0	1	1
Delivery	0	3	1	4
Extension of credit	0	0	1	1
Payment terms	0	1	1	2
Price	18	4	8	30
Quality	7	8	7	22
Range of product line	0	0	1	1
Service	0	1	0	1
Traditional suppliers	3	0	0	3
Other[1]	3	2	5	10

[1] Other factors include: "stock in Dallas, TX," "manufactured in the United States," "contract in place," "overall stock growth," "quality, availability," freight costs," "operational efficiency," "packaging," "what tube looks like-packaging," and "supplier."

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

Table II-6
Threaded rod: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Factor	Number of firms reporting		
	Very Important	Somewhat important	Not important
Availability	28	4	0
Delivery terms	21	11	0
Delivery time	24	8	0
Diameter less than 3/8 inch	4	10	17
Discounts offered	12	12	8
Extension of credit	12	8	11
Minimum qty requirements	9	13	10
Packaging	12	14	6
Price	28	4	0
Product consistency	29	1	1
Product range	12	18	1
Quality exceeds industry standards	7	18	6
Quality meets industry standards	27	6	0
Reliability of supply	26	6	0
Technical support/service	10	14	8
Threading type	15	13	4
Type of finish	22	10	0
U.S. transportation costs	16	12	4

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

Supplier certification

More than one-half of responding purchasers indicated that they require that their suppliers be certified for at least some of their purchases. Certification procedures vary by purchaser with some purchasers testing samples, administering supplier surveys, and visiting and auditing vendors. Most suppliers reported that certification takes from one week up to 2 months, although some purchasers report shorter certification periods or certification taking up to 160 days. No purchasers reported that a supplier failed in its attempt to be certified to supply threaded rod since 2011.

Importance of purchasing domestic product

Most responding purchasers reported that purchasing U.S.-produced product was not required for their purchasing decisions. One purchaser (***) reported that all of its purchases were required by law to be produced in the United States and 10 purchasers reported that 25 percent or less of their purchases were required by law to be produced in the United States. Many purchasers reported that they were not able to determine the country of origin of the threaded rod that they purchase.

Comparison of U.S.-produced and imported threaded rod

At least one-half of responding purchasers reported that U.S. and imported product were comparable in terms of all characteristics (table II-7). As shown in table II-8, all responding U.S. producers indicated that product from all country sources was "always" or "frequently" interchangeable with that from all other country sources. One producer (***) noted that the "only reason it would not be interchangeable is if it was being used in a U.S. government job that required that it be domestic product."[29]

Almost all responding importers and two-thirds of purchasers indicated that U.S.-produced and Indian-produced, and U.S.-produced and Thai-produced threaded rod can "always" or "frequently" be used in the same applications. A few responding importers indicated that interchangeability was affected if domestic product was required. One importer (***) indicated that U.S. and Thai product were "sometimes" interchangeable, noting that Thailand has limited or no capability to produce hot dipped galvanized ("HDG") rod, which limits its ability to participate in market applications where HDG is required. One importer noted that "low carbon steel rods are the same no matter where in the world they are produced." The purchasers that indicated that U.S. and Indian and U.S. and Thai product are "sometimes" interchangeable cited customer preferences, quality, and availability.

[29] Petitioners also noted that "such Buy America requirements protect very little of our product." Hearing transcript, p. 88 (Upton) and conference transcript, p. 25 (Broderick).

Table II-7

Threaded rod: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. India			U.S. vs. Thailand			US vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	7	11	1	2	9	2	5	11	1
Delivery terms	6	13	0	1	11	1	4	12	1
Delivery time	8	10	1	3	9	1	8	9	0
Diameter less than 3/8 inch	2	15	1	2	10	1	3	13	1
Discounts offered	2	14	2	1	11	1	2	14	1
Extension of credit	0	17	0	0	12	0	1	15	0
Minimum qty requirements	6	12	0	2	11	0	5	12	0
Packaging	2	16	1	1	11	1	2	14	1
Price[1]	0	12	7	2	7	4	1	8	8
Product consistency	3	16	0	1	12	0	3	14	0
Product range	3	15	1	2	11	0	3	14	0
Quality exceeds industry standards	2	18	0	1	12	0	3	14	0
Quality meets industry standards	3	16	0	1	12	0	2	15	0
Reliability of supply	5	13	1	3	10	0	5	12	0
Technical support/service	4	14	1	1	10	2	4	12	1
Threading type	2	17	0	1	12	0	3	14	0
Type of finish	4	15	0	1	11	1	2	14	1
U.S. transportation costs	4	14	1	2	11	0	4	12	1

[1]A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Table II-8

Threaded rod: Perceived interchangeability between threaded rod 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
United States vs. India	2	3	0	0	13	8	0	0	10	6	4	0
United States vs. Thailand	1	2	0	0	4	5	1	0	7	3	4	0
India vs. Thailand	2	1	0	0	7	2	0	0	9	2	2	0
United States vs. China	2	2	0	0	7	4	0	0	8	4	4	1
United States vs. Taiwan	1	2	0	0	5	5	1	0	8	5	3	1
United States vs. Other	1	0	0	0	3	2	0	0	4	3	3	0
India vs. China	3	1	0	0	8	2	0	0	10	3	2	1
India vs. Taiwan	2	1	0	0	7	4	0	0	10	3	2	1
India vs. Other	1	0	0	0	3	2	0	0	6	2	1	0
Thailand vs. China	2	1	0	0	7	2	0	0	9	2	4	1
Thailand vs. Taiwan	2	1	0	0	7	3	0	0	10	3	3	1
Thailand vs. Other	1	0	0	0	4	1	0	0	6	2	2	0
China vs. Taiwan	2	1	0	0	5	4	1	0	9	2	4	1
China vs. Other	1	0	0	0	4	1	0	0	6	1	3	0
Taiwan vs. Other	1	0	0	0	4	1	0	0	6	2	2	0

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

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

All responding importers and most responding purchasers indicated that Indian and Thai product are “always” or “frequently” interchangeable. Almost all importers indicated that U.S. threaded rod and product from nonsubject countries can “always” or “frequently” be used in the same applications. One importer (***) reported that U.S. and Taiwan product were only “sometimes” interchangeable, noting that Taiwan has limited or no capability to produce HDG rod, which limits its ability to participate in market applications where HDG is required.

As shown in table II-9, all responding U.S. producers and most importers and purchasers indicated that differences other than price were “sometimes” or “never” a significant factor in comparing U.S. product to either Indian or Thai product. One U.S. producer commented that lead times and quality matter to some customers, and another noted that it could manufacture to ASTM F 1554 specifications and “test to compliance with lot certifications as requested.”

Importers’ and purchasers’ reported differences other than price included that lead times and quality matter to some customers; that “Indian manufacturers tend to have slower deliveries {and it preferred} to purchase from non-Indian manufacturers;” that “quality, reliability, lead time for India are all poor;” that Thailand has limited HDG capability and limited capability to meet A36 specification requirements; that no domestic producer supplies specialty rod to its region; that freight costs and inventory are factors; that with the extension of the

Table II-9

Threaded rod: Significance of differences other than price between threaded rod 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
United States vs. India	0	0	3	2	4	1	6	10	5	2	6	4
United States vs. Thailand	0	0	2	1	0	0	3	7	1	2	3	4
India vs. Thailand	0	0	2	1	0	1	1	7	1	2	2	4
United States vs. China	0	0	2	1	0	0	2	9	1	2	6	5
United States vs. Taiwan	0	0	2	1	0	0	2	9	1	2	5	5
United States vs. Other	0	0	0	1	0	0	0	4	1	1	4	2
India vs. China	0	0	2	1	0	1	1	7	1	2	4	4
India vs. Taiwan	0	0	2	1	0	1	2	8	1	2	3	5
India vs. Other	0	0	0	1	0	0	0	4	1	1	2	2
Thailand vs. China	0	0	2	1	0	0	1	8	1	2	3	5
Thailand vs. Taiwan	0	0	2	1	0	0	1	8	1	2	3	5
Thailand vs. Other	0	0	0	1	0	0	0	4	1	1	3	2
China vs. Taiwan	0	0	2	1	0	0	3	7	1	2	3	5
China vs. Other	0	0	0	1	0	0	0	4	1	1	3	2
Taiwan vs. Other	0	0	0	1	0	0	0	4	1	1	3	2

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

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

supply chain there is more risk introduced; and that U.S. producers do not provide private label, have lower quality paper tube, and use flatbed trucks instead of pallets.

Only three of 29 responding purchasers indicated that certain grades, types, or sized of threaded rod are available from a single source. These three purchasers cited higher grade and tensile strengths are sometimes only available from one source and that certain "exotic" materials are only available from one or two sources. No responding purchaser indicated it was unable to procure any grades, types, or sizes of U.S.-produced threaded since January 1, 2011.

In comparing U.S., Indian and Thai product to nonsubject country product, all responding producers and most responding importers and purchasers indicated that differences other than price were "sometimes" or "never' significant.

Petitioners stated that "threaded rod is sold primarily on the basis of price, and there are no significant quality differences between threaded rod made by one manufacturer versus another;"[30] and that threaded rod is a "commodity type product, and price is the primary factor that customers consider making in their purchasing decisions."[31] They added availability and "prompt delivery" are relevant non-price factors.[32]

[30] Hearing transcript, p. 7 (Waite), p. 66 (Logan), and conference transcript, p. 6 (Waite).

[31] Petitioners' postconference brief, p. 9.

[32] Conference transcript, p. 95 (Broderick).

More than 75 percent of responding purchasers reported that domestically-produced product "always" met minimum quality specifications and all responding purchasers indicated that it at least "usually" met minimum quality specifications. Just over one-half of purchasers indicated that threaded rod imported from India and Thailand "always" met minimum quality specifications and the rest of the purchasers indicated that it at least "usually" met minimum quality specification.

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties provided no comments on the elasticities in the prehearing staff report.

U.S. supply elasticity

The domestic supply elasticity[33] for threaded rod measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of threaded rod. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced threaded rod. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 3 to 5 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for threaded rod measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of threaded rod. 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 the threaded rod in the production of any downstream products. Based on the available information, the aggregate demand for threaded rod is likely to be inelastic; a range of -0.25 to -0.50 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[34] Product differentiation, in turn, depends upon

[33] A supply function is not defined in the case of a non-competitive market.

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

such factors as quality (e.g., chemistry, appearance, et cetera) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, et cetera). Based on this information, the elasticity of substitution between U.S.-produced threaded rod and imported threaded rod is likely to be in the range of 4 to 6.

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of five firms that accounted for the vast majority of U.S. production of threaded rod during 2013.

U.S. PRODUCERS

The Commission sent U.S. producer questionnaires to six firms based on information contained in the petition. Five firms provided useable data on their productive operations.[1] Staff believes that these responses represent the nearly all of U.S. production of threaded rod.

Table III-1 lists U.S. producers of threaded rod, positions on the petition, production locations, and shares of total production during the period examined.

Table III-1
Threaded rod: U.S. producers' ownership, related and/or affiliated firms, and share of total production, 2011-13

Firm	Position on petition	Production location(s)	Share of production (percent)
All America Threaded Products	Support	Denver CO; Indianapolis IN; Lancaster PA	***
All Ohio	***	Cleveland, OH	***
Bay Standard Manufacturing, Inc.	Support	Brentwood, CA	***
Interstate Threaded Products	***	Dallas, TX	***
Vulcan Threaded Products Inc.	Support	Pelham, AL	***
Total			100.0

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

No U.S. producers are related to foreign producers of the subject merchandise in India or Thailand. As discussed in greater detail below, three U.S. producers directly imported the subject merchandise and two purchased threaded rod from other U.S. firms.

[1] The remaining U.S. producer listed in petition *** is believed to be a small manufacturer with limited threaded rod production. Petition, Exh.I-1, declaration regarding production of steel threaded rod by the U.S. industry, p. 5

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-2 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. U.S. capacity for threaded rod increased *** percent from 2011 to 2013. One firm, *** reported increases in capacity and one firm *** reported decreases in capacity during 2011-13. *** increased capacity in ***, due to ***.[2] ***, which accounted for *** of the 2013 decline in capacity, ***.[3]

U.S. production of threaded rod increased *** percent from 2011 to 2013. All but *** reported increased production in each year from 2011 to 2013. Similarly, capacity utilization for all but *** increased in each year over the same period.

Table III-2
Threaded rod: U.S. producers' production, capacity, and capacity utilization, 2011-13

* * * * * * *

Figure III-1
Threaded rod: U.S. producers' production, capacity, and capacity utilization, 2011-13

* * * * * * *

Reported constraints in the manufacturing process for the U.S. producers include ***.

All producers except *** reported production of other products (***) on the same equipment and machinery used to produce threaded rod. The volume of these products was generally comparatively smaller than subject threaded rod, accounting for between *** percent and *** percent of total quantity of production. ***.[4] Vulcan reported that shifting from threaded rod to a threaded product not covered by the scope is mostly a matter of changing the type of dies used in the production process.[5] Bay Standard reported that it ***.[6]

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

Table III-3 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Domestic commercial shipments accounted for *** of U.S. producers' shipments of threaded rod during the period of investigation. The quantity of U.S. producers' commercial shipments increased *** percent, by quantity and *** percent by value from 2011 to 2013. U.S.

[2] Email from ***, February 20, 2014.
[3] Email from ***, February 19, 2014.
[4] ***.
[5] Conference transcript, pp. 49-50 (Logan).
[6] Email from ***, February 20, 2014.

shipments for all firms but *** increased each year between 2011 and 2013. No firm reported internal consumption, transfers to related firms, or export shipments during the period of investigation.

Table III-3
Threaded rod: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2011-13

* * * * * * *

U.S. PRODUCERS' INVENTORIES

Table III-4 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments over the period examined. U.S. producers' inventories increased by *** percent between 2011 and 2013. Inventories for all U.S. producers except *** increased each year during the period of investigation. The ratio of inventories to production and to shipments was relatively stable over the period of investigation for ***, although *** had one of the lowest ratios while *** had one of the highest ratios.[7]

Table III-4
Threaded rod: U.S. producers' inventories, 2011-13

* * * * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of threaded rod are presented in table III-5. All U.S. producers except *** directly imported threaded rod from subject countries and three firms *** purchased threaded rod from domestic firms.[8] [9] [10] Subject imports by ***.[11] Of the three firms that purchased threaded rod from domestic producers, only *** reported total purchases equivalent to greater than *** percent of their production, and neither of these firms relied on a single firm for its purchases.

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[7] ***.
[8] ***.
[9] ***.
[10] ***.
[11] ***.

Table III-5
Threaded rod: U.S. producers' U.S. production, imports and purchases, 2011-13

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-6 shows U.S. producers' employment-related data during the period of investigation. In the aggregate, U.S. producers reported a small decline in the number of production and related workers ("PRWs") and unit labor costs during 2011-2013, while other employment categories showed increases over the period.[12]

Table III-6
Threaded rod: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2011-13

* * * * * * *

[12] ***.

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 35 firms believed to be importers of subject product, as well as to all U.S. producers of threaded rod.[1] Usable questionnaire responses were received from 28 companies, representing *** percent of total imports from India and *** percent of total imports from Thailand between 2011 and 2013 under HTS subheading 7318.15.5056, a "basket" category that the petitioners estimate mostly correspond to the threaded rod covered by the scope of these investigations.[2] Seven companies reported importing from China, representing *** percent of total imports from China between 2011 and 2013 under HTS subheading 7318.15.5056. Seven companies reported importing from Taiwan, representing *** percent of total imports from Taiwan between 2011 and 2013 under HTS subheading 7318.15.5056. Table IV-1 lists all responding U.S. importers of threaded rod from India, Thailand, and other sources, their locations, and their shares of U.S. imports, during 2011-13.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports from India or Thailand, or more than five percent of imports from all other sources under HTS statistical reporting numbers 7318.15.5056, 7318.15.5051, and 7318.15.5090, in 2011-13.

[2] These firms also represent approximately 3.4 percent and 0.6 percent of total imports from India and Thailand, respectively, under statistical reporting numbers 7318.15.5051 and 7318.15.5090 under which threaded rod may also be imported.

Table IV-1
Threaded rod: U.S. importers by source, 2011-13

Firm	Headquarters	Share of imports by source (percent)				
		Subject		Nonsubject		
		India	Thailand	China	Taiwan	All Other
All America Threaded Products	Denver, CO	***	***	***	***	***
All Ohio Threaded Rod Co	Cleveland, OH	***	***	***	***	***
All Tools Inc	San Juan, PR	***	***	***	***	***
B&F Fastener Supply	Ramsey, MN	***	***	***	***	***
Bay Standard Manufacturing, Inc.	Brentwood, CA	***	***	***	***	***
Bowie Bolt & Supply, Inc	Bridgeville, DE	***	***	***	***	***
Brighton-Best International, Inc.	Long Beach, CA	***	***	***	***	***
Building Material Distributors, Inc	Galt, CA	***	***	***	***	***
Chun Yu Works (USA)	Chino, CA	***	***	***	***	***
Ct Tech Corporation	Pomona, CA	***	***	***	***	***
Dc International Inc	Wilsonville, OR	***	***	***	***	***
Edwards & West Inc. T/A Divspec	Kenilworth, NJ	***	***	***	***	***
Elite Components	Sugarland, TX	***	***	***	***	***
Endries International	Brillion, WI	***	***	***	***	***
Fastenal Company	Winona, MN	***	***	***	***	***
Hardware Plus, Inc.	Caguas, PR	(2)	***	***	***	***
Industrial Products Company	Lynchburg , VA	***	***	***	***	***
International Fasteners, Inc.	Tampa, FL	***	***	***	***	***
Interstate Threaded Products	Dallas, TX	***	***	***	***	***
Itochu Building Products Co Inc	New York, NY	***	***	***	***	***
Kirkwood Industries, Inc.	Woodinville, WA	***	***	***	***	***
Porteous Fastener Company	Santa Fe Springs, CA	***	***	***	***	***
Rapid Cool Trading USA	Blacksburg, VA	***	***	***	***	***
San Juan Distributors,	San Juan, PR	***	***	***	***	***
Timberline Fasteners	Commerce City, CO	***	***	***	***	***
Titan Fastener Products, Inc	Brunswick, GA	***	***	***	***	***
U S Castings	Waco, TX	***	***	***	***	***
Vertex Distribution	Attleboro, MA	***	***	***	***	***
Total		100.0	100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.

[2] Reported in pieces not pounds.

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

U.S. IMPORTS

Table IV-2 presents data for U.S. imports of threaded rod from India, Thailand, China, Taiwan, Malaysia, and all other sources based on official import statistics. The quantity of U.S. imports from India fluctuated during the period of investigation, but declined overall by less than 1 million pounds (2.5 percent). From 2011 to 2012, the quantity of U.S. imports from India decreased by 5.7 million pounds (21.6 percent).[3] From 2012 to 2013, the quantity of U.S. imports from India increased by 5.1 million pounds (24.4 percent). The value of U.S. imports from India followed a similar trend, ending 3.4 percent lower in 2013 compared with 2011. The quantity of U.S. imports from Thailand increased 12.2 million pounds (145.6 percent) from 2011 to 2013. The value of U.S. imports from Thailand followed a similar trend, ending 147.1 percent higher in 2013 compared with 2011. The volume of U.S. imports from nonsubject countries increased 6.7 percent from 2011 to 2013.

The share of U.S. imports, by quantity, accounted for by India declined 7.4 percentage points between 2011 and 2013, while Thailand's share of U.S. imports increased by 12.9 percentage points over the same period. Imports from nonsubject sources were 5.5 percentage points lower.

The ratio of U.S. imports from India to U.S. production declined *** percentage points between 2011 and 2013. The ratio of U.S. imports from Thailand to U.S. production increased *** percentage points between 2011 and 2013.

[3] Petitioners, in their posthearing brief, noted what they view as a "significant discrepancy" in the official Commerce statistics insofar as it concerns 2012 import quantities from India. Petitioners note that during the preliminary phase of these investigations 14 Indian producers reported 2012 total exports of 28,177,000 pounds of steel threaded rod while official Commerce statistics show imports of 20,724,000 pounds of Indian threaded rod for the same period. Consequently, petitioners urge the Commission "to place greater weight on the data from the {foreign producer} questionnaire responses for shipments and entries from India in 2012." Table C-2 presents summary data using the 2012 data from the 14 questionnaire responses for imports from India. Petitioners' posthearing brief, Attachment A, pp. 1-3.

Table IV-2
Threaded rod: U.S. imports by source, 2011-13

Item	Calendar year		
	2011	2012	2013
	Quantity (1,000 pounds)		
U.S. imports from.--			
India	26,442	20,724	25,785
Thailand	8,401	22,087	20,630
Subtotal, subject sources	34,844	42,810	46,415
China	13,819	19,510	20,081
Taiwan	11,550	10,712	9,631
Malaysia	3,903	3,997	3,487
All other	3,674	2,621	1,946
Subtotal, nonsubject sources	32,945	36,840	35,146
Total U.S. imports	67,789	79,651	81,561
	Value (1,000 dollars)		
U.S. imports from.--			
India	14,690	12,166	14,193
Thailand	4,256	11,099	10,519
Subtotal, subject sources	18,946	23,265	24,712
China	11,458	16,205	16,010
Taiwan	8,085	7,543	6,602
Malaysia	2,727	3,232	3,616
All other	5,042	5,030	3,379
Subtotal, nonsubject sources	27,311	32,009	29,606
Total U.S. imports	46,257	55,275	54,318
	Unit value (dollars per pound)		
U.S. imports from.--			
India	0.56	0.59	0.55
Thailand	0.51	0.50	0.51
Subtotal, subject sources	0.54	0.54	0.53
China	0.83	0.83	0.80
Taiwan	0.70	0.70	0.69
Malaysia	0.70	0.81	1.04
All other	1.37	1.92	1.74
Subtotal, nonsubject sources	0.83	0.87	0.84
Total U.S. imports	0.68	0.69	0.67

Table continued on next page.

Table IV-2—*Continued*
Threaded rod: U.S. imports by source, 2011-13

Item	Calendar year		
	2011	2012	2013
	Share of quantity (percent)		
U.S. imports from.--			
India	39.0	26.0	31.6
Thailand	12.4	27.7	25.3
Subtotal, subject sources	51.4	53.7	56.9
China	20.4	24.5	24.6
Taiwan	17.0	13.4	11.8
Malaysia	5.8	5.0	4.3
All other	5.4	3.3	2.4
Subtotal, nonsubject sources	48.6	46.3	43.1
Total U.S. imports	100.0	100.0	100.0
	Share of value (percent)		
U.S. imports from.--			
India	31.8	22.0	26.1
Thailand	9.2	20.1	19.4
Subtotal, subject sources	41.0	42.1	45.5
China	24.8	29.3	29.5
Taiwan	17.5	13.6	12.2
Malaysia	5.9	5.8	6.7
All other	10.9	9.1	6.2
Subtotal, nonsubject sources	59.0	57.9	54.5
Total U.S. imports	100.0	100.0	100.0
	Ratio to U.S. production (percent)		
U.S. imports from.--			
India	***	***	***
Thailand	***	***	***
Subtotal, subject sources	***	***	***
China	***	***	***
Taiwan	***	***	***
Malaysia	***	***	***
All other	***	***	***
Subtotal, nonsubject sources	***	***	***
Total U.S. imports	***	***	***

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

Source: Compiled from official Commerce statistics.

CRITICAL CIRCUMSTANCES

On February 18, 2014, Commerce issued a preliminary determination that "critical circumstances" exist with respect to imports from India of threaded rod in the countervailing duty investigation, with exception of imports from Mangal.[4] In this investigation, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports from India may be subject to countervailing duties retroactive by 90 days from February 18, 2014, the effective date of Commerce's preliminary affirmative countervailing duty determination. Table IV-3 and figure IV-1 present U.S. imports from India, excluding Mangal, by month from January 2013 to December 2013. U.S. imports from India, excluding Mangal, were *** percent higher in the six month period (July 2013 to December2013) following the filing of the petition than in the preceding six month period (January 2013 to June2013).[5]

Table IV-3
Threaded rod: U.S. imports from India, excluding Mangal, by month, January 2013 to December 2013

* * * * * * *

Figure IV-1
Threaded rod: U.S. imports from India, excluding Mangal, by month, January 2013 to December 2013

* * * * * * *

[4] 79 FR 9162, February 18, 2014, referenced in appendix A. When petitioners file timely allegations of critical circumstances, Commerce examines whether there is a reasonable basis to believe or suspect that (1) either there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

[5] In the petitioners' posthearing brief, petitioners suggest that pre- and post-petition periods of four to five months, rather than the six-month comparison periods, would be more appropriate due to Commerce not extending its preliminary determination. Petitioners' posthearing brief, Exhibit 1, pp. 14-16. Using proprietary Customs data, subject imports from India, excluding Mangal, increased by *** percent during the four-month period (July 2013 to October 2013) following the filing of the petition compared to the four-month period (March 2013 to June 2013) previous to the petition being filed and by *** percent during the five-month period (July 2013 to November 2013) following the filing of the petition compared to the five-month period (February 2013 to June 2013) previous to the petition being filed.

On February 18, 2014, Commerce issued a preliminary determination that "critical circumstances" exist with respect to imports from India of threaded rod in the antidumping duty investigation, with exception of imports from Mangal and firms receiving the "All others" preliminary margin.[6] In this investigation, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports from India may be subject to antidumping duties retroactive by 90 days from February 18, 2014, the effective date of Commerce's preliminary affirmative antidumping determination. Table IV-4 and figure IV-2 present U.S. imports from India, excluding Mangal and firms receiving the "All others" rate, by month from January 2013 to December 2013. U.S. imports from India, excluding imports from Mangal and firms receiving the "All others" rate, were *** percent higher in the six month period (July 2013 to December 2013) following the filing of the petition than in the preceding six month period (January 2013 to June 2013).[7]

Table IV-4
Threaded rod: U.S. imports from India, excluding Mangal and firms receiving the "All Others" rate, by month, January 2013 to December 2013

* * * * * * *

Figure IV-2
Threaded rod: U.S. imports from India, excluding Mangal and firms receiving the "All Others" rate, by month, January 2013 to December 2013

* * * * * * *

On December 31, 2013, Commerce issued a preliminary determination that "critical circumstances" exist with respect to imports from Thailand of threaded rod in the antidumping duty investigation[8] In this investigation, if both Commerce and the Commission make affirmative final critical circumstances determinations, subject imports may be subject to antidumping duties retroactive by 90 days from December 31, 2013, the effective date of Commerce's preliminary affirmative antidumping determination. Table IV-5 and figure IV-3

[6]79 FR 9164, February 18, 2014, referenced in appendix A.

[7]As noted previously, petitioners suggest that pre- and post-petition periods of four to five months, rather than the six-month comparison periods, would be more appropriate due to Commerce not extending its preliminary determination. Petitioners' posthearing brief, Exhibit 1, pp. 14-16. Subject importer from India with exception of imports from Mangal and firms receiving the "All others" increased by *** percent during the four-month period (July 2013 to October 2013) following the filing of the petition compared to the four-month period (March 2013 to June 2013) previous to the petition being filed and by *** percent during the five-month period (July 2013 to November 2013) following the filing of the petition compared to the five-month period (February 2013 to June 2013) previous to the petition being filed.

[8]78 FR 79670, December 31, 2013, referenced in appendix A.

present U.S. imports from Thailand, by month from January 2013 to December 2013. U.S. imports from Thailand were 15.8 percent lower in the six month period (July 2013 to December 2013) following the filing of the petition than in the preceding six month period (January 2013 to June 2013).[9]

Table IV-5
Threaded rod: U.S. imports from Thailand, by month, January 2013 to December 2013

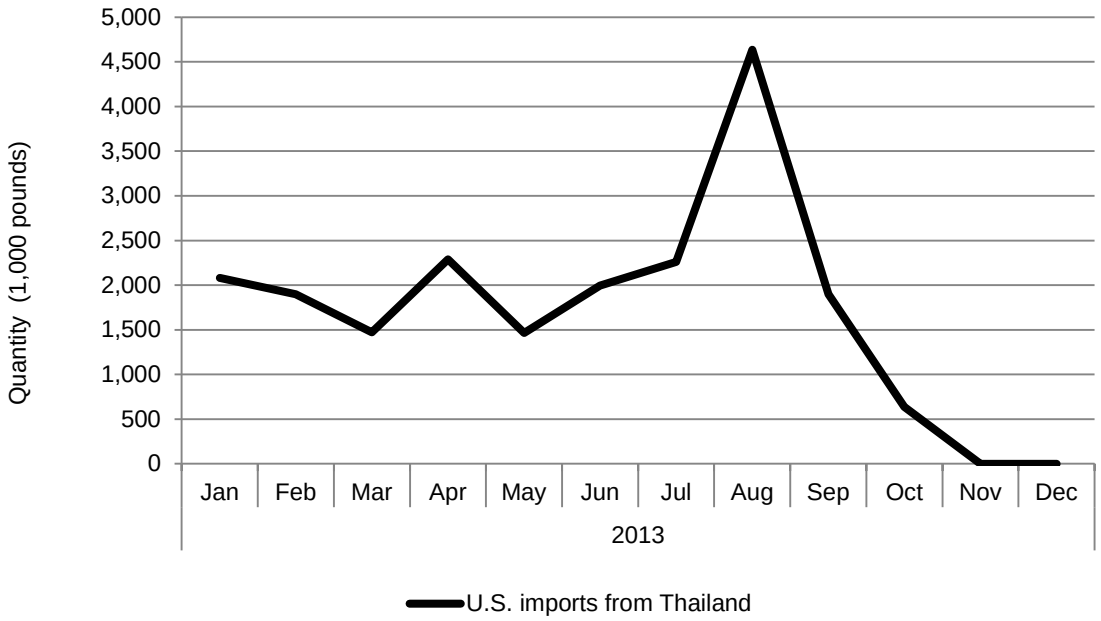
Period	Imports from Thailand	
	Quantity (1,000 pounds)	Landed Duty-Paid Value (1,000 dollars)
2013:		
Jan	2,081	1,065
Feb	1,897	919
Mar	1,471	714
Apr	2,291	1,211
May	1,466	735
Jun[1]	1,997	1,003
Jul	2,260	1,169
Aug	4,634	2,429
Sep	1,898	961
Oct	636	312
Nov	0	0
Dec	0	0
Total	20,630	10,519

[1] The petition in this investigation was filed on June 27, 2013.

Source: Compiled from official import statistics.

[9] As noted previously, petitioners suggest that pre- and post-petition periods of four to five months, rather than the six-month comparison periods, would be more appropriate due to Commerce not extending its preliminary determination. Petitioners' posthearing brief, Exhibit 1, pp 14-16. Using official statistics from Department of Commerce, subject imports from Thailand increased by 30.5 percent during the four-month period (July 2013 to October 2013) following the filing of the petition compared to the four-month period (March 2013 to June 2013) previous to the petition being filed and by 3.4 percent during the five-month period (July 2013 to October 2013) following the filing of the petition compared to the five-month period (February 2013 to June 2013) previous to the petition being filed.

Figure IV-3
Threaded rod: U.S. imports from Thailand, by month, January 2013 to December 2013



Source: Compiled from official import statistics.

Table IV-6 shows the imports and end-of-period inventories from Tycoon using questionnaire responses from eight reporting firms. Imports from Tycoon peaked in *** with approximately *** pounds imported. End-of-period inventories from imports from Tycoon peaked in *** with approximately *** pounds.

Table IV-6
Threaded rod: U.S. imports and end of period inventories from Tycoon, by month, December 2012 to December 2013[1]

* * * * * * *

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[10] Negligible

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

imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible. Imports from India accounted for 27.9 percent and imports from Thailand accounted for 28.9 percent of total imports of threaded rod by quantity during June 2012 – May 2013.

CUMULATION CONSIDERATIONS

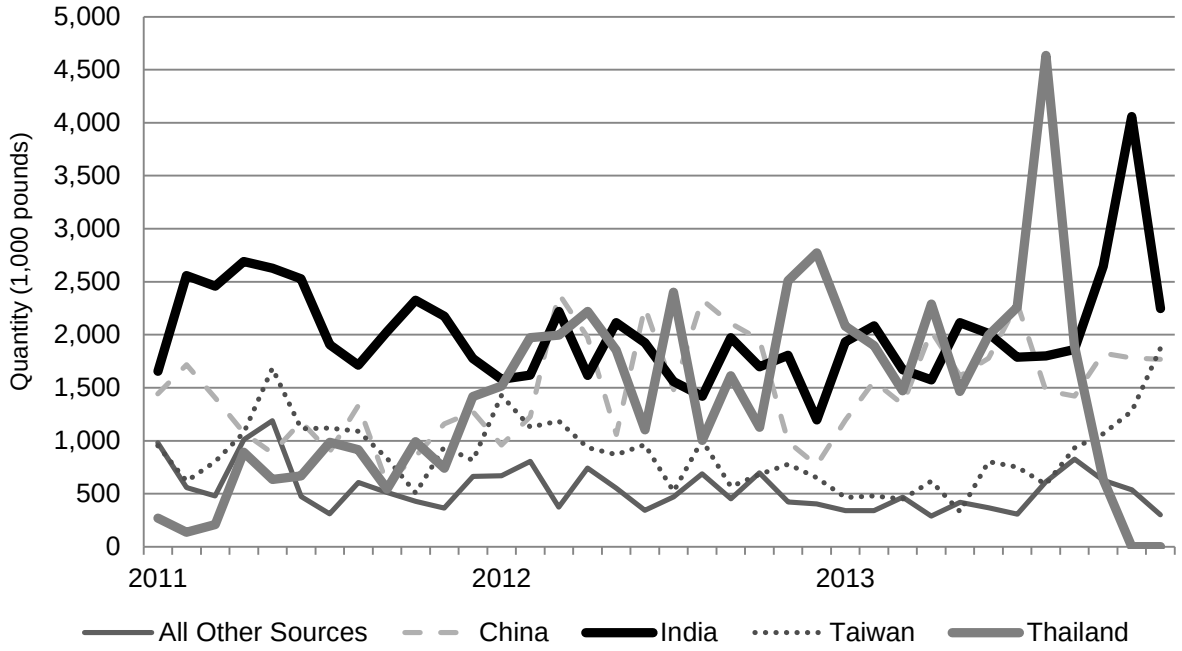
In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical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

Presence in the market

With respect to simultaneous presence in the market, between January 2011 and December 2013, imports of threaded rod from India and Thailand entered the United States in every month, except in November and December 2013 when there were no imports from Thailand.[11] However, as shown in Figure IV-4, monthly volumes varied over time.

[11] Department of Commerce's official statistics (HTS 7318.15.5056).

Figure IV-4
Threaded rod: U.S. imports, monthly entries into the United States, by sources, January 2011-December 2013



Source: Compiled from official Commerce statistics (HTS 7318.15.5056).

Geographical markets

With respect to geographic markets, U.S. imports of threaded rod from India primarily entered the United States through the Customs districts of (1) Houston-Galveston, Texas; (2) Los Angeles, California; (3) New York, New York; and (4) Savannah, Georgia. U.S. imports of threaded rod from Thailand primarily entered the United States through the Customs districts of (1) Los Angeles, California; (2) Savannah, Georgia; (3) New York, New York; and (4) Seattle, Washington. U.S. imports of threaded rod from all other sources primarily entered the United States through the Customs districts of (1) Houston-Galveston, Texas; (2) Los Angeles, California; (3) Savannah, Georgia; (4) New York, New York; and (5) Chicago, Illinois.

APPARENT U.S. CONSUMPTION

Table IV-7 and figure IV-5 presents data on apparent U.S. consumption and U.S. market shares for threaded rod over the period of investigation. Apparent U.S. consumption, by quantity, increased each year, ending *** percent higher than in 2011.

Table IV-7
Threaded rod: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2011-2013

Item	Calendar year		
	2011	2012	2013
	Quantity (1,000 pounds)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
India	26,442	20,724	25,785
Thailand	8,401	22,087	20,630
Subtotal, subject sources	34,844	42,810	46,415
China	13,819	19,510	20,081
Malaysia	3,903	3,997	3,487
Taiwan	11,550	10,712	9,631
All other	3,674	2,621	1,946
Subtotal, nonsubject sources	32,945	36,840	35,146
Total U.S. imports	67,789	79,651	81,561
Apparent U.S. consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
India	14,690	12,166	14,193
Thailand	4,256	11,099	10,519
Subtotal, subject sources	18,946	23,265	24,712
China	11,458	16,205	16,010
Malaysia	2,727	3,232	3,616
Taiwan	8,085	7,543	6,602
All other	5,042	5,030	3,379
Subtotal, nonsubject sources	27,311	32,009	29,606
Total U.S. imports	46,257	55,275	54,318
Apparent U.S. consumption	***	***	***

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

Figure IV-5
Threaded rod: Apparent U.S. consumption, by sources, 2011-2013

* * * * * * *

U.S. MARKET SHARES

U.S. market share data are presented in table IV-8. From 2011 to 2013, U.S. producers lost *** and *** percentage points of market share based on quantity and value, respectively. From 2011 to 2013, U.S. imports from India lost *** percentage points of market share based on quantity and *** percentage points based on value. During the same period, U.S. imports

from Thailand gained *** percentage points based on quantity and *** percentage points based on value.

Table IV-8
Threaded rod: U.S. consumption and market shares, 2011-2013

* * * * * * *

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

Threaded rod is made primarily from low-carbon steel wire rod or low-carbon steel bar.[1] The main raw material used in the production of threaded rod is carbon steel wire rod; the wire rod is cold-drawn, straightened, cut to length, threaded, and then sometimes plated or galvanized.[2] Raw materials (including wire rod) accounted for approximately 65 percent of total cost of goods sold during 2011-13 (see *Part VI* for additional information). As seen in figure V-1, the price of carbon steel wire rod increased slightly during 2011, declined sharply in January 2012, and then declined irregularly for the next two years. From January 2011 to January 2014, the price of low carbon steel wire rod declined by almost 18 percent.

Most U.S. producers and importers indicated that raw material costs have either fluctuated, been stable or slightly decreased since January 1, 2011, and that raw material costs have had little or no effect on their firm's selling price during that period. Most firms anticipate at least a slight increase in raw material costs or are unable to predict a change in raw material costs. Several firms cited the antidumping investigation on wire rod imported from China as reason why prices may increase.

U.S. inland transportation costs

Most responding U.S. producers and importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from 5 to 10 percent. Importer responses varied. Importers reported transportation costs ranging from 1 to 5 percent (9 importers), 6 to 10 percent (7 importers), and 10 to 20 percent (3 importers).[3]

---

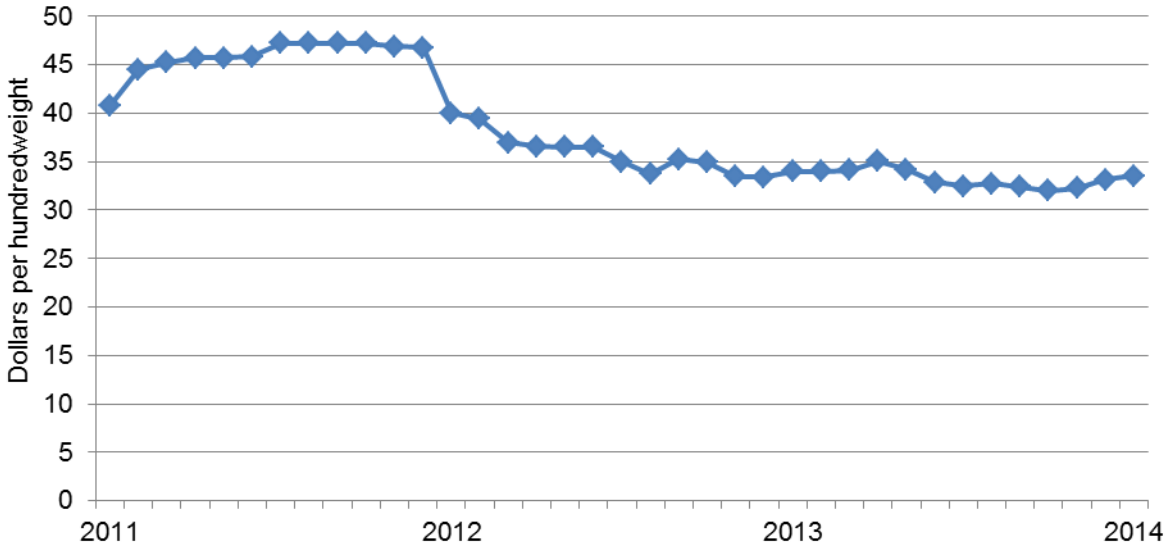
[1] *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. II-1; hearing transcript, p. 14 (Logan) and conference transcript, p. 14 (Logan).

[2] *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. V-1; hearing transcript, pp. 14-15 (Logan) and conference transcript, pp. 14-15 (Logan).

[3] A few importers reported higher transportation cost shares of 25 percent (1 firm) and more than 90 percent (1 firm).

Figure V-1

Low carbon steel wire rod: Average monthly U.S. prices in dollars per hundredweight, January 2011 to January 2014



Source: American Metal Market.

PRICING PRACTICES

Pricing methods

U.S. producers and importers reported using transaction-by-transaction negotiations, contracts, set price lists, and other methods to set prices for threaded rod. As presented in table V-1, U.S. producers and importers sell primarily using transaction-by-transaction negotiations and contracts. Other pricing methods included cost plus, price match, or adjustment if "competitive situation dictates."

Most U.S. producers and importers reported selling the majority of threaded rod on the spot market (more than 60 percent of shipments for U.S. producers and more than 80 percent of shipments for importers) (table V-2). U.S. producers' short-term contracts were for 3 to 12 months, fixed price, and did not have meet-or-release provisions. Three of four producers did not allow for price renegotiation in their contracts. No U.S. producer reported using long-term contracts. While some importers sold threaded rod using short-term contracts, very few reported using long-term contracts. Importers' short-term contracts were for 3 to 12 months, fixed quantity, and price or both. Only two of 13 importers reported having meet-or-release provisions. Six of 14 responding importers allow the price to be renegotiated in their short-term contracts.

Table V-1

Threaded rod: U.S. producers' and importers' reported price setting methods, by number of responding firms[1]

Method	U.S. producers	U.S. importers
Transaction-by-transaction	4	23
Contract	3	10
Set price list	2	6
Other	1	3

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

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

Table V-2

Threaded rod: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2013

Type of sale	Share of commercial U.S. shipments (percent)	
	U.S. producers	U.S. importers
Long-term contracts	0.0	0.2
Short-term contracts	34.0	13.4
Spot sales	66.0	86.3

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

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

Sales terms and discounts

U.S. producers typically quote prices on a delivered and sometimes on an f.o.b. basis, with sales terms most often net 30 days. Although terms and discounts varied most U.S. producers offered quantity and/or annual volume discounts/rebates. Sixteen of 27 responding importers quote prices on a delivered basis, and the rest quote on an f.o.b. basis (one quotes on both an f.o.b. and delivered basis). Importers most often report sales terms most of net 30 days, though several importers noted that terms vary by customer. Twenty of 27 responding importers offered no discount; the remaining importers offered a variety of discounts including, quantity (6 importers), annual volume (5 importers), and others (e.g., cost plus, price match, payment-terms discount, and transaction-by-transaction).

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following threaded rod products shipped to unrelated U.S. customers during January 2011—December 2013.

Product 1.-- Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 10 foot lengths, in cardboard tubes.

Product 2.-- Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 6 foot lengths, in cardboard tubes.

Product 3.-- Low-carbon steel fully threaded rod, electroplated, a ½-inch diameter (as measured from the top of the thread), in 10-foot lengths, in cardboard tubes.

Product 4.-- Low-carbon steel fully threaded rod, plain, ¾ inch diameter (as measured from the top of the thread), 12 feet in length, in cardboard tubes.

Product 5.-- Low-carbon steel fully threaded rod, electroplated with zinc, ¼ -inch diameter (as measured from the top of the thread), 10 feet in length, in cardboard tubes.

Product 6.-- Low-carbon steel fully threaded rod, hot dipped galvanized, ⅝-inch diameter (as measured from the top of the thread), 12 feet in length, in cardboard tubes.

Four U.S. producers and 22 importers[4] provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments of threaded rod, *** percent of subject imports from India, and *** percent of subject imports from Thailand overall during the period of investigation. Pricing data

[4] Price data provided by importers *** were not included in the following tables and charts. ***" Importer ***. Email from ***, July 19, 2013. ***. The majority (***) of Itochu imports were from *** and a substantial amount *** of Fastenal imports were from ***. Price data reported by Itochu accounted for about ***. Price data reported by Fastenal accounted for about ***.

Price data for ***.

reported by importers of threaded rod from nonsubject countries accounted for approximately *** percent of imports from Taiwan and less than *** percent of imports from China overall during the period of investigation.[5]

Price data for products 1-6 are presented in tables V-3 to V-8 and figure V-2. Nonsubject country prices are presented in Appendix D. Itochu and Fastenal price data are presented in Appendix E.

Table V-3

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

* * * * * * *

Table V-4

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

Period	United States		India			Thailand		
	Price ($ per pound)	Quantity (pounds)	Price ($ per pound)	Quantity (pounds)	Margin (percent)	Price ($ per pound)	Quantity (pounds)	Margin (percent)
2011: Jan.-Mar.	***	***	0.60	524,867	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2012: Jan.-Mar.	***	***	0.64	600,509	***	***	***	***
Apr.-June	***	***	0.59	628,291	***	***	***	***
July-Sept.	***	***	0.64	411,649	***	***	***	***
Oct.-Dec.	***	***	0.64	441,773	***	***	***	***
2013: Jan.-Mar.	***	***	0.66	384,227	***	***	***	***
Apr.-June	***	***	0.59	507,389	***	***	***	***
July-Sept.	***	***	0.57	379,732	***	***	***	***
Oct.-Dec.	***	***	0.51	522,967	***	***	***	***

[1] Product 2: Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 6 foot lengths, in cardboard tubes.

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

[5] Vulcan accounted for *** percent of domestic pricing data. Importers Porteous and Elite ***. Importer Elite accounted for *** and importer Porteous accounted for ***.

Table V-5

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

Period	United States		India			Thailand		
	Price *($ per pound)*	Quantity *(pounds)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*
2011:								
Jan.-Mar.	***	***	0.60	364,540	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2012:								
Jan.-Mar.	***	***	0.67	183,293	***	***	***	***
Apr.-June	***	***	0.66	212,762	***	***	***	***
July-Sept.	***	***	0.67	172,810	***	***	***	***
Oct.-Dec.	***	***	0.68	129,853	***	0.60	436,226	***
2013:								
Jan.-Mar.	***	***	0.64	253,708	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	0.78	184,307	***	***	***	***
Oct.-Dec.	***	***	0.72	178,793	***	***	***	***

[1] Product 3: Low-carbon steel fully threaded rod, electroplated, a ½-inch diameter (as measured from the top of the thread), in 10-foot lengths, in cardboard tubes.

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

Table V-6

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

Period	United States		India			Thailand		
	Price *($ per pound)*	Quantity *(pounds)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*
2011:								
Jan.-Mar.	0.58	238,578	***	***	***	***	***	***
Apr.-June	0.59	247,716	***	***	***	***	***	***
July-Sept.	0.61	272,962	***	***	***	***	***	***
Oct.-Dec.	0.60	254,339	***	***	***	***	***	***
2012:								
Jan.-Mar.	0.62	222,494	***	***	***	***	***	***
Apr.-June	0.63	333,650	0.95	8,682	(51.2)	***	***	***
July-Sept.	0.62	328,059	***	***	***	***	***	***
Oct.-Dec.	0.61	248,005	***	***	***	***	***	***
2013:								
Jan.-Mar.	0.61	270,651	0.94	7,141	(53.3)	***	***	***
Apr.-June	0.61	234,338	***	***	***	***	***	***
July-Sept.	0.59	285,025	***	***	***	***	***	***
Oct.-Dec.	0.59	260,266	***	***	***	***	***	***

[1] Product 4: Low-carbon steel fully threaded rod, plain, ¾ inch diameter (as measured from the top of the thread), 12 feet in length, in cardboard tubes.

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

Table V-7

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 5[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

Period	United States		India			Thailand		
	Price *($ per pound)*	Quantity *(pounds)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*	Price *($ per pound)*	Quantity *(pounds)*	Margin *(percent)*
2011:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2012:								
Jan.-Mar.	***	***	0.69	43,570	***	***	***	***
Apr.-June	***	***	0.72	46,699	***	***	***	***
July-Sept.	***	***	0.63	144,239	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2013:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	0.65	77,310	***
July-Sept.	***	***	0.74	42,282	***	***	***	***
Oct.-Dec.	***	***	0.68	51,247	***	***	***	***

[1] Product 5: Low-carbon steel fully threaded rod, electroplated with zinc, ¼ -inch diameter (as measured from the top of the thread), 10 feet in length, in cardboard tubes.

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

Table V-8

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 6[1] and margins of underselling/(overselling), by quarters, January 2011-December 2013

* * * * * * *

Figure V-2

Threaded rod: Weighted-average prices and quantities of domestic and imported product, by quarters, January 2011-December 2013

* * * * * * *

Price trends

In general, prices for threaded rod were mixed for domestic, Indian, and Thai product during January 2011-December 2013. Table V-9 summarizes the price trends, by country and by product. As shown in the table, changes in domestic prices were less than 5 percent, while changes in the prices of subject imports varied widely.

Price comparisons

As shown in table V-10 and V-11, prices for threaded rod imported from India and Thailand were below those for U.S.-produced product in 58 of 142 instances; margins of underselling ranged from less than 1 percent to 39.2 percent. In the remaining 84 instances, prices for threaded rod from India and Thailand were between 0.1 and 220.9 percent above prices for the domestic product. Underselling is concentrated in product 5, the smallest diameter of the six price products.

Petitioners argue that there are reporting errors and other anomalies in the pricing data reported by U.S. importers and indicate that these data are inconsistent with import AUVs and the lost sales and revenue data.[6] They contend that in some instances data was reported in incorrect units; data was provided for higher value products that aren't price competitive; data was provided for products that importers indicate elsewhere that they don't import; and that importers that typically quote their prices on a delivered basis may have also reported their price data on a delivered basis.[7] If U.S. producers' prices are compared to data provided by the two largest importers (***) prices for threaded rod imported from India and Thailand were below those for U.S.-produced product in 59 of 117 instances with margins of underselling ranging from less than 1 percent to 12.1 percent.

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[6] Petitioners' posthearing brief, p. 6.

[7] When asked to identify specific firms for which price data was problematic, petitioners indicated that ***. Staff interview with ***, counsel for petitioners, March 28, 2014. *** confirmed that their reported import price data is valued at f.o.b. their plant. Email from ***, March 31, 2014.

Table V-9

Threaded rod: Summary of weighted-average f.o.b. prices for products 1-4 from the United States, India and Thailand

Item	Number of quarters	Low price (per unit)	High price (per unit)	Change in price[1] (percent)
Product 1				
United States	12	0.59	0.63	(0.9)
India	12	0.57	0.63	3.7
Thailand	12	0.58	0.64	1.3
Product 2				
United States	12	0.58	0.61	1.5
India	12	0.51	0.66	(15.0)
Thailand	12	0.59	0.66	12.1
Product 3				
United States	12	0.61	0.66	(2.0)
India	12	0.60	0.78	19.4
Thailand	12	0.59	0.67	0.2
Product 4				
United States	12	0.58	0.63	3.3
India	12	0.67	1.06	15.4
Thailand	12	0.56	0.79	(18.1)
Product 5				
United States	12	0.74	0.78	(1.9)
India	12	0.63	0.81	3.3
Thailand	12	0.46	0.74	***
Product 6				
United States	12	0.92	1.00	4.5
India	10	0.71	1.24	(8.6)
Thailand	12	1.54	2.94	(47.6)

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

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

Table V-10

Threaded rod: Instances of underselling/overselling and the range and average of margins, by country, January 2011-December 2013

Source	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
India	25	0.2 to 28.7	6.5	45	0.2 to 77.8	15.5
Thailand	33	0.0 to 39.2	6.8	39	0.1 to 220.9	52.3
Total	58	0.0 to 39.2	6.7	84	0.1 to 220.9	32.6

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

Table V-11

Threaded rod: Instances of underselling/overselling and the range and average of margins, by product, January 2011-December 2013

Source	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Product 1	9	0.3 to 4.7	2.0	15	0.1 to 5.6	2.2
Product 2	8	0.1 to 14.4	3.4	16	0.4 to 11.2	4.2
Product 3	9	0.7 to 7.2	4.0	15	0.2 to 28.8	6.3
Product 4	7	0.0 to 9.3	4.0	17	4.9 to 77.8	31.7
Product 5	21	0.2 to 39.2	10.4	3	3.1 to 7.3	5.5
Product 6	4	2.4 to 28.7	15.1	18	1.0 to 220.9	110.4
Total	58	0.0 to 39.2	6.7	84	0.1 to 220.9	32.6

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

Petitioners claim that any pricing analysis should begin with a review of the import average unit values (AUVs).[8] They indicate that AUVs for imports from Thailand and India under HTS 7318.15.5056 are between 27 cents per pound and 30 cents per pounds below those of China and also significantly below the reported prices of U.S. industry in its questionnaire responses.[9] Petitioners point out that U.S. importers have reported to the Commission that virtually all of their subject imports are classified under this HTS number during the period of investigation.[10]

However, import AUVs understate sales prices of subject imports to some extent because they do not include the importers' sales markup in U.S. market. For example, ***. ***.

Also, the variation in the price data reported by U.S. producers suggests that prices vary by type of product, making a comparison of AUVs problematic if there are differences in

[8] Petitioners' prehearing brief, pp. 18-19.

[9] Hearing transcript, (Waite), pp. 41-42.

[10] Petitioners' posthearing brief, p. 3.

product mix between sources being compared. For example, U.S. producers' prices for the hot-dipped galvanized product 6 ranged from $0.92 to $1.00 per pound and the small diameter product 5 ranged in price from $0.74 to $0.78 per pound, compared to the $0.58 to $0.66 per pound price range reported for the first four products. Also, the AUV for all six U.S. pricing products range from $0.61 to $0.63 per pound during 2011 to 2013, which is lower than the AUV for all shipments of U.S.-produced threaded rod, which ranges from $0.68 to $0.70 per pound during the same time period. Since the price data represent about one-half of U.S. shipments, this implies that the domestic products not captured in the six price products have prices averaging about $0.75 to $0.78 per pound.

The range of import competing prices reported by U.S. producers in the lost sales allegations also suggest variation in prices of threaded rod. For example, the alleged import competing prices ranged from $0.50 per pound to $3.08 per pound with a median price of $0.58 per pound and a weighted average price of $0.60 per pound.

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of threaded rod to report any instances of lost sales or revenue they experienced due to competition from imports of threaded rod from India or Thailand since January 2010. Of the five responding U.S. producers, three reported that they had to reduce prices or roll back announced price increases, and three indicated that they had lost sales to imports from India or Thailand. One U.S. producer (***) indicated that it had not reduced prices or rolled back price increases to avoid losing sales to imports from India or Thailand. The 319 lost sales allegations totaled $*** million and involved about *** million pounds and almost *** pieces of threaded rod, and the 456 lost revenue allegations totaled approximately $*** in lost revenue and involved *** million pounds and almost *** pieces of threaded rod. Staff contacted almost all purchasers and a summary of the information obtained follows (see tables V-12 to V-15).

Based on value, purchasers agreed with 36 percent of the lost sales allegations, disagreed with 20 percent of the allegations, neither agreed nor disagreed with 12 percent of the allegations, and did not respond to one-third of the lost sales allegations. Purchasers agreed with 29 percent of the value of lost revenue allegations, disagreed with 18 percent of the allegations, neither agreed nor disagreed with 4 percent of the allegations, and did not respond to 50 percent of the allegations. Based on the number of allegations, purchasers agreed with 132 of 319 lost sales allegations, disagreed with 73 allegations, neither agreed or disagreed with 38 of the allegations, and did not respond to 77 of the allegations. Regarding lost revenue allegations, purchasers agreed with 106 of the 456 allegations, disagreed with 54 of the allegations, neither agreed or disagreed with 26 of the allegations, and did not respond to 270 of the allegations.[11]

[11] This is not based on a staff assessment of whether the purchaser comments agree or disagree; rather, it is only reporting whether the purchaser wrote agree or disagree and comments on the allegations.

Table V-12
Threaded rod: U.S. producers' lost sales allegations, quantity reported in pounds

* * * * * * *

Table V-13
Threaded rod: U.S. producers' lost sales allegations, quantity reported in pieces

* * * * * *

Table V-14
Threaded rod: U.S. producers' lost revenue allegations, quantity reported in pounds

* * * * * * *

Table V-15
Threaded rod: U.S. producers' lost revenue allegations, quantity reported in pieces

* * * * * * *

Petitioners stated that responding purchasers largely confirmed allegations of lost sales and revenues.[12] They indicate that although two purchasers (***) who confirmed lost sales were unsure of the country of origin of the imported product, both agreed that they had bought cheaper imported products and that *** acknowledged that ***." Petitioners indicate that the low AUVs for imports from India and Thailand make it reasonable to assume that these sales were lost to imports from India and/or Thailand. They also indicated that although purchaser *** noted that the reported quantities were overstated for lost sales that it confirmed, it does not diminish the significance of this purchaser's confirmation that these were in fact lost sales.[13] This purchaser (***) indicated that it only purchased 32,553 pounds of threaded rod imported from India in 3 years, far less the 1.8 million pounds named in these allegations. These 1.8 million pounds of lost sales allegations make up 23 percent of all lost sales alleged by U.S. producers.

Petitioners also provided examples where they felt that some purchasers that disagreed with allegations indicate that they misunderstood the question being asked in the allegation. They noted examples of where one purchaser indicated in its narrative response that it purchases from *** and other cases where purchasers indicated merely that they did not "import" threaded rod from India or Thailand, but that they could have purchased threaded rod imported from these countries.[14] In the preliminary phase, purchasers responding to the lost sales and lost revenue allegations also were asked whether they shifted their purchases of threaded rod from U.S. producers to suppliers of threaded rod from India or Thailand since

[12] Hearing transcript, p. 32 (McGrath).

[13] Petitioners' posthearing brief, Exhibit 1, Posthearing responses to questions from the Commission on behalf of the Petitioners, pp. 20-21.

[14] Petitioners' posthearing brief, Exhibit 1, Posthearing responses to questions from the Commission on behalf of the Petitioners, pp. 22-23.

2010. Six of the 25 responding purchasers reported that they had shifted purchases of threaded rod from U.S. producers to subject imports since 2010; six[15] purchasers reported that price was the reason for the shift.[16]

In addition, they were asked whether U.S. producers reduced their prices in order to compete with suppliers of threaded rod from India or Thailand. Eleven of 18 responding purchasers reported that the U.S. producers had reduced their prices in order to compete with the prices of subject imports since 2010.[17] The following are additional comments on lost sales and lost revenue allegations:

*******.

[15] These purchasers are not all the same as the preceding six purchasers as some purchasers responded to the second half of the question without answering the first half and vice versa.

[16] Additional substantive comments included (1) "Some items were purchased from importers so that we could get the sale, that we would have lost due to cost;" (2) "We hesitate to do direct importation of this product. If you look into our importation program, you will find that our imported volume on threaded rod product line is relatively small, compared with any other importers. The reason we do not prefer to do direct import of this product line is that we have to purchase at large volume in order to allow oversea manufacturers to process our order for us; that means, we have to put in much more capital on inventory of this product line. The reasons we import this product are following: (a) Domestic manufacturers cannot provide us with our own label, in other words, we cannot have our own brand on this product. (b) The packaging quality from overseas producers are much better, they use heavy duty tube, while domestic tubes are much thinner. (c) Oversea producers can palletize this product for us, while domestic manufacturers delivered from a flatbed truck, which will take much more space when stocking this item. In terms of pricing, it does not make that much difference between domestic offering and oversea pricing. This is due to large price increase in International ocean freight for the past couple years;" (3) "I can't honestly say yes or no, but I assume foreign made goods drove down prices from American made goods. Our last direct purchase from India for all threaded product was on Sept. 30, 2009. The quality was poor. I then directed we purchase from reputable U.S. suppliers. Most threaded rod we've purchase for the past several years has been produced domestically;" (4) "Other Asian nations were more expensive;" and (5) "Price is not the only reason, I can't only depend on 2 or 3 factories." Responses to various lost sales and revenue allegations.

[17] Additional substantive comments from responding and non-responding purchasers include (1) "All America has always been competitive;" (2) "I don't know, like I said I have purchased threaded rod from overseas. Happy with product, material wrapping, palletizing, as well as time;" (3) "U.S. producers never reduce their pricing to offer our company and try to win more business;" (4) "Pricing has been kept quite low for a long while now, which is a little out of the ordinary from past experience;" (5) "Threaded rod pricing did not get reduced to us from a U.S. producer until August of 2012. Prices actually increased in August 2011 for approximately 12 months;" (6) "No apparent changes in price (up or down) since May 2009." Responses to various lost sales and revenue allegations; and (7) "After reviewing purchasing history, it appears our price from U.S. producers has decreased. As to whether this is in response to pressures from imports from India and Thailand I can't say."

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

INTRODUCTION

Five U.S. producers *** provided usable financial data on their operations on threaded rod. [1] These data are believed to account for nearly all U.S. production of threaded rod in 2013. No firms reported tolling operations, internal consumption, or transfers to related firms. ***.

OPERATIONS ON THREADED ROD

Income-and-loss data for U.S. producers of threaded rod are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The reported financial condition of the U.S. industry *** from 2011 to 2012, and *** from 2012 to 2013, ***. The reported aggregate net sales quantity *** from 2011 to 2013, while the aggregate net sales value *** during this time. Collectively, the aggregate cost of goods sold ("COGS") and selling, general, and administrative ("SG&A") expenses *** during this time. As a result of the *** in revenue as compared to operating costs and expenses, aggregate operating income ***.

On a per-pound basis and as a ratio to net sales, steel costs *** from 2011 to 2012, then *** from 2012 to 2013. In comparison, plating costs/other raw material costs, direct labor, other factory costs, and SG&A expenses were *** on a per-pound basis and as a ratio to net sales.[2] [3] Steel costs accounted for an average *** percent of total COGS for the reporting period, and had ***. Although SG&A expenses were *** on a per-pound basis and as a ratio to net sales, they accounted for *** percent of overall operating costs and expenses during the period examined and *** of the industry.[4]

Table VI-1
Threaded rod: Results of operations of U.S. producers, 2011-13

* * * * * * *

[1] All America, a subsidiary of Acme Manufacturing, was formed in June 2010, and reflects the combined operations of acquisitions made in 2008 (Threaded Rod), 2009 (Lancaster Threaded Products and Watson Metal Products), and 2010 (Rods Indiana and J&D Industrial Products). Hearing transcript (Broderick), pp. 19-20.

[2] ***. E-mail from ***, February 20, 2014. ***.

[3] ***.

[4] SG&A expenses consist primarily of ***. E-mail from ***, February 21, 2014, ***, February 20, 2014, and ***, February 21, 2014. ***.

Table VI-2
Threaded rod: Selected results of operations of U.S. producers, by firm, 2011-13

* * * * * * *

Capital expenditures and total assets

The responding firms' aggregate data on capital expenditures and total assets are shown in table VI-3. No firms reported research and development ("R&D") expenses. Aggregate capital expenditures *** from 2011 to 2013. The majority of reported capital expenditures, ***, reflect the data reported by ***. According to ***.[5] ***.[6] ***.[7] ***.[8] The total assets utilized in the production, warehousing, and sales of threaded rod increased from $*** million in 2011 to $*** million in 2013.

Table VI-3
Threaded rod: Capital expenditures and total assets of U.S. producers, 2011-13

* * * * * * *

Capital and investment

The Commission requested U.S. producers of threaded rod to describe any actual or potential negative effects of imports of threaded rod from India or Thailand on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Responses by U.S. producers follow.

Actual Negative Effects:

* * * * * * *

Potential Negative Effects:

* * * * * * *

[5] Petitioners' postconference brief, exhibit 1, p. 13.
[6] E-mail from ***, February 20, 2014.
[7] E-mail from ***, February 21, 2014.
[8] Petitioners' postconference brief, exhibit 1, p. 13.

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

---

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

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

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

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

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

THE INDUSTRY IN INDIA

The Commission issued foreign producers' or exporters' questionnaires to 69 firms believed to produce and/or export threaded rod from India.[3] Useable responses to the Commission's questionnaire were received from six firms: ***.[4] These firms' exports to the United States accounted for 87.9 percent of U.S. imports of threaded rod from India over the period of investigation. According to estimates requested of the responding India producers, the production of threaded rod in India reported in this section of the report accounts for the majority of overall production of threaded rod in India.

Production capacity increased in each year, ending nearly 9.0 million pounds higher (28.1 percent) in 2013 than in 2011. Five of the six responding firms increased production capacity during 2011-13.[5] Over *** of the increase in capacity was attributed to ***. In addition, *** had the largest individual increase in production between 2011 and 2013, contributing to the 19.2 percent (5.2 million pounds) increase in aggregated Indian production. The vast majority of shipments of threaded rod for all but two (***) of the responding firms during 2011-13 were exported to the United States. However, exports of threaded rod to the United States decreased 4.7 percent (mostly driven by ***) between 2011 and 2013. Two firms, ***, projected increased exports to the United States in 2014 and 2015 while *** projected 2014-15 exports to the United States to drop to zero. Table VII-1 presents information on the threaded rod operations of the responding producers and exporters in India.

[3] These firms were identified through a review of information submitted in the petition and contained in proprietary Customs records.

[4] During the preliminary phase of these investigations 14 firms provided useable responses. The six firms responding in the final phase all provided responses in the preliminary phase.

[5] *** reported stable capacity of *** pounds of capacity from 2011-2013.

Table VII-1
Threaded Rod: Data for producers in India, 2011-2013 and projections for 2014-2015

Item	Actual experience			Projections	
	Calendar year				
	2011	2012	2013	2014	2015
	Quantity (1,000 pounds)				
Capacity	31,900	38,050	40,875	37,350	37,700
Production	27,240	27,640	32,478	28,728	29,832
End-of-period inventories	4,282	3,254	3,485	2,811	2,781
Shipments: Internal consumption/ transfers	***	***	***	***	***
Home market shipments	***	***	***	***	***
Export shipments to: United States	21,671	21,801	20,642	16,614	16,941
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	26,250	28,468	32,067	29,382	29,912
	Ratios and shares (percent)				
Capacity utilization	85.4	72.6	79.5	76.9	79.1
Inventories/production	15.7	11.8	10.7	9.8	9.3
Inventories/total shipments	16.3	11.4	10.9	9.6	9.3
Share of total shipments: Internal consumption/ transfers	***	***	***	***	***
Home market shipments	***	***	***	***	***
Export shipments to: United States	82.6	76.6	64.4	56.5	56.6
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

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

THE INDUSTRY IN THAILAND

The Commission issued foreign producers'/exporters' questionnaires to 18 firms believed to produce and/or export threaded rod from Thailand.[6] No responses were received. Petitioners reported that Tycoons Worldwide Group ("Tycoons") is by far the largest producer in Thailand.[7] Tycoons' facility in Rayong, Thailand has an annual wire rod production capacity of 7,936.6 million pounds (360,000 metric tons) and an annual threaded rod capacity of 396.8

[6] These firms were identified through a review of information submitted in the petition and contained in proprietary Customs records.

[7] Hearing transcript, p. 89 (Waite) and Conference transcript, p. 79 (Waite) and p. 90 (Logan); and postconference brief, Exh. 1, p. 1.

million pounds (1,500 metric tons per month).[8] Exports accounted for 59 percent of Tycoons' total sales including threaded rod in 2010 and 2011, and 52 percent in 2012.[9]

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-2 presents data on U.S. importers' reported inventories of threaded rod. Inventories of imports, as well as the ratio to U.S. imports and the ratio to U.S. shipments of imports from India increased overall during 2011-13. Inventories of imports and the ratio to U.S. imports from Thailand increased during the period of investigation, while the ratio of U.S. shipments of imports from Thailand fluctuated over the same period. *** accounted for roughly *** of the inventories of imports from India. *** accounted for the majority of the inventories of imports from Thailand.

Table VII-2
Threaded Rod: U.S. importers' inventories, 2011-2013

* * * * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of threaded rod after January 1, 2014. Table VII-3 presents the quantity of orders by 11 U.S. importers which indicated that they had imported or arranged for the importation of threaded rod from India and other sources. No importer reported orders from Thailand subsequent to January 2014.

Table VII-3
Threaded rod: U.S. importers' orders for subsequent to January 1, 2014

* * * * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

No responding producer, importer, or foreign producer reported countervailing or antidumping duty orders on threaded rod from India or Thailand other than the antidumping order on U.S. imports from China (see *Part I* of this report for further details).

[8] Petition, Exh. 16 and Tycoons Worldwide Group (Thailand) Public Co., Ltd, Annual report 2012, p. 3.
[9] Tycoons Worldwide Group (Thailand) Public Co., Ltd, Annual report 2012, p. 5.

INFORMATION ON NONSUBJECT COUNTRIES

In assessing whether the domestic industry is materially injured or threatened with material injury "by reason of subject imports," the legislative history states "that the Commission must examine all relevant evidence, including any known factors, other than the dumped or subsidized imports, that may be injuring the domestic industry, and that the Commission must examine those other factors {including non-subject imports} 'to ensure that it is not attributing injury from other sources to the subject imports.'"[10]

According to the petitioners, the major nonsubject threaded rod producers are China and Taiwan.[11] China has a very large capacity to produce threaded rod and its threaded rod industry is export-oriented. In 2009, an antidumping duty order was imposed on threaded rod imports from China.[12] Taiwan is also a supplier of threaded rod to the U.S. market, but, the volume of imports from Taiwan has fallen over the past few years, the petitioners argue that this is probably the result of its relatively high costs compared with producers in India and Thailand.[13] According to official Commerce import statistics during 2011-13, Malaysia is the fifth largest threaded rod import source and the third largest nonsubject source.[14]

Nonsubject imports accounted for a declining share of total U.S. imports during 2011-13, 48.6 percent in 2011, 46.3 percent in 2012, and 43.1 percent in 2013 (table VII-4). According to official Commerce import statistics, China and Taiwan accounted for the great majority of imports from nonsubject countries; 84.5 percent in 2013 while Malaysia accounted for 11.7 percent of nonsubject imports in 2013.

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[10] *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 866, 867 (Fed. Cir. 2008), quoting from Statement of Administrative Action on Uruguay Round Agreements Act, H.R. Rep. 103-316, Vol. I at 851-52; *see also Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006).

[11] Conference transcript, pp. 67-71, (Logan).

[12] Hearing transcript, p. 7 (Waite) and petitioners' postconference brief, exh. 1, p. 5.

[13] Ibid. and petitioners' posthearing brief, exh. 1, pp. 12-13.

[14] During the preliminary phase of these investigations, petitioners alleged that U.S. imports from Malaysia are actually produced in China and transshipped through Malaysia. Conference transcript, pp. 68-70 and Petitioners' postconference brief, exh. 1, pp. 5-6. During the final phase of these investigations, Vulcan said that it visited a major threaded rod manufacturer in Malaysia whose manufacturing operations appeared too small to account for the quantity of U.S. imports from Malaysia. Hearing transcript, pp. 55-56 (Logan).

Table VII-4

Threaded rod: U.S. imports, by subject and major nonsubject supplier, 2011-13

Item	Calendar year		
	2011	2012	2013
	Quantity (1,000 pounds)		
U.S. imports from.--			
India	26,442	20,724	25,785
Thailand	8,401	22,087	20,630
Subtotal, subject sources	34,844	42,810	46,415
China	13,819	19,510	20,081
Taiwan	11,550	10,712	9,631
Malaysia	3,903	3,997	3,487
All other	3,674	2,621	1,946
Subtotal, nonsubject sources	32,945	36,840	35,146
Total U.S. imports	67,789	79,651	81,561
	Value (1,000 dollars)		
U.S. imports from.--			
India	14,690	12,166	14,193
Thailand	4,256	11,099	10,519
Subtotal, subject sources	18,946	23,265	24,712
China	11,458	16,205	16,010
Taiwan	8,085	7,543	6,602
Malaysia	2,727	3,232	3,616
All other	5,042	5,030	3,379
Subtotal, nonsubject sources	27,311	32,009	29,606
Total U.S. imports	46,257	55,275	54,318
	Unit value (dollars per pound)		
U.S. imports from.--			
India	0.56	0.59	0.55
Thailand	0.51	0.50	0.51
Subtotal, subject sources	0.54	0.54	0.53
China	0.83	0.83	0.80
Taiwan	0.70	0.70	0.69
Malaysia	0.70	0.81	1.04
All other	1.37	1.92	1.74
Subtotal, nonsubject sources	0.83	0.87	0.84
Total U.S. imports	0.68	0.69	0.67

[1] Landed, duty paid.

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

Source: Compiled from official Commerce statistics for imports covered by HTS statistical reporting number 7318.15.5056.

According to petitioners, the areas of highest demand for threaded rod are the United States and the European Union where China is the primary source of imports. Asia is not believed to be a major consumer of threaded rod.[15].

[15] Hearing transcript, pp. 86-87 (Logan).

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
78 FR 40170 July 3, 2013	*Certain Steel Threaded Rod From India and Thailand; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2013-07-03/pdf/2013-15968.pdf
78 FR 44526 July 24, 2013	*Steel Threaded Rod From India and Thailand: Initiation of Antidumping Duty Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2013-07-24/pdf/2013-17794.pdf
78 FR 44532 July 24, 2013	*Steel Threaded Rod From India: Initiation of Countervailing Duty Investigation*	http://www.gpo.gov/fdsys/pkg/FR-2013-07-24/pdf/2013-17795.pdf
78 FR 66382 November 5, 2013	*Certain Steel Threaded Rod From India and Thailand*	http://www.gpo.gov/fdsys/pkg/FR-2013-11-05/pdf/2013-26403.pdf
78 FR 56217 September 12, 2013	*Steel Threaded Rod from India: Postponement of Preliminary Determination of Countervailing Duty Investigation*	http://www.gpo.gov/fdsys/pkg/FR-2013-09-12/pdf/2013-22225.pdf
78 FR 71565 November 29, 2013	*Steel Threaded Rod from India: Postponement of Preliminary Determination of Antidumping Duty Investigation*	http://www.gpo.gov/fdsys/pkg/FR-2013-11-29/pdf/2013-28554.pdf
78 FR 76815 December 19, 2013	*Steel Threaded Rod From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*	http://www.gpo.gov/fdsys/pkg/FR-2012-05-10/pdf/2012-11221.pdf
78 FR 79670 December 31, 2013	*Steel Threaded Rod From Thailand: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Preliminary Determination of Critical Circumstances*	http://www.gpo.gov/fdsys/pkg/FR-2013-12-31/pdf/2013-31341.pdf

79 FR 3245 January 17, 2014	*Certain Steel Threaded Rod From India and Thailand; Scheduling of the Final Phase of Countervailing Duty and Antidumping Investigations.*	http://www.gpo.gov/fdsys/pkg/FR-2014-01-17/pdf/2014-00800.pdf
79 FR 9164 February 18, 2014	*Steel Threaded Rod from India: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination*	http://www.gpo.gov/fdsys/pkg/FR-2014-02-18/pdf/2014-03483.pdf
79 FR 14476 March 14, 2014	*Steel Threaded Rod From Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*	http://www.gpo.gov/fdsys/pkg/FR-2014-03-14/pdf/2014-05681.pdf

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: Certain Steel Threaded Rod from India and Thailand

Inv. Nos.: 701-TA-498 and 731-TA-1213-1214 (Final)

Date and Time: March 20, 2014 - 9:30 a.m.

A session was held in connection with these investigations in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

OPENING REMARKS:

Petitioners (**Frederick P. Waite**, Vorys, Sater, Seymour and Pease LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Vorys, Sater, Seymour and Pease LLP
Washington, DC
on behalf of

Vulcan Threaded Products Inc.
All America Threaded Products Inc.
Bay Standard Manufacturing Inc.

William D. Upton, Jr., President, Vulcan Threaded Products Inc.

Alan D. Logan, Vice President, Operations, Vulcan Threaded Products Inc.

Brent Jenkins, Sales and Marketing Analyst, Vulcan Threaded Products Inc.

Timothy P. Broderick, Senior Vice President, All America Threaded Products Inc.

Greg Iverson, President, Bay Standard Manufacturing Inc.

In Support of the Imposition of

Antidumping and Countervailing Duty Orders (continued):

Robert Rodgers, National Account Sales Manager, Bay Standard Manufacturing Inc.

Dr. Patrick Magrath, President, Magrath & Otis, LLC

Frederick P. Waite)
) – OF COUNSEL
Kimberly R. Young)

CLOSING REMARKS:

Petitioners (**Frederick P. Waite**, Vorys, Sater, Seymour and Pease LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Threaded Rod: Summary data concerning the U.S. market, 2011-13
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Report data			Period changes		
	Calendar year			Calendar year		
	2011	2012	2013	2011-13	2011-12	2012-13
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
India	***	***	***	***	***	***
Thailand	***	***	***	***	***	***
Subject, subtotal	***	***	***	***	***	***
China	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
All others sources, nonsubject	***	***	***	***	***	***
Nonsubject, subtotal	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
India	***	***	***	***	***	***
Thailand	***	***	***	***	***	***
Subject, subtotal	***	***	***	***	***	***
China	***	***	***	***	***	***
Malaysia	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
All others sources, nonsubject	***	***	***	***	***	***
Nonsubject, subtotal	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
India:						
Quantity	26,442	20,724	25,785	(2.5)	(21.6)	24.4
Value	14,690	12,166	14,193	(3.4)	(17.2)	16.7
Unit value	$0.56	$0.59	$0.55	(0.9)	5.7	(6.2)
Ending inventory quantity	4,313	3,718	5,323	(2)	(2)	(2)
Thailand:						
Quantity	8,401	22,087	20,630	145.6	162.9	(6.6)
Value	4,256	11,099	10,519	147.1	160.8	(5.2)
Unit value	$0.51	$0.50	$0.51	0.6	(0.8)	1.5
Ending inventory quantity	2,870	7,864	10,794	(2)	(2)	(2)
Subtotal, Subject:						
Quantity	34,844	42,810	46,415	33.2	22.9	8.4
Value	18,946	23,265	24,712	30.4	22.8	6.2
Unit value	$0.54	$0.54	$0.53	(2.1)	(0.1)	(2.0)
Ending inventory quantity	7,183	11,582	16,117	(2)	(2)	(2)
China:						
Quantity	13,819	19,510	20,081	45.3	41.2	2.9
Value	11,458	16,205	16,010	39.7	41.4	(1.2)
Unit value	$0.83	$0.83	$0.80	(3.8)	0.2	(4.0)
Ending inventory quantity	3	38	210	(2)	(2)	(2)
Malaysia:						
Quantity	11,550	10,712	9,631	(16.6)	(7.3)	(10.1)
Value	8,085	7,543	6,602	(18.3)	(6.7)	(12.5)
Unit value	0.70	0.70	0.69	(2.1)	0.6	(2.7)
Ending inventory quantity	(3)	(3)	(3)	(3)	(3)	(3)
Taiwan:						
Quantity	3,903	3,997	3,487	(10.6)	2.4	(12.7)
Value	2,727	3,232	3,616	32.6	18.5	11.9
Unit value	$0.70	$0.81	$1.04	48.4	15.8	28.2
Ending inventory quantity	4,860	5,638	4,617	(2)	(2)	(2)
All other sources:						
Quantity	3,674	2,621	1,946	(47.0)	(28.7)	(25.8)
Value	5,042	5,030	3,379	(33.0)	(0.2)	(32.8)
Unit value	$1.37	$1.92	$1.74	26.5	39.8	(9.5)
Ending inventory quantity	1,770	1,600	1,540	(2)	(2)	(2)
Subtotal, Nonsubject sources						
Quantity	32,945	36,840	35,146	6.7	11.8	(4.6)
Value	27,311	32,009	29,606	8.4	17.2	(7.5)
Unit value	$0.83	$0.87	$0.84	1.6	4.8	(3.0)
Ending inventory quantity	6,633	7,276	6,367	(2)	(2)	(2)
Total imports:						
Quantity	67,789	79,651	81,561	20.3	17.5	2.4
Value	46,257	55,275	54,318	17.4	19.5	(1.7)
Unit value	$0.68	$0.69	$0.67	(2.4)	1.7	(4.0)
Ending inventory quantity	13,816	18,858	22,484	(2)	(2)	(2)
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***	***
Unit labor costs ($ per 1,000 pounds)	***	***	***	***	***	***
Net Sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit of (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***

Notes:

(1).--Report data are in percent and period changes are in percentage points.
(2).--Undefined.
(3)--Not available
Source: Compiled from data submitted in response to Commission questionnaires and from statistics of the U.S. Department of Commerce.

C-3

Table C-2 is confidential in its entirety.

APPENDIX D

NONSUBJECT COUNTRY PRICE DATA

Four importers reported price data for nonsubject countries China and Taiwan for products 1-6 in Part V of this report. Price data reported by these firms accounted for less than *** percent of U.S. imports from China and *** percent of U.S. imports from Taiwan. These data were collected on the same basis as those presented in tables V-3 to V-8. Price and quantity data for China and Taiwan are shown in tables D-1 to D-6 and in figure D-1 (with domestic and subject sources).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from China and Taiwan were lower than prices for U.S.-produced product in 46 instances and higher in 35 instances. In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from nonsubject countries were lower than prices for product imported from subject countries in 100 instances and higher in 60 instances.

Table D-1

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 1[1], by quarters, January 2011-December 2013

* * * * * * *

Table D-2

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 2[1], by quarters, January 2011-December 2013

* * * * * * *

Table D-3

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 3[1], by quarters, January 2011-December 2013

* * * * * * *

Table D-4

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 4[1], by quarters, January 2011-December 2013

* * * * * * *

Table D-5

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 5[1], by quarters, January 2011-December 2013

* * * * * * *

Table D-6

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 6[1], by quarters, January 2011-December 2013

* * * * * * *

Figure D-1

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2011-December 2013

* * * * * * *

APPENDIX E

ITOCHU AND FASTENAL PRICE DATA

Table E-1

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 1[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-2

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 2[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-3

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 3[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-4

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 4[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-5

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 5[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-6

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 6[1] for Itochu/Prime Source, by quarters, January 2011-December 2013

* * * * * * *

Table E-7

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 1[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *

Table E-8

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 2[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *

Table E-9

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 3[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *

Table E-10

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 4[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *

Table E-11

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 5[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *

Table E-12

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 6[1] for Fastenal, by quarters, January 2011-December 2013

* * * * * * *