

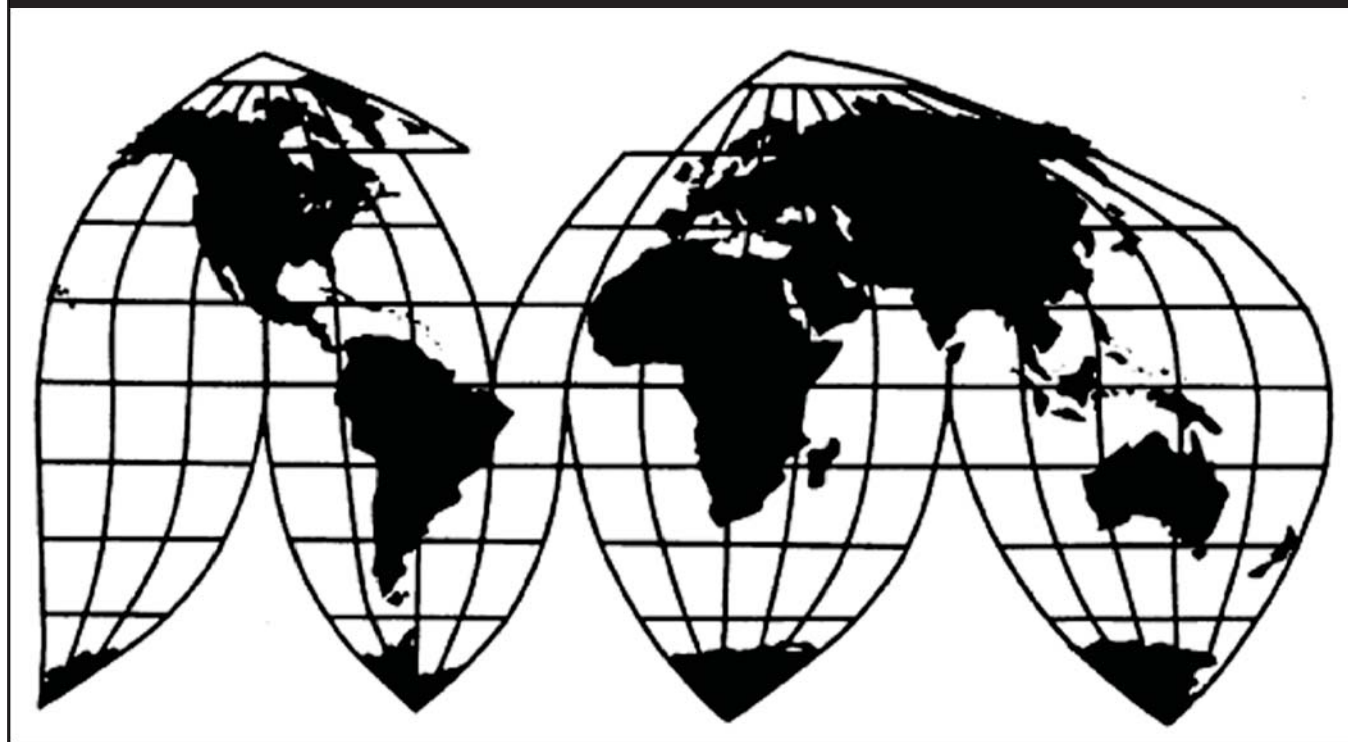
# **CERTAIN KITCHEN APPLIANCE SHELVING AND RACKS FROM CHINA**

Investigation Nos. 701-TA-458 and 731-TA-1154 (Review)

**Publication 4520**

**February 2015**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-458 and 731-TA-1154 (Review)

CERTAIN KITCHEN APPLIANCE SHELVING AND RACKS FROM CHINA

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the existing antidumping and countervailing duty orders on certain kitchen appliance shelving and racks from China would be likely to lead to continuation or recurrence of material injury to a U.S. industry producing refrigeration shelving and a U.S. industry producing oven racks within a reasonably foreseeable time.

### BACKGROUND

The Commission instituted these reviews on August 1, 2014 (79 F.R. 44862) and determined on November 4, 2014 that it would conduct expedited reviews (79 F.R. 69525, November 21, 2014).

The Commission completed and filed its determinations in these reviews on February 24, 2015. The views of the Commission are contained in USITC Publication 4520 (February 2015), entitled *Certain Kitchen Appliance Shelving and Racks from China: Investigation Nos. 701-TA-458 and 731-TA-1154 (Review)*.

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





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### **Views of the Commission**

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on certain kitchen appliance shelving and racks (“KASAR”) from China would be likely to lead to continuation or recurrence of material injury to a U.S. industry producing certain refrigeration shelving and baskets for refrigerators, freezers, combination refrigerator/freezers, and other refrigerating or freezing equipment (“refrigeration shelving”) and a U.S. industry producing certain oven racks, side racks, and subframes for cooking stoves, ranges, and ovens (“oven racks”) within a reasonably foreseeable time.

#### **I. Background**

##### **A. Procedural Background**

**Original Determinations:** On July 31, 2008, Nashville Wire Products, Inc. (“Nashville Wire”), SSW Holding Company, Inc. (“SSW”), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, and the International Association of Machinists and Aerospace Workers, District Lodge 6 filed antidumping and countervailing duty petitions regarding imports of certain KASAR from China.<sup>1</sup> In the original investigations, the Commission defined two domestic like products corresponding to the imported KASAR within Commerce’s scope: (1) refrigeration shelving and (2) oven racks.<sup>2</sup> The Commission defined two corresponding domestic industries.<sup>3</sup> In August 2009, the Commission made affirmative material injury determinations regarding imports of refrigeration shelving from China and affirmative threat of material injury determinations regarding imports of oven racks from China.<sup>4</sup> Commerce issued antidumping

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<sup>1</sup> *Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Pub. 4098 at 1 (Aug. 2009); Confidential Original Views, EDIS doc. no. 543161 at 1.

<sup>2</sup> Confidential Original Views at 2-7; USITC Pub. 4098 at 5-7.

<sup>3</sup> Confidential Original Views at 7; USITC Pub. 4098 at 7.

<sup>4</sup> USITC Pub. 4098 at 3-7, 13-29; Confidential Original Views, at 2-7, 19-41 (Vice Chairman Pinkert and Commissioners Williamson, Aranoff, and Lane voted in the affirmative with respect to both industries; Commissioner Pearson joined them with respect to certain refrigeration shelving but made a negative determination with respect to certain oven racks; and Commissioner Okun was recused).

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and countervailing duty orders on these imports from China on September 14, 2009.<sup>5</sup> The Commission's original determinations were not litigated.<sup>6</sup>

*Current reviews.* On August 1, 2014, the Commission instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on KASAR from China would be likely to lead to the continuation or recurrence of material injury to the domestic industry.<sup>7</sup> No respondent interested party responded to this notice. On November 4, 2014, the Commission determined to conduct expedited five-year reviews of the orders pursuant to section 751(c)(3)(b) of the Tariff Act (19 U.S.C. § 1675(c)(3)(b)).<sup>8</sup>

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<sup>5</sup> 74 Fed. Reg. 46971 (Sept. 14, 2009) (antidumping duty order); 74 Fed. Reg. 46973 (Sept. 14, 2009) (countervailing duty order).

<sup>6</sup> Commerce's final countervailing duty determinations regarding KASAR and several other products imported from China are the subject of a report issued by the World Trade Organization Appellate Body. These proceedings involved various issues, including the treatment of certain state-owned enterprises as public bodies; the use of facts available; and the initiation of certain subsidy investigations. *United States – Countervailing Measures on Certain Products from China*, WT/DS437/AB/R (Dec. 18, 2014) (adopted Jan. 16, 2015). Separately, Commerce's final antidumping and countervailing duty determinations regarding KASAR and several other products imported from China are the subject of a different Appellate Body report concerning the concurrent application of antidumping and countervailing duty measures on imports from China. The United States has indicated its intent to implement the related recommendations and rulings of the Appellate Body in *United States – Countervailing and Antidumping Duty Measures on Certain Products from China*, WT/DS449 (Jul. 7, 2014) (adopted Jul. 22, 2014).

<sup>7</sup> 79 Fed. Reg. 44862 (Aug. 1, 2014); *see also* 79 Fed. Reg. 44743 (Aug. 1, 2014) (Commerce's notice of initiation of five-year reviews); Confidential Report, Memorandum OINV-MM-108 (Oct. 23, 2014) ("CR") at I-1; Public Report, *Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Review), USITC Pub. 4520 (Feb. 2015) ("PR") at I-1.

<sup>8</sup> With respect to refrigeration shelving, the Commission received a joint response to the notice of institution from Nashville Wire and SSW. It found the individual response of each of these domestic producers to be adequate. With respect to oven racks, the Commission received a joint response to the notice of institution from Nashville Wire and SSW. The Commission found the individual response of each of these domestic producers to be adequate. Because these producers collectively accounted for a substantial portion of U.S. refrigeration shelving and U.S. oven rack production, the Commission further determined that the domestic interested party group response was adequate.

The Commission did not receive a response to the notice of institution from any respondent interested party. The Commission determined that the respondent interested party group response was inadequate with respect to each of the orders under review.

The Commission did not find any circumstances that would warrant conducting full reviews with respect to KASAR. The Commission, therefore, determined to conduct expedited reviews of the orders. *See Explanation of Commission Determinations on Adequacy in Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Review), EDIS Doc. No. 551255.

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### **B. Participants and Data in the Current Reviews**

***Parties to the Investigations.*** In these reviews, U.S. KASAR producers Nashville Wire and SSW (collectively “domestic interested parties”), two of the petitioners in the original investigations, submitted a joint response to the notice of institution, comments on adequacy, and final comments supporting affirmative determinations.<sup>9</sup> No respondent interested party participated in these reviews.

***Data/Response Coverage.*** U.S. industry data are based on information submitted by Nashville Wire and SSW. They estimate that they accounted for \*\*\* percent of U.S. refrigeration shelving production and \*\*\* percent of U.S. oven racks production in 2013.<sup>10</sup> KASAR is currently imported under Harmonized Tariff Schedule of the United States (“HTSUS”) statistical reporting numbers 7321.90.5000, 7321.90.6040, 7321.90.6060, 7321.90.6090, 8418.99.8050, 8418.99.8060, 8516.90.8010, and 8516.90.8050, most of which are “basket” categories that encompass products other than certain KASAR.<sup>11</sup> U.S. import data and related information are based on estimates provided by domestic interested parties as well as other available information from the original investigations and current reviews.<sup>12</sup> Foreign industry data and related information are based on information from the original investigations and information reported by domestic interested parties in these reviews.<sup>13</sup>

## **II. Domestic Like Product and Domestic Industry**

### **A. Domestic Like Product**

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>14</sup> The Tariff Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics

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<sup>9</sup> Domestic Interested Parties’ Response to Notice of Institution at 16.

<sup>10</sup> CR at I-14 to I-16; PR at I-9 to I-10; CR/PR at Table I-4 (refrigeration shelving), Table I-5 (oven racks).

<sup>11</sup> In the original investigations, the Commission relied on importer questionnaire data for imports from subject and nonsubject sources because official import statistics corresponded to “basket” categories containing numerous non-KASAR products. Confidential Original Views at 19 at n.86; USITC Pub. 4098 at 16 n.86.

<sup>12</sup> CR at I-19; PR at I-14; CR/PR at Table I-6.

<sup>13</sup> CR at I-27 to I-28; PR at I-20; CR/PR at Tables VII-2 to VII-4.

<sup>14</sup> 19 U.S.C. § 1677(4)(A).

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and uses with, the article subject to an investigation under this subtitle.”<sup>15</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.<sup>16</sup>

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

shelving and racks for refrigerators, freezers, combined refrigerator-freezers, other refrigerating or freezing equipment, cooking stoves, ranges, and ovens ("certain kitchen appliance shelving and racks" or "the merchandise under order"). Certain kitchen appliance shelving and racks are defined as shelving, baskets, racks (with or without extension slides, which are carbon or stainless steel hardware devices that are connected to shelving, baskets, or racks to enable sliding), side racks (which are welded wire support structures for oven racks that attach to the interior walls of an oven cavity that does not include support ribs as a design feature), and subframes (which are welded wire support structures that interface with formed support ribs inside an oven cavity to support oven rack assemblies utilizing extension slides) with the following dimensions:

- shelving and racks with dimensions ranging from 3 inches by 5 inches by 0.10 inch to 28 inches by 34 inches by 6 inches; or
- baskets with dimensions ranging from 2 inches by 4 inches by 3 inches to 28 inches by 34 inches by 16 inches; or
- side racks from 6 inches by 8 inches by 0.1 inch to 16 inches by 30 inches by 4 inches; or

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<sup>15</sup> 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>16</sup> *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

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--subframes from 6 inches by 10 inches by 0.1 inch to 28 inches by 34 inches by 6 inches.

The merchandise under order is comprised of carbon or stainless steel wire ranging in thickness from 0.050 inch to 0.500 inch and may include sheet metal of either carbon or stainless steel ranging in thickness from 0.020 inch to 0.200 inch. The merchandise under order may be coated or uncoated and may be formed and/or welded. Excluded from the scope of the order is shelving in which the support surface is glass.<sup>17</sup>

In its preliminary determinations in the original investigations, the Commission defined two domestic like products corresponding to the imported merchandise within Commerce's scope: refrigeration shelving and oven racks.<sup>18</sup> In the final phase of the original investigations, no party contested this finding. Based on the record, the Commission again found two domestic like products.<sup>19</sup>

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<sup>17</sup> Commerce explained that the merchandise subject to the orders is currently classifiable under HTSUS statistical reporting numbers 8418.99.8050, 8418.99.8060, 7321.90.5000, 7321.90.6090, 8516.90.8000 and 8419.90.9520 but that the written description of the scope of the order is dispositive. *See, e.g.*, 79 Fed. Reg. 73029, 73030 (Dec. 9, 2014) (countervailing duty) (citing Issues and Decision Memorandum in Case No. C-570-942 from Gary Taverman, Associate DAS for AD & CVD Operations to Paul Piquado, Assistant Secretary for Enforcement & Compliance, U.S. Department of Commerce, International Trade Administration (Dec. 1, 2014)); 79 Fed. Reg. 67423 (Nov. 13, 2014) (antidumping duty) (citing Issues and Decision Memorandum in Case No. A-570-941 from Christian Marsh, DAS for AD & CVD Operations to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement & Compliance, U.S. Department of Commerce, International Trade Administration (Nov. 4, 2014)).

<sup>18</sup> *Certain Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Preliminary), USITC Pub. 4035 at 4-11 (Sept. 2008). In the preliminary phase of the original investigations, respondents GE and Whirlpool argued in favor of a single like product consisting of "all wire kitchen appliance shelving and cooking racks, defined as shelving and racks made from carbon or stainless steel wire for refrigerators, refrigerated display case freezers, refrigerator-freezers, cook-tops, ranges, ovens and grills, regardless of whether such wire shelving and cooking racks are intended for use in commercial or residential equipment" and one corresponding domestic industry. In its preliminary determinations in the original investigations, the Commission stated that "should Respondents wish to argue for an expansion of the domestic like product to include products outside of the scope in the final phase investigations, we ask them to identify the specific products for expansion in their written comments to the Commission's questionnaires." USITC Pub. 4035 at 10 n.43. GE and Whirlpool did not submit comments regarding draft questionnaires, appear at the hearing, or submit a posthearing brief, and in their prehearing brief in the original investigations, they did not comment on the domestic like product issue. Confidential Original Views at 4 n.14; USITC Pub. 4098 at 5 n.14.

<sup>19</sup> As the Commission explained, despite certain physical similarities, refrigeration shelving and oven racks have different uses. Manufacturers apply different coatings to them because the function of (Continued...)

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In their response to the notice of institution in these reviews, domestic interested parties did not comment on the domestic like product definition and submitted separate trade and financial data on refrigeration shelving and oven racks. In their final comments, they asked the Commission to find two domestic like products, as in the original determinations.<sup>20</sup> The record of these reviews contains no information that would suggest a reconsideration of the domestic like product definition.<sup>21</sup> We thus define two domestic like products consisting of refrigeration shelving and oven racks corresponding to the products within the scope of the reviews for the same reasons articulated in the original determinations.

### **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>22</sup>

In the original investigations, the Commission defined two domestic industries: (1) U.S. producers of refrigeration shelving and (2) U.S. producers of oven racks.<sup>23</sup> Consistent with our determinations regarding the domestic like product definitions, we define two corresponding domestic industries: the refrigeration shelving industry and the oven racks industry.

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(...Continued)

the appliances in which they are used differs, which precludes interchangeability. Refrigeration shelving and oven racks are made in separate manufacturing facilities, using different employees and equipment. Moreover, customers have their own separate, dedicated facilities for assembling or manufacturing the two types of appliances into which the refrigeration shelving and oven racks are incorporated. The Commission concluded that this lack of overlap, as well as the lack of interchangeability between the products, supported the argument that customers perceived them to be different products. Confidential Original Views at 4-7; USITC Pub. 4098 at 5-7.

<sup>20</sup> Domestic Interested Parties’ Response to the Notice of Institution at 3-4; Domestic Interested Parties’ Final Comments at 3.

<sup>21</sup> CR at I-4, I-6 to I-8; PR at I-2, I-3 to I-4; Domestic Interested Parties’ Final Comments at 3.

<sup>22</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677. 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.

<sup>23</sup> Confidential Original Views at 7; USITC Pub. 4098 at 7.

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The record in these expedited reviews does not indicate that any U.S. producer of refrigeration shelving or oven racks is a related party.<sup>24</sup> We consequently define the domestic refrigeration shelving industry to include all domestic producers of refrigeration shelving and the domestic oven racks industry to include all domestic producers of oven racks.

### **III. Revocation of the Antidumping and Countervailing Duty Orders on KASAR Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

#### **A. Legal Standards**

In five-year reviews conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>25</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the *status quo* – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>26</sup> Thus, the likelihood standard is prospective in nature.<sup>27</sup> The U.S. Court of International Trade has found that

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<sup>24</sup> CR at I-16; PR at I-11. In the original investigations, no U.S. producer of refrigeration shelving was a related party. Oven rack producers \*\*\* and \*\*\* were related parties by virtue of their imports of subject merchandise from China, but the Commission did not find appropriate circumstances existed to exclude either firm. Confidential Original Views at 7-8 at n.28; USITC Pub. 4098 at 7-8 n.28.

<sup>25</sup> 19 U.S.C. § 1675a(a).

<sup>26</sup> SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>27</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

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“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>28</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>29</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>30</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>31</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>32</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>33</sup>

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<sup>28</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>29</sup> 19 U.S.C. § 1675a(a)(5).

<sup>30</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>31</sup> 19 U.S.C. § 1675a(a)(1).

<sup>32</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. CR at I-11; PR at I-6.

<sup>33</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.



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In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>34</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>35</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>36</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>37</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to

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<sup>34</sup> 19 U.S.C. § 1675a(a)(2).

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

<sup>36</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>37</sup> 19 U.S.C. § 1675a(a)(4).

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which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>38</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the refrigeration shelving and oven racks industries in China. There also is limited information on the refrigeration shelving and oven racks markets in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these first five-year reviews.

### **B. Refrigeration Shelving**

#### **1. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>39</sup> The following conditions of competition, several of which also existed during the original investigations, inform our determinations regarding the U.S. refrigeration shelving market in these reviews.

##### **a. Demand Conditions**

During the original investigations, the Commission found that demand for refrigeration shelving, which was closely related to the U.S. housing market, had declined between 2006 and 2008 due to housing market declines and the economic recession.<sup>40</sup> In the current reviews, refrigeration shelving continues to be used by original equipment manufacturers (“OEMs”) of residential and recreational vehicle refrigerators, freezers, and refrigeration/freezers.<sup>41</sup>

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<sup>38</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>39</sup> 19 U.S.C. § 1675a(a)(4).

<sup>40</sup> Apparent U.S. consumption of refrigeration shelving declined steadily from \*\*\* units in 2006 to \*\*\* units in 2007 and \*\*\* units in 2008, an overall decline of \*\*\* percent. Confidential Original Views at 15-16; USITC Pub. 4098 at 13-14.

<sup>41</sup> CR at I-7; PR at I-4.

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According to estimates provided by domestic interested parties, apparent U.S. consumption of refrigeration shelving was \*\*\* units in 2013.<sup>42</sup>

### **b. Supply Conditions**

During the original investigations, there were four known U.S. refrigeration shelving producers (Nashville Wire; SSW; Matrix Wire Inc. (“Matrix Wire”); and \*\*\*).<sup>43</sup> The two petitioning firms (Nashville Wire and SSW) accounted for \*\*\* percent of reported U.S. production in 2008.<sup>44</sup> Since then, the domestic industry has undergone some restructuring. Nashville Wire purchased Matrix Wire in December 2012.<sup>45</sup> SSW closed its KASAR plant in Fort Smith, Arkansas in early 2011 following the shutdown of a nearby Whirlpool refrigerator production facility.<sup>46</sup> \*\*\*.<sup>47</sup> Two new entrants, Archer Wire and Latitude Corp., began producing refrigeration shelving since the original investigations.<sup>48</sup> Of the five U.S. firms currently manufacturing refrigeration shelving, two – Nashville Wire (\*\*\* percent of U.S. production in 2013) and SSW (\*\*\* percent of U.S. production) – provided information in these reviews.<sup>49</sup>

The U.S. refrigeration shelving industry had production capacity that exceeded apparent U.S. consumption throughout the January 2006 to March 2009 period of investigation (“POI”) and had \*\*\* unused production capacity.<sup>50</sup> The two participating U.S. producers in these reviews reported combined production capacity of \*\*\* units in 2013, a level that exceeded their estimate of \*\*\* units of apparent U.S. consumption of refrigeration shelving in that year.<sup>51</sup> Domestic interested parties continued to report excess capacity to produce refrigeration shelving in 2013.<sup>52</sup>

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<sup>42</sup> Derived from CR/PR at Table I-4 (U.S. shipments by domestic industry), Table I-6 (imports of refrigeration shelving from China and all other sources).

<sup>43</sup> CR at I-14; PR at I-9.

<sup>44</sup> CR at I-14; PR at I-9 to I-0.

<sup>45</sup> CR at I-15; PR at I-10.

<sup>46</sup> CR at I-15; PR at I-10.

<sup>47</sup> CR at I-15; PR at I-10.

<sup>48</sup> CR at I-15; PR at I-10.

<sup>49</sup> CR at I-14; PR at I-10. Non-participating firms reportedly accounted for smaller shares of U.S. production in 2013. These were Archer Wire (\*\*\* percent), Latitude Corp. (\*\*\* percent), and Mid-West Wire Products (\*\*\* percent). CR at I-14 to I-15; PR at I-9 to I-10.

<sup>50</sup> Confidential Original Views at 16; USITC Pub. 4098 at 14.

<sup>51</sup> Derived from CR/PR at Tables I-4, I-6.

<sup>52</sup> Nashville Wire and SSW collectively reported production of \*\*\* units and production capacity of \*\*\* units in 2013. CR/PR at Table I-4.

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The share of the U.S. refrigeration shelving market held by subject imports from China during the original investigations ranged from \*\*\* percent to \*\*\* percent.<sup>53</sup> Subject producers in China continued to export to the United States after imposition of the orders, and by 2013, they held approximately \*\*\* percent of apparent U.S. consumption of refrigeration shelving.<sup>54</sup>

Nonsubject imports accounted for \*\*\* percent or less of apparent U.S. consumption of refrigeration shelving during the original investigations.<sup>55</sup> In 2013, they accounted for approximately \*\*\* percent of the U.S. market.<sup>56</sup>

### **c. Substitutability**

In the original investigations, the Commission found that once producers were qualified by OEMs to manufacture refrigeration shelving that met specific design requirements, there was a high degree of interchangeability among products made in the United States and China.<sup>57</sup> All reporting U.S. producers and importers and one purchaser reported the domestic like product to be always interchangeable with subject merchandise, whereas one purchaser reported that the two sources were never interchangeable.<sup>58</sup> The Commission found that price was an important consideration in purchasing decisions, but not the only consideration.<sup>59</sup>

In the current reviews, domestic interested parties argue that there are multiple OEM-qualified producers in China, products made in China by qualified producers are highly interchangeable with the domestic like product, and price continues to be the predominant factor driving purchases.<sup>60</sup> There is nothing on the current record indicating that the substitutability between refrigeration shelving made in China and in the United States has changed since the original investigations. Accordingly, we again find a high degree of substitutability between refrigeration shelving made in the United States and China.

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

*Original investigations:* During the original investigations, apparent U.S. consumption declined \*\*\* percent between 2006 and 2008, but the absolute volume of subject imports of

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<sup>53</sup> CR/PR at Table C-2.

<sup>54</sup> Derived from CR/PR at Table I-4, I-6.

<sup>55</sup> Confidential Original Views at 17; USITC Pub. 4098 at 14.

<sup>56</sup> Derived from CR/PR at Table I-4, I-6.

<sup>57</sup> Confidential Original Views at 18; USITC Pub. 4098 at 15.

<sup>58</sup> Confidential Original Views at 18; USITC Pub. 4098 at 15.

<sup>59</sup> Confidential Original Views at 18-19; USITC Pub. 4098 at 15.

<sup>60</sup> Domestic Interested Parties' Final Comments at 4.

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refrigeration shelving increased \*\*\* percent.<sup>61</sup> Subject imports gained \*\*\* percentage points of market share, which the Commission determined came \*\*\* at the domestic industry's expense.<sup>62</sup> The ratio of subject imports to domestic production also increased significantly, from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008.<sup>63</sup> On this basis, the Commission found that the volume of subject imports of refrigeration shelving was significant, both in absolute terms and relative to apparent U.S. consumption and production in the United States, and that the increase in subject import volume and market share was also significant.<sup>64</sup>

*Current reviews:* In the current reviews, the available information indicates that the antidumping and countervailing duty orders have had a disciplining effect on the volume of subject imports of refrigeration shelving from China. The volume of subject imports of refrigeration shelving from China in the U.S. market in 2013 is appreciably lower than in 2009 and during the original investigations.<sup>65</sup> As further support that the orders had restraining effects on the volume of subject imports from China, \*\*\*.<sup>66</sup>

In the original investigations, the Commission sent questionnaires to 12 possible producers/exporters of subject merchandise in China, and exports from the six responding foreign producers accounted for more than \*\*\* percent of U.S. imports of KASAR reported by U.S. importers of KASAR from China in 2008.<sup>67</sup> These producers collectively reported excess capacity throughout the original investigations.<sup>68</sup> Although the industry in China increased its capacity utilization between 2006 and 2008, it did so by increasing its exports to the United States.<sup>69</sup> The industry in China was export oriented throughout the original investigations, and

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<sup>61</sup> The volume of subject imports declined from \*\*\* units in 2006 to \*\*\* units in 2007 and then increased to \*\*\* units in 2008. Confidential Original Views at 19-20; USITC Pub. 4098 at 16.

<sup>62</sup> Confidential Original Views at 16; USITC Pub. 4098 at 16. Subject imports' market share increased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. CR/PR at Table C-2.

<sup>63</sup> Confidential Original Views at 20; USITC Pub. 4098 at 16.

<sup>64</sup> Confidential Original Views at 19-20; USITC Pub. 4098 at 16.

<sup>65</sup> CR/PR at Table I-6 (indicating that the volume of subject imports from China was \*\*\* units in 2009 and \*\*\* units in 2013; it was between \*\*\* units and \*\*\* units during the POI). CR/PR at Table I-6, Table C-2.

<sup>66</sup> Domestic Interested Parties' Final Comments at 6-7; CR at D-4, D-6; PR at I-4, I-6.

<sup>67</sup> The responding producers of refrigeration shelving in China included Guangdong Wireking; Jiangsu Weixi Group Co.; Marmon Retail Services Asia; and Yuyao Hanjun. CR at I-27; PR at I-20.

<sup>68</sup> Refrigeration shelving production capacity was \*\*\* units in 2006, \*\*\* units in 2007, and \*\*\* units in 2008, while production was only \*\*\* units in 2006, \*\*\* units in 2007, and \*\*\* units in 2008. CR/PR at Table VII-3. Some of the producers in China reported manufacturing other products using the same equipment and machinery as used to manufacture refrigeration shelving. CR at I-27 at n.54; PR at I-20.

<sup>69</sup> Capacity utilization for refrigeration shelving increased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. Exports to the United States as a share of the industry in (Continued...)

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exports to the United States constituted the largest share of its shipments between 2006 and 2008.<sup>70</sup>

No foreign producer or exporter of refrigeration shelving participated in these expedited reviews. Nonetheless, domestic interested parties report the existence of a number of firms in China that are allegedly involved in producing and/or exporting subject merchandise. Based on information from subject producers/exporters' websites, domestic interested parties report that producers in China supply the full range of products, have massive production capacity and excess capacity, and remain export oriented.<sup>71</sup> Moreover, according to domestic interested parties, since the original investigations, Commerce determined that producers in China benefitted from additional prohibited export subsidy programs.<sup>72</sup> The information available in these reviews consequently indicates that the refrigeration shelving industry in China maintains the excess capacity and export orientation that characterized the original POI.

The United States remains an attractive market to the industry in China. Subject imports of refrigeration shelving from China have remained in the U.S. market after imposition of the orders, although in lower volumes than during the original investigations.<sup>73</sup>

In light of these considerations, we find that subject producers in China are likely, absent the restraining effects of the orders, to direct substantial and increasing volumes of refrigeration shelving to the U.S. market, as they did during the original investigations. We find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.

### **3. Likely Price Effects**

*Original investigations:* In the original investigations, the Commission found the domestic like product was highly interchangeable with subject imports and that price was an

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China's total shipments of refrigeration shelving increased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. CR/PR at Table VII-3.

<sup>70</sup> Exports accounted for \*\*\* percent of the Chinese industry's total shipments in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008, and exports to the United States as a share of its total refrigeration shelving shipments were \*\*\* percent in 2007 and \*\*\* percent in 2008. CR/PR at Table VII-3.

<sup>71</sup> Domestic Interested Parties' Final Comments at 7-8.

<sup>72</sup> Domestic Interested Parties' Response to the Notice of Institution at 9.

<sup>73</sup> CR/PR at Table I-6 (indicating that the volume of refrigeration shelving imports from China was \*\*\* units in 2009 and \*\*\* units in 2013 and between \*\*\* units and \*\*\* units during the POI). CR/PR at Table I-6, Table C-2.

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important consideration in purchasing decisions.<sup>74</sup> The Commission collected quarterly data on U.S. f.o.b. sales prices for seven refrigeration shelving products, but there were no pricing data that allowed direct comparisons between domestic f.o.b. sales prices and importer f.o.b. sales prices for subject merchandise.<sup>75</sup> Accordingly, the Commission compared prices charged to purchasers for delivered subject merchandise with prices charged to purchasers for delivered domestic like product.<sup>76</sup> Even these comparisons were limited to only three of the seven pricing products and involved nine quarterly comparisons, due mainly to the highly concentrated nature of the industry (two U.S. producers accounting for about 90 percent of sales and three OEM purchasers accounting for about 90 percent of all purchases).<sup>77</sup> The Commission found significant underselling because subject imports undersold the domestic like product \*\*\* of the available comparisons.<sup>78</sup> The Commission pointed to confirmed lost sales data and a purchaser's testimony that it switched to subject imports based on price to support this finding.<sup>79</sup> Observing that underselling by subject imports "contributed significantly" to subject imports' market share gains at the domestic industry's expense, the Commission concluded that subject imports had significant adverse effects on domestic prices during the POI.<sup>80</sup>

*Current reviews:* As indicated above, in these reviews, we continue to find that subject imports from China are highly substitutable for refrigeration shelving manufactured in the United States and that price is an important factor in purchasing decisions. The record does not contain current pricing comparisons due to the failure of respondent interested parties to participate and the expedited nature of these reviews. We find that the significant underselling observed during the original investigations would likely recur if the orders were revoked. Given

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<sup>74</sup> Confidential Original Views at 32; USITC Pub. 4098 at 16.

<sup>75</sup> Confidential Original Views at 20-21; USITC Pub. 4098 at 17.

<sup>76</sup> The Commission had also collected quarterly data on delivered import prices, delivered U.S. purchase prices, and delivered Chinese purchase prices. Confidential Original Views at 21; USITC Pub. 4098 at 17.

<sup>77</sup> Moreover, because refrigeration shelving is designed to meet specific OEM kitchen appliance producers' requirements for specific models, the seven pricing products collectively accounted for only a small percentage of total sales. Confidential Original Views at 21; USITC Pub. 4098 at 17.

<sup>78</sup> Confidential Original Views at 21; USITC Pub. 4098 at 17.

<sup>79</sup> Confidential Original Views at 20, 22; USITC Pub. 4098 at 16, 18. The Commission, however, found that subject imports did not depress prices of the domestic like product to a significant degree, because domestic prices were higher at the end of the POI than at the beginning for six of the seven pricing products. The Commission also found that subject imports did not suppress prices of the domestic like product to a significant degree because the domestic industry's cost of goods sold ("COGS") to net sales ratio was stable from 2006 through 2008, although it acknowledged that the ratio reached its highest point in interim 2009 at the peak of subject import market penetration. Confidential Original Views at 22; USITC Pub. 4098 at 17-18.

<sup>80</sup> Confidential Original Views at 22-23; USITC Pub. 4098 at 18.

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subject imports' continued presence in the U.S. market and our finding of a likely significant volume of subject imports in the event of revocation, we conclude that the likely significant volume of subject imports of refrigeration shelving from China would again undersell the domestic like product to a significant degree to gain market share, and as discussed below, would likely significantly impact the domestic industry's condition if the orders were revoked.

### **4. Likely Impact<sup>81</sup>**

*Original investigations:* In the original investigations, the Commission found that the domestic industry's trade and financial indicators declined throughout the POI, particularly in 2008 and interim 2009.<sup>82</sup> Its market share declined from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008, and its U.S. shipments and net sales quantities also declined by \*\*\* percent and \*\*\* percent respectively during this period.<sup>83</sup> The domestic industry's production and capacity also declined \*\*\*, and its capacity utilization fell from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. A number of employment-related indicators also declined each year of the POI.<sup>84</sup> The domestic industry's net sales values declined, and it had \*\*\* operating income and operating margins throughout the POI.<sup>85</sup>

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<sup>81</sup> Under the statute, "the Commission may consider the magnitude of the margin of dumping" in making its five-year review determinations. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv); *see also* SAA at 887. In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.99 percent. As a result of its expedited review of the countervailing duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of subsidies at weighted average rates of 19.13 percent (Guangdong Wire King Co., Ltd.); 175.03 percent (Asber Enterprises Co., Ltd.); 154.12 percent (Changzhou Yixiong Metal Products Co., Ltd.; Foshan Winleader Metal Products Co., Ltd.; Kingsun Enterprises Group Co., Ltd.; Yuyao Hanjun Metal Work Co./Yuyao Hanun Metal Work Co.; and Zhongshan Iwatani Co., Ltd.); and 17.51 percent (all others). 79 Fed. Reg. 67423, 67423 (Nov. 13, 2014); 79 Fed. Reg. 73029, 73030 (Dec. 9, 2014).

<sup>82</sup> Confidential Original Views at 23; USITC Pub. 4098 at 18.

<sup>83</sup> Confidential Original Views at 23-24; USITC Pub. 4098 at 18-19.

<sup>84</sup> Confidential Original Views at 24; USITC Pub. 4098 at 18-19.

<sup>85</sup> The domestic industry's operating income declined from \*\*\* in 2006 to \*\*\* in 2007, but improved \*\*\* to \*\*\*, and its operating margin declined from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. Confidential Original Views at 25; USITC Pub. 4098 at 19. The Commission acknowledged that the decline in apparent U.S. consumption of refrigeration shelving had a negative impact on the domestic industry, but it explained that the impact of declining demand was exacerbated by the significant and increasing volume of low-priced subject imports entering the declining U.S. market (Continued...)



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*Current reviews:* In the current reviews, the available information concerning the domestic refrigeration shelving industry's condition is limited to the data provided in response to the notice of institution by two domestic producers that accounted for approximately \*\*\* percent of domestic production in 2013.<sup>86</sup> Because these are expedited reviews, we also have only limited information regarding the domestic industry's financial performance.<sup>87</sup> As indicated above, one domestic producer purchased another domestic producer, another firm closed one of its production facilities, but two new entrants to the market began operations.<sup>88</sup> This limited record is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event that the orders are revoked.<sup>89</sup>

Based on the record, we find that, should the orders be revoked, the likely significant volume and likely significant price effects of subject imports would likely have a significant adverse impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues. These declines would likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. As indicated above, imports from nonsubject sources continue to have a limited U.S.

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and displacing the domestic industry's sales. Confidential Original Views at 25-26; USITC Pub. 4098 at 19 (also noting that the percentage drop in the domestic industry's shipments and net sales exceeded the decline in apparent U.S. consumption). The Commission found that nonsubject imports did not explain the domestic industry's condition, given that nonsubject imports declined over the POI and at their highest level accounted for only \*\*\* percent of the U.S. market. Confidential Original Views at 26 at n.119; USITC Pub. 4098 at 19-20.

<sup>86</sup> CR/PR at Table I-1. The two participating U.S. producers in these reviews reported combined production capacity of \*\*\* units in 2013, which is greater than the level of apparent U.S. consumption (\*\*\* units). Consequently, they continued to have excess capacity to produce refrigeration shelving in 2013. Nashville Wire and SSW collectively reported production of \*\*\* units in 2013 and capacity utilization of \*\*\* percent that year. Derived from CR/PR at Tables I-4, I-6.

<sup>87</sup> For 2013, Nashville Wire and SSW reported combined net sales of \$\*\*\*, operating income of \$\*\*\*, and operating income as a share of net sales of \*\*\* percent. CR/PR at Table I-4.

<sup>88</sup> CR at I-15; PR at I-10.

<sup>89</sup> Based on the record of these reviews, Vice Chairman Pinkert finds that the domestic industry producing refrigeration shelving is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. Although the indicators of the industry's performance have improved since the period covered by the original investigations, its operating income margin in 2013 was still only \*\*\* percent.

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market presence, as they did in the original investigations.<sup>90</sup> We thus find that upon revocation, the significant volume of subject imports would again likely take market share from the domestic industry through significant underselling.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports from China would likely have a significant impact on the domestic refrigeration shelving industry within a reasonably foreseeable time.

### **C. Oven Racks**

#### **1. Conditions of Competition and the Business Cycle**

The following conditions of competition, several of which also existed during the original investigations, inform our determinations regarding the U.S. oven racks market in these reviews.

##### **a. Demand Conditions**

During the original investigations, the Commission found that demand for oven racks, which was closely related to the U.S. housing market, had declined between 2006 and 2008 due to housing market declines and the economic recession.<sup>91</sup> In the current reviews, oven racks continue to be used by OEMs of residential and recreational vehicle freestanding ranges and wall ovens.<sup>92</sup> According to estimates provided by domestic interested parties, apparent U.S. consumption of oven racks was \*\*\* units in 2013.<sup>93</sup>

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<sup>90</sup> Nonsubject imports accounted for \*\*\* percent or less of apparent U.S. consumption of refrigeration shelving during the original investigations. In 2013, they accounted for approximately \*\*\* percent of the U.S. market. Confidential Original Views at 17; USITC Pub. 4098 at 14; Derived from CR/PR at Table I-4, I-6.

<sup>91</sup> Apparent U.S. consumption of oven racks declined steadily from \*\*\* units in 2006 to \*\*\* units in 2007 and \*\*\* units in 2008, an overall decline of \*\*\* percent. Confidential Original Views at 15-16; USITC Pub. 4098 at 13-14.

<sup>92</sup> CR at I-7; PR at I-4.

<sup>93</sup> Derived from CR/PR at Table I-5 (U.S. shipments by domestic industry), Table I-6 (imports of oven racks from China and all other sources).

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### **b. Supply Conditions**

The two petitioning firms (Nashville Wire and SSW) accounted for \*\*\* percent of reported U.S. production of oven racks in 2008.<sup>94</sup> Since then, one new entrant, \*\*\*, began producing oven racks. Of the three U.S. firms currently manufacturing oven racks, two – Nashville Wire (\*\*% percent of U.S. production in 2013) and SSW (\*\*% percent) – provided information in these reviews. They estimate that \*\*\* accounted for \*\*\* percent of domestic production in 2013.<sup>95</sup>

The domestic oven racks industry had production capacity that exceeded apparent U.S. consumption throughout the original investigations and \*\*\* unused production capacity.<sup>96</sup> The two participating U.S. producers in these reviews reported combined production capacity of \*\*\* units in 2013, a level that exceeded their estimate of \*\*\* units of apparent U.S. consumption of oven racks in that year.<sup>97</sup> Domestic interested parties continued to report excess oven racks production capacity in 2013.<sup>98</sup>

The share of the U.S. oven racks market held by subject imports from China during the original investigations ranged from \*\*\* percent to \*\*\* percent.<sup>99</sup> Subject producers in China continued to export to the United States at reduced volumes after the imposition of antidumping and countervailing duty orders, and by 2013, they held approximately \*\*\* percent of apparent U.S. consumption of oven racks.<sup>100</sup>

There were \*\*\* nonsubject imports of oven racks during the original investigations.<sup>101</sup> In 2013, they accounted for approximately \*\*\* percent of the U.S. market.<sup>102</sup>

### **c. Substitutability**

In the original investigations, the Commission found that, once producers were qualified by OEMs to manufacture oven racks that met specific design requirements, the products made in the United States and China were interchangeable.<sup>103</sup> All reporting U.S. producers and purchasers reported the domestic like product and subject imports were always

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<sup>94</sup> CR at I-14; PR at I-9.

<sup>95</sup> CR at I-15; PR at I-10.

<sup>96</sup> Confidential Original Views at 16; USITC Pub. 4098 at 14.

<sup>97</sup> Derived from CR/PR at Tables I-5, I-6.

<sup>98</sup> Nashville Wire and SSW collectively reported production of \*\*\* units and production capacity of \*\*\* units in 2013. CR/PR at Table I-5.

<sup>99</sup> CR/PR at Table C-3.

<sup>100</sup> Derived from CR/PR at Table I-5, I-6.

<sup>101</sup> Confidential Original Views at 17; USITC Pub. 4098 at 14.

<sup>102</sup> Derived from CR/PR at Table I-5, I-6.

<sup>103</sup> Confidential Original Views at 18; USITC Pub. 4098 at 15.

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interchangeable, whereas one importer reported them to be frequently interchangeable, and one importer reported they were never interchangeable.<sup>104</sup> The Commission found that price was an important consideration in purchasing decisions, but not the only consideration.<sup>105</sup>

In the current reviews, domestic interested parties argue that there are multiple OEM-qualified producers in China, products made in China by qualified producers are highly interchangeable with the domestic like product, and price continues to be the predominant factor driving purchases.<sup>106</sup> There is nothing on the current record indicating that the substitutability between oven racks made in China and in the United States has changed since the original investigations. Accordingly, we find oven racks made in the United States and China are generally interchangeable.

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

*Original investigations:* Between 2006 and 2008, apparent U.S. consumption of oven racks declined \*\*\* percent, but the absolute volume of subject imports of oven racks from China increased \*\*\* percent.<sup>107</sup> Subject imports gained \*\*\* percentage points of market share during that period, which the Commission determined came entirely at the domestic industry's expense, given the absence of nonsubject imports in the U.S. market.<sup>108</sup> In the first three months of 2009, the absolute volume of subject imports was lower, but subject imports' market share was higher (\*\*\* percent) than in the first three months of 2008 (\*\*\* percent), despite the imposition of provisional duties.<sup>109</sup> The ratio of subject imports to domestic production also increased overall, from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008.<sup>110</sup> Consequently, the Commission found that the increase in subject imports, both on an absolute basis and relative to apparent U.S. consumption, was significant.<sup>111</sup>

In its threat analysis, the Commission found that the industry in China had a strong and growing interest in the U.S. market, based on the share of its shipments that were exported to

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<sup>104</sup> Confidential Original Views at 18; USITC Pub. 4098 at 15.

<sup>105</sup> Confidential Original Views at 18-19; USITC Pub. 4098 at 15 (recognizing non-price factors relevant to oven racks purchases, such as quality, delivery capability, reliability of supply, strategic business decisions such as dual-sourcing strategies, and loyalty to long-term suppliers).

<sup>106</sup> Domestic Interested Parties' Final Comments at 4.

<sup>107</sup> The volume of subject imports declined from \*\*\* units in 2006 to \*\*\* units in 2007 and then increased to \*\*\* units in 2008. Confidential Original Views at 27; USITC Pub. 4098 at 21.

<sup>108</sup> Confidential Original Views at 27-28; USITC Pub. 4098 at 21. Subject imports' market share decreased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and then increased to \*\*\* percent in 2008. Confidential Original Report at Table C-3.

<sup>109</sup> Confidential Original Views at 28, 29; USITC Pub. 4098 at 21, 22.

<sup>110</sup> Confidential Original Views at 28; USITC Pub. 4098 at 21.

<sup>111</sup> Confidential Original Views at 19-20; USITC Pub. 4098 at 21.

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the United States. The Commission found that subject producers in China were likely to continue to displace the domestic industry's sales of nickel-plated oven racks, a lower-value product, and that they had recently begun competing for slide rack oven racks, even if they did not yet sell porcelain racks in the U.S. market.<sup>112</sup> For these reasons, the Commission found that subject imports were likely to continue to capture additional market share from the domestic industry in the imminent future.<sup>113</sup>

*Current reviews:* In the current reviews, the available information indicates that the orders have had a disciplining effect on the volume of subject imports of oven racks from China. The volume of subject imports of oven racks from China in the U.S. market in 2013 is appreciably lower than in 2009 and during the original investigations.<sup>114</sup> As further support that the orders had restraining effects on the volume of subject imports from China, \*\*\*.<sup>115</sup>

In the original investigations, the Commission sent questionnaires to 12 possible producers/exporters of subject merchandise in China, and exports from the six responding foreign producers accounted for more than \*\*\* percent of U.S. imports of KASAR reported by U.S. importers of KASAR from China in 2008.<sup>116</sup> As the Commission observed in its threat analysis in the original investigations, the oven racks industry in China had substantial production capacity, falling capacity utilization, and unused capacity equivalent to \*\*\* percent of apparent U.S. consumption in 2008.<sup>117</sup> Although the capacity utilization of the industry in China declined between 2006 and 2008, the share of its shipments that were exported to the United States steadily increased.<sup>118</sup> The oven racks industry in China was highly export oriented

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<sup>112</sup> Confidential Original Views at 31-32; USITC Pub. 4098 at 22-23.

<sup>113</sup> Confidential Original Views at 31-32; USITC Pub. 4098 at 23-24.

<sup>114</sup> CR/PR at Table I-6 (indicating that the volume of subject imports from China was \*\*\* units in 2009 and \*\*\* units in 2013 and between \*\*\* units and \*\*\* units during the POI). CR/PR at Table I-6, Table C-3.

<sup>115</sup> Domestic Interested Parties' Final Comments at 6-7; CR at D-4, D-6; PR at I-4, I-6.

<sup>116</sup> The responding producers of oven racks in China included Jagzhou Dunli Imp. & Ex. Co., Ltd.; Jiangsu Weixi Group Co.; New King Shan Zhuhai Co., Ltd.; and Marmon Retail Services Asia. CR at I-27; PR at I-20.

<sup>117</sup> Production capacity for oven racks was \*\*\* units in 2006, \*\*\* units in 2007, and \*\*\* units in 2008, while production was \*\*\* units in 2006, \*\*\* units in 2007, and \*\*\* units in 2008. CR/PR at Table VII-4; Confidential Original Views at 31-32; USITC Pub. 4098 at 22-23. Some of the producers in China reported manufacturing other products using the same equipment and machinery as used to manufacture oven racks. CR at I-27 at n.54; PR at I-20.

<sup>118</sup> Capacity utilization for oven racks decreased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. Exports to the United States as a share of the industry in China's total oven racks shipments increased from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. CR/PR at Table VII-4.

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throughout the original investigations, and exports to the United States constituted the largest share of its shipments by 2008.<sup>119</sup>

No foreign producer or exporter of oven racks participated in these expedited reviews. Nonetheless, domestic interested parties report the existence of a number of firms in China that are allegedly involved in producing and/or exporting subject merchandise. Based on information from subject producers/exporters' websites, domestic interested parties report that producers in China supply the full range of products, have massive production capacity and excess capacity, and remain export oriented.<sup>120</sup> Moreover, according to domestic interested parties, since the original investigations, Commerce determined that producers in China benefitted from additional prohibited export subsidy programs.<sup>121</sup> The information available in these reviews consequently indicates that the oven racks industry in China maintains the excess capacity and export orientation that characterized the original POI.

The United States remains an attractive market to the industry in China. Subject imports of oven racks from China have remained in the U.S. market after imposition of the orders, although in lower volumes than during the original investigations.<sup>122</sup>

In light of these considerations, we find that subject producers in China are likely, absent the restraining effects of the orders, to direct substantial volumes of oven racks to the U.S. market, as they did during the original investigations. We find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.

### **3. Likely Price Effects**

*Original investigations:* In the original investigations, the Commission found the domestic like product was generally interchangeable with subject imports. Although it found that price was an important consideration in purchasing decisions, it noted that one purchaser, Electrolux, preferred to dual-source every component that it purchased.<sup>123</sup> The Commission collected quarterly data on U.S. f.o.b. sales prices, delivered import prices, delivered U.S. purchase prices, and delivered Chinese purchase prices for five oven rack products. It found

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<sup>119</sup> Exports accounted for \*\*\* percent of the Chinese industry's total oven racks shipments in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008, and exports to the United States as a share of its total shipments were \*\*\* percent by 2008. CR/PR at Table VII-4.

<sup>120</sup> Domestic Interested Parties' Final Comments at 7-8.

<sup>121</sup> Domestic Interested Parties' Response to the Notice of Institution at 9.

<sup>122</sup> CR/PR at Table I-6 (indicating that the volume of oven racks imports from China was \*\*\* units in 2009, \*\*\* units in 2013, and between \*\*\* units and \*\*\* units during the POI). CR/PR at Table I-6, Table C-3.

<sup>123</sup> Confidential Original Views at 32; USITC Pub. 4098 at 24.

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that pricing comparisons were limited in several categories, so it considered comparisons of both f.o.b. sales and delivered purchase prices of oven racks produced in the United States and China, all of which involved nickel-plated oven racks and not higher-value slide oven racks or porcelain oven racks.<sup>124</sup> The Commission found mixed underselling and also found that the underselling occurred primarily at the end of the POI.<sup>125</sup> The Commission did not find that subject imports depressed prices or prevented increases of prices of the domestic like product to a significant degree.<sup>126</sup> In its threat analysis, the Commission found that, as subject imports continued to gain market share in the imminent future, the domestic industry would not be able to sustain its strategy of ceding market share to maintain price levels.<sup>127</sup> Finding that the underselling trend observed in 2008 would likely continue in the imminent future, the Commission found that low prices for subject imports would likely negatively impact prices for the domestic like product by suppressing them to a significant degree.<sup>128</sup>

*Current reviews:* As indicated above, in these reviews, we continue to find that subject imports from China are generally interchangeable with oven racks manufactured in the United States and that price is an important factor in purchasing decisions. The record does not contain current pricing comparisons due to the failure of respondent interested parties to participate and the expedited nature of these reviews. Given subject imports' current presence in the U.S. market and our finding of a likely significant volume of subject imports, we conclude that the price competition demonstrated in the latter portion of the original POI would likely recur upon revocation.

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<sup>124</sup> Confidential Original Views at 32; USITC Pub. 4098 at 24.

<sup>125</sup> Subject imports undersold the domestic like product in 10 of 30 available comparisons, all of which occurred the last two quarters of 2007 or in 2008. In 2008, subject imports undersold the domestic like product in 7 of 11 comparisons. The Commission concluded that Electrolux tacitly acknowledged the underselling that occurred in 2008, when it argued at the hearing that the domestic industry kept prices too high after its wire rod costs declined. The Commission also found some evidence that producers in China provided tooling at discounted prices to their customers, which it found was another way, besides lower unit prices, to undercut the domestic industry's prices. Confidential Original Views at 32-23; USITC Pub. 4098 at 24-25.

<sup>126</sup> The Commission found that prices of subject imports and the domestic like product generally increased during the POI. The domestic industry's COGS to net sales ratio was high, but declined in 2008, because as subject import volumes increased, the domestic industry relied increasingly on higher-value oven racks that were not supplied to the U.S. market by producers in China. Confidential Original Views at 33; USITC Pub. 4098 at 25-26.

<sup>127</sup> Specifically, the Commission noted that the market for higher-value porcelain oven racks was limited and that subject imports had begun competing with the domestic industry for sales of sliding oven racks. Confidential Original Views at 33; USITC Pub. 4098 at 26.

<sup>128</sup> Confidential Original Views at 33; USITC Pub. 4098 at 26.

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### **4. Likely Impact<sup>129</sup>**

*Original investigations:* In the original investigations, the Commission found declines in the domestic industry's output, U.S. shipments, net sales, and market share from 2006 to 2007.<sup>130</sup> In 2008, when subject imports increased and their underselling peaked, the Commission found that the domestic industry lost another \*\*\* percentage points of market share due to pricing and volume pressure from subject imports.<sup>131</sup> The Commission observed that given faltering demand, limited customers, and the tendency of purchasers to buy from only a few suppliers at a time, the pricing pressure was enough to cause purchasers to switch to subject imports, resulting in lost sales and market share for the domestic industry.<sup>132</sup> Although the domestic industry was able to sustain or even raise its prices, the Commission found that it did so at the expense of market share.<sup>133</sup> The Commission found that the domestic industry was able to improve its operating performance over the POI by obtaining higher prices on limited quantities of sales of higher-value porcelain oven racks and slide racks.<sup>134</sup>

The Commission did not find that subject imports of oven racks were having a significant adverse impact on the domestic industry, but it found the domestic industry was vulnerable.<sup>135</sup> It explained that its negative material injury determinations hinged on the fact that it did not

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<sup>129</sup> Under the statute, "the Commission may consider the magnitude of the margin of dumping" in making its five-year review determinations. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv); *see also* SAA at 887. In its expedited review, Commerce determined that revoking the antidumping duty order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.99 percent. As a result of its expedited review, Commerce determined that revoking the countervailing duty order would be likely to lead to continuation or recurrence of subsidies at weighted average rates of 19.13 percent (Guangdong Wire King Co., Ltd.); 175.03 percent (Asber Enterprises Co., Ltd.); 154.12 percent (Changzhou Yixiong Metal Products Co., Ltd.; Foshan Winleader Metal Products Co., Ltd.; Kingsun Enterprises Group Co., Ltd.; Yuyao Hanjun Metal Work Co./Yuyao Hanun Metal Work Co.; and Zhongshan Iwatani Co., Ltd.); and 17.51 percent (all others). 79 Fed. Reg. 67423, 67423 (Nov. 13, 2014); 79 Fed. Reg. 73029, 73030 (Dec. 9, 2014).

<sup>130</sup> Confidential Original Views at 36-37; USITC Pub. 4098 at 26-27.

<sup>131</sup> Confidential Original Views at 37; USITC Pub. 4098 at 27. The domestic industry's market share fell from \*\*\* percent in 2006 to \*\*\* percent in 2007 and \*\*\* percent in 2008. CR/PR at Table C-3.

<sup>132</sup> Confidential Original Views at 38; USITC Pub. 4098 at 27.

<sup>133</sup> Confidential Original Views at 38; USITC Pub. 4098 at 27.

<sup>134</sup> Confidential Original Views at 38-39; USITC Pub. 4098 at 28. The domestic industry's operating income declined from \*\*\* in 2006 to \*\*\* in 2007, but improved \*\*\* to \*\*\*, and its operating margin declined from \*\*\* percent in 2006 to \*\*\* percent in 2007, and then increased to \*\*\* percent in 2008. Confidential Original Views at 38-39; USITC Pub. 4098 at 28.

<sup>135</sup> Confidential Original Views at 39-40; USITC Pub. 4098 at 28.



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find that subject imports were currently having a significant adverse impact on the domestic industry, in large part because of a strategy adopted by (\*\*\*) that temporarily succeeded in enabling it to increase its operating margins and operating income in 2008.<sup>136</sup> It found that the domestic industry had recently begun to face price competition from imports from China with respect to \*\*\*, so it found that the domestic industry's temporary strategy of ceding market share for price and focusing on higher-value porcelain or slide oven racks was "a very temporary development" that could not be sustained.<sup>137</sup> The Commission found that significant volumes of dumped and subsidized imports were likely to gain additional market share from the domestic industry in the imminent future, unless orders were issued.<sup>138</sup> Accordingly, the Commission found that the domestic industry was threatened with material injury by reason of imports of oven racks from China.<sup>139</sup>

*Current reviews:* In the current reviews, the available information concerning the domestic industry's condition is limited to the data provided in response to the notice of institution by two domestic producers that accounted for approximately \*\*\* percent of domestic production in 2013.<sup>140</sup> Because these are expedited reviews, we also have only limited information regarding the domestic industry's financial performance.<sup>141</sup> As indicated above, one new entrant began production of oven racks in the United States since imposition of the orders.<sup>142</sup> This limited record is insufficient for us to make a finding as to whether the

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<sup>136</sup> Confidential Original Views at 41; USITC Pub. 4098 at 28-29.

<sup>137</sup> Confidential Original Views at 40; USITC Pub. 4098 at 29.

<sup>138</sup> Confidential Original Views at 40-41; USITC Pub. 4098 at 29.

<sup>139</sup> Confidential Original Views at 41; USITC Pub. 4098 at 29. The Commission explained that the decline in apparent U.S. consumption of oven racks had a negative impact on the domestic industry, but it concluded that the impact of declining demand, a trend that was unlikely to reverse in the imminent future, was exacerbated by the significant and increasing volume of low-priced subject imports entering the declining U.S. market and displacing the domestic industry's sales. The Commission found that nonsubject imports also did not explain the domestic industry's condition, given that there were \*\*\*. Confidential Original Views at 41 n.190; USITC Pub. 4098 at 29 n.190.

<sup>140</sup> CR/PR at Table I-1. The two participating U.S. producers in these reviews reported combined production capacity of \*\*\* units in 2013, which is greater than the level of apparent U.S. consumption (\*\*\*) units). Consequently, they continued to have excess capacity to produce oven racks in 2013. Nashville Wire and SSW collectively reported production of \*\*\* units in 2013 and capacity utilization of \*\*\* percent that year. Derived from CR/PR at Tables I-5, I-6.

<sup>141</sup> For 2013, Nashville Wire and SSW reported combined net sales of \$\*\*\*, operating income of \$\*\*\*, and operating income as a share of net sales of \*\*\* percent. CR/PR at Table I-5.

<sup>142</sup> CR at I-15; PR at I-10.

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domestic industry is vulnerable to the continuation or recurrence of material injury in the event that the orders are revoked.<sup>143</sup>

Based on the record, we find that, should the orders be revoked, there will likely be a significant volume of subject imports from China and the price competition demonstrated in the latter portion of the original POI would recur, leading to a significant adverse impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues. These declines would likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. As indicated above, imports from nonsubject sources have increased their presence in the U.S. market since imposition of the orders, but the domestic industry estimates that its current market share is higher than at the end of the POI in the original investigations.<sup>144</sup> We find that if the orders were revoked, the significant volume of subject imports would likely take market share from the domestic industry, which is the predominant supplier of oven racks to the U.S. market.<sup>145</sup>

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports from China would likely have a significant impact on the domestic oven racks industry within a reasonably foreseeable time.

### **IV. Conclusion**

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on KASAR from China would be likely to lead to continuation or recurrence of material injury to a U.S. industry producing refrigeration shelving and a U.S. industry producing oven racks within a reasonably foreseeable time.

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<sup>143</sup> Based on the record of these reviews, Vice Chairman Pinkert finds that the domestic industry producing oven racks is not vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. The industry has experienced considerable improvements in performance since the imposition of the orders. Its production, shipments, capacity utilization, operating income, and operating income margin were all substantially higher in 2013 than in 2008, the last full year of the period of investigation, with the operating income margin a healthy \*\*\* percent.

<sup>144</sup> *Compare, e.g.*, CR/PR at Tables I-5 to I-6 (suggesting a current share of apparent U.S. consumption for the domestic industry of \*\*\* percent) *with* CR/PR at Table C-3 (indicating that during the POI in the original investigations, the domestic industry's share of the U.S. market was \*\*\* percent in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008).

<sup>145</sup> During the original investigations, there were \*\*\* nonsubject imports, and by 2013, they accounted for approximately \*\*\* percent of the U.S. market. Confidential Original Views at 17; USITC Pub. 4098 at 14; Derived from CR/PR at Table I-5, I-6.

## BACKGROUND

On August 1, 2014, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on certain kitchen appliance shelving and racks (“KASAR”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
August 1, 2014	Notice of institution and initiation by Commerce and Commission
November 4, 2014	Scheduled date for Commission vote on adequacy
December 1, 2014	Scheduled date for results of Commerce’s expedited reviews
February 5, 2015	Commission’s vote
February 24, 2015	Commission’s determination to Commerce

In the original investigations, the Commission made affirmative material injury determinations regarding imports of certain refrigeration shelving from China and affirmative threat of material injury determinations regarding imports of certain oven racks from China.<sup>4</sup> Commerce issued antidumping and countervailing duty orders on these imports from China on September 14, 2009.<sup>5</sup> The Commission’s original determinations were not litigated.<sup>6</sup>

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<sup>1</sup> 19 U.S.C. § 1675(c).

<sup>2</sup> *Certain Kitchen Appliance Shelving from China; Institution of a Five-Year Review*, 79 FR 44862, August 1, 2014. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 79 FR 44743, August 1, 2014. All pertinent *Federal Register* notices are presented in Appendix A.

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. Presented in Appendix B are the responses received.

<sup>4</sup> *Certain Kitchen Appliance Shelving and Racks From China Investigation Nos. 701-TA-458 and 731-TA-1154 (Final)*, USITC Publication 4098, August 2009, pp. 3-7 and 13-29 (Vice Chairman Pinkert and Commissioners Williamson, Aranoff, and Lane voted in the affirmative with respect to both industries; Commissioner Pearson joined them with respect to certain refrigeration shelving but made a negative determination with respect to certain oven racks; and Commissioner Okun was recused).

<sup>5</sup> *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Notice of Antidumping Duty Order*, 74 FR 46971

(continued...)

# RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

## INDIVIDUAL RESPONSES

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of SSW Holding Company, Inc. (“SSW”) and Nashville Wire Products Manufacturing Company (“Nashville Wire”) (collectively referred to herein as “domestic interested parties”).<sup>7</sup> SSW and Nashville Wire are U.S. producers of KASAR and were petitioners in the original investigations.

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all of the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in the table I-1.

**Table I-1**

**KASAR: Summary of Responses to the Commission’s Notice of Institution**

Type of interested party	Number	Coverage
<b>Domestic</b>		
U.S. producer (Refrigeration Shelving)	2 <sup>1</sup>	***%
U.S. producer (Oven Racks)	2 <sup>1</sup>	***%

<sup>1</sup>The coverage figures presented, as provided by the domestic interested parties in their response, represent the firms’ aggregate share of total U.S. production of certain refrigerator shelving and oven racks in 2013.

## PARTY COMMENTS ON ADEQUACY

The Commission received comments from domestic interested parties concerning the adequacy of the responses to the notice of institution and whether the Commission should conduct expedited or full reviews. In their comments, the domestic interested parties stated that they submitted a response to the Commission’s notice of institution that contained all of

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(...continued)

(September 14, 2009; *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Countervailing Duty Order*, 74 FR 46973 (September 14, 2009).

<sup>6</sup> Commerce’s final antidumping and countervailing duty determinations regarding KASAR from China and several other products are the subject of two sets of World Trade Organization (“WTO”) proceedings. See *United States – Countervailing Measures on Certain Products from China*, WT/DS437 and *United States – Countervailing and Antidumping Duty Measures on Certain Products from China*, WT/DS449.

<sup>7</sup> SSW and Nashville Wire are represented by the law firm of Kelley Drye & Warren LLP. The law firm filed a joint response to the Commission’s notice of institution.

the information requested regarding refrigeration shelving and oven racks. Therefore, the domestic interested parties maintain that the Commission should find that domestic interested parties have provided an adequate response.

Domestic interested parties also argue that the Commission should find the respondent interested party response to be inadequate since there was no response to the notice of institution from producers in China or from importers in the United States. They argue that there have been no major changes in the conditions of competition in the U.S. market for refrigeration shelving and oven racks since the Commission's original investigations. Based on this fact and because of the inadequate response by the respondent interested parties, they request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on KASAR from China.<sup>8</sup>

## **THE PRODUCT**

### **COMMERCE'S SCOPE**

Commerce has defined the subject merchandise as:

Certain kitchen appliance shelving and racks are shelving and racks for refrigerators, freezers, combined refrigerator/freezers, other refrigerating or freezing equipment, cooking stoves, ranges, and ovens ("certain kitchen appliance shelving and racks" or "the subject merchandise"). Certain kitchen appliance shelving and racks are defined as shelving, baskets, racks (with or without extension slides, which are carbon or stainless steel hardware devices that are connected to shelving, baskets, or racks to enable sliding), side racks (which are welded wire support structures for oven racks that attach to the interior walls of an oven cavity that does not include support ribs as a design feature), and subframes (which are welded wire support structures that interface with formed support ribs inside an oven cavity to support oven rack assemblies utilizing extension slides) with the following dimensions: shelving and racks with dimensions ranging from 3 inches by 5 inches by 0.10 inch to 28 inches by 34 inches by 6 inches; or baskets with dimensions ranging from 2 inches by 4 inches by 3 inches to 28 inches by 34 inches by 16 inches; or side racks from 6 inches by 8 inches by 0.1 inch to 16 inches by 30 inches by 4 inches; or subframes from 6 inches by 10 inches by 0.1 inch to 28 inches by 34 inches by 6 inches. The subject merchandise is comprised of carbon or stainless steel wire ranging in thickness from 0.050 inch to 0.500 inch and may include sheet metal of either carbon or stainless steel ranging in thickness from 0.020 inch to 0.2 inch. The subject merchandise may be coated or uncoated and may be formed and/or welded. Excluded from the scope of this investigation is shelving in which the

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<sup>8</sup> *Domestic Interested Parties' Comments on Adequacy*, October 14, 2014.

support surface is glass. The written description of the scope of this investigation is dispositive.<sup>9</sup>

### **DESCRIPTION AND USES<sup>10</sup>**

KASAR consists of certain shelving and baskets for refrigerators, freezers, combined refrigerator-freezers, and other refrigerating or freezing equipment and racks (with or without extension slides, which are carbon or stainless steel hardware devices that are connected to shelving, baskets, or racks to enable sliding), side racks (which are welded wire support structures for oven racks that attach to the interior walls of an oven cavity that does not include support ribs as a design feature), and subframes (which are welded wire support structures that interface with formed support ribs inside an oven cavity to support oven rack assemblies utilizing extension slides) for cooking stoves, ranges, and ovens. Shelving and baskets are used by original equipment manufacturers (“OEMs”) of residential and recreational vehicle refrigerators, freezers, and refrigerator/freezers. Oven racks are used by OEMs of residential and recreational vehicle freestanding ranges and wall ovens appliances.

### **U.S. TARIFF TREATMENT**

KASAR is currently imported under HTS statistical reporting numbers 7321.90.5000, 7321.90.6040, 7321.90.6060, 7321.90.6090, 8418.99.8050, 8418.99.8060, 8516.90.8010, and 8516.90.8050. Most of these statistical reporting numbers are “basket” categories that contain a number of other products besides certain KASAR.<sup>11</sup>

### **THE DEFINITION OF THE DOMESTIC LIKE PRODUCT**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determinations, the Commission defined two domestic like

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<sup>9</sup> *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656, July 24, 2009.

<sup>10</sup> Based on information contained in *Certain Kitchen Appliance Shelving and Racks From China Investigation Nos. 701-TA-458 and 731-TA-1154 (Final)*, USITC Publication 4098, August 2009, pp. I-8 through I-12.

<sup>11</sup> In the original investigations, the Commission relied on importer questionnaire data for imports from subject and nonsubject sources because official import statistics corresponded to “basket” categories that contained a number of products besides certain KASAR. *Certain Kitchen Appliance Shelving and Racks From China Investigation Nos. 701-TA-458 and 731-TA-1154 (Final)*, USITC Publication 4098, August 2009, p. 16 n.86.

products corresponding to the imported KASAR within Commerce's scope: (1) certain refrigeration shelving and baskets for refrigerators, freezers, combination refrigerator/freezers and other refrigerating or freezing equipment (herein "refrigeration shelving"); and (2) certain oven racks, side racks, and subframes for cooking stoves, ranges, and ovens (herein "oven racks").<sup>12</sup>

As the Commission explained in its preliminary determinations in the original investigations, despite certain physical similarities, refrigeration shelving and oven racks have different uses. Manufacturers apply different coatings to them because the function of the appliances in which they are used differs, which precludes interchangeability. Refrigeration shelving and oven racks are made in separate manufacturing facilities, using different employees and equipment. Moreover, customers have their own separate, dedicated facilities for assembling or manufacturing the two types of appliances into which the refrigeration shelving and oven racks are incorporated. The Commission concluded that this lack of overlap, as well as the lack of interchangeability between the products supported the argument that customers perceived them to be different products.<sup>13</sup> In the final phase of the original investigations,<sup>14</sup> no party disputed the Commission's definition of two domestic like products in its preliminary determinations,<sup>15</sup> and the Commission again defined two domestic like products: refrigeration shelving and oven racks.<sup>16</sup>

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product(s). Domestic interested

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<sup>12</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, p. 7.

<sup>13</sup> *Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Preliminary), USITC Publication 4035, September 2008, p. 6.

<sup>14</sup> In the preliminary phase of the original investigations, respondents GE and Whirlpool argued that the Commission should find a single like product consisting of "all wire kitchen appliance shelving and cooking racks, defined as shelving and racks made from carbon or stainless steel wire for refrigerators, refrigerated display case freezers, refrigerator-freezers, cook-tops, ranges, ovens and grills, regardless of whether such wire shelving and cooking racks are intended for use in commercial or residential equipment" with one domestic industry producing those products. The Commission stated in its preliminary determinations in the original investigations that "should Respondents wish to argue for an expansion of the domestic like product to include products outside of the scope in the final phase investigations, we ask them to identify the specific products for expansion in their written comments to the Commission's questionnaires." *Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Preliminary), USITC Publication 4035, September 2008, p. 10, n.43. GE and Whirlpool did not submit comments regarding draft questionnaires, did not appear at the hearing, did not submit a posthearing brief, and in their prehearing brief in the original investigations, they did not comment on the like product issue. *Certain Kitchen Appliance Shelving and Racks from China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, at p.5 n.14,

<sup>15</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, p. 5 at n.14.

<sup>16</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, pp. 3-7.

parties did not comment on the domestic like product definition, although they submitted separate trade and financial data on refrigeration shelving and oven racks.<sup>17</sup>

## **THE ORIGINAL INVESTIGATIONS AND ANY RELATED INVESTIGATIONS**

### **THE ORIGINAL INVESTIGATIONS**

The original investigations resulted from July 31, 2008, antidumping and countervailing duty petitions filed with Commerce and the Commission by Nashville Wire (Nashville, Tennessee), SSW (Elizabethtown, Kentucky), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, and the International Association of Machinists and Aerospace Workers, District Lodge 6 (Clinton, Iowa). Data compiled during the original investigations are presented in appendix C.

### **PRIOR RELATED INVESTIGATIONS**

KASAR has not been the subject of any prior antidumping or countervailing duty investigations in the United States.

## **COMMERCE ACTIONS**

### **COMMERCE'S REVIEWS OF THE ORDERS**

Commerce has conducted several administrative reviews of the antidumping and countervailing duty orders on imports of KASAR from China. The final results of its administrative reviews of the antidumping duty order are summarized in Table I-2, and the final results of its administrative reviews of the countervailing duty order are summarized in Table I-3. Commerce has not made any duty absorption findings, and Commerce has not conducted any anti-circumvention inquiries or changed circumstances reviews since the antidumping and countervailing duty orders were imposed.

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<sup>17</sup> *Domestic Interested Parties' Response to the Notice of Institution*, September 22, 2014, pp. 3-4.



**Table I-2  
KASAR: Original Determinations and Administrative Reviews of the Antidumping Duty Order**

<b>Date results published</b>	<b>Period of review</b>	<b>Exporter</b>	<b>Producer</b>	<b>Weighted average margin (percent)</b>
Sept. 14, 2009 (74 FR 46971)	Antidumping duty order	Guangdong Wireking Housewares & Hardware Co., Ltd. (a/k/a Foshan Shunde Wireking Housewares & Hardware Co. Ltd.	Guandong Wireking Housewares & Hardware Co., Ltd.	95.99
		New King Shan (Zhu Hai) Co., Ltd.	New King Shan (Zhu Hai) Co., Ltd.	0.00
		Marmon Retail Services Asia	Leader Metal Industry Co., Ltd. (a/k/a Marmon Retail Services Asia)	43.09
		Hangzhou Dunli Import & Export Co., Ltd.	Hangzhou Dunli Industry Co., Ltd.	43.09
		Jiangsu Weixi Group Co.	Jiangsu Weixi Group Co.	43.09
		PRC-wide entity (including Asber Enterprise Co., Ltd. (China))		95.99
April 11, 2012 (77 FR 21734)	March 5, 2009 to August 5, 2010	Guangdong Wireking Housewares & Hardware Co., Ltd. (a/k/a Foshan Shunde Wireking Housewares & Hardware Co., Ltd.		7.89
		New King Shan (Zhu Hai) Co., Ltd.		0.00
		Hangzhou Dunli Import & Export Co., Ltd.		7.89
		PRC-wide Entity		95.99
Jan. 25, 2013 (78 FR 5414)	Sept. 1, 2010 to August 31, 2011	New King Shan (Zhu Hai) Co., Ltd.		0.00
Dec. 27, 2013 (78 FR 78815)	Sept. 1, 2012 to Aug. 31, 2013			Review rescinded
Jan. 17, 2014 (79 FR 3176)	Sept. 1, 2011 to August 31, 2012	New King Shan (Zhu Hai) Co., Ltd.		0.00

**Table I-3  
KASAR: Original Determinations and Administrative Reviews of the Countervailing Duty Order**

Date results published	Period of review	Entity	Countervailable subsidy margin (percent)
Sept. 14, 2009 (74 FR 46973)	Countervailing duty order	Asber Enterprises Co., Ltd. (China)	170.82
		Changzhou Yixiong Metal Products Co., Ltd.	149.91
		Foshan Winleader Metal Products Co., Ltd.	149.91
		Guangdong Wireking Housewares & Hardware Co., Ltd. (formally known as Foshan Shunde Wireking Housewares & Hardware Co. Ltd.	13.30
		Kingsun Enterprises Group Co., Ltd.	149.91
		Yuyao Hanjun Metal Work Co./Yuyao Hanjun Metal Products Co., Ltd.	149.91
		Zhongshan Iwatani Co., Ltd.	149.91
		All others	13.30
April 1, 2012 (77 FR 21744)	January 7, 2009 to December 31, 2009	Guangdong Wireking Housewares & Hardware Co., Ltd.	21.48
		New King Shan (Zhu Hai) Co., Ltd.	7.85
		Leader Metal Industry Co., Ltd.	12.35
		Hangzhou Dunli Import and Export Co., Ltd./Hangzhou Dunli Industry Co. Ltd.	12.35
		Hengtong Hardware Manufacturing (Huizhou) Co., Ltd.	12.35
		Jiangsu Weixi Group Co.	264.09
		Asia Pacific CIS (Wuxi) Co., Ltd.	264.09
April 11, 2013 (78 FR 21594)	January 1, 2010 to December 31, 2010	New King Shan (Zhu Hai) Co., Ltd.	12.06
Feb. 12, 2014 (79 FR 8435)	Jan. 1, 2012 to Dec. 31, 2012		Review rescinded
Mar. 17, 2014 (78 FR 14668)	Jan. 1, 2011 to Dec. 31, 2011	New King Shan (Zhu Hai) Co., Ltd.	8.52

According to domestic interested parties, Commerce determined that producers of KASAR in China benefitted from additional prohibited export subsidy programs since the original investigations.<sup>18</sup>

<sup>18</sup> Domestic Interested Parties' Response to the Notice of Institution, p. 9.

## SCOPE RULINGS

Commerce conducted several scope inquiries subsequent to the original investigations. Commerce determined the following articles are outside the scope of the orders: inventory control racks of Custom BioGenic Systems Inc.; certain supermarket shelving units and commercial oven racks of Olson Wire Products Co., Ltd. (“Olson”) that do not fit within the size parameters of the scope.<sup>19</sup> Commerce determined the following articles are within the scope of the orders: Olson’s certain supermarket shelving units and commercial oven racks that fit within size parameters of the scope; steel shelving units used in wine coolers, beverage coolers and ADA-compliant cooling units; and wire racks used in laboratory equipment of Thermo Fisher Scientific (Asheville) LLC.<sup>20</sup>

## CURRENT REVIEW RESULTS

Commerce determined that it had not received an adequate response from respondent interested parties to its notice instituting five-year reviews of the antidumping and countervailing duty orders on imports of KASAR from China. Consequently, Commerce intends to conduct expedited reviews of both orders and to issue the final results of those expedited reviews by December 1, 2014.<sup>21</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. PRODUCERS

At the time of the original investigations, seven firms were believed to produce KASAR in the United States. Of the four known U.S. producers of refrigeration shelving during the original investigations (Nashville Wire; SSW; Matrix Wire Inc. (“Matrix Wire”), and \*\*\*), the two petitioning firms (Nashville Wire and SSW) accounted for \*\*\* percent of reported U.S.

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<sup>19</sup> *Notice of Scope Rulings*, 75 FR 52311, 52312 (Aug. 25, 2010); *Notice of Scope Rulings*, 75 FR 79339 (Dec. 20, 2010); *Notice of Scope Rulings*, 77 FR 9893, 9894 (Feb. 21, 2012).

<sup>20</sup> *Notice of Scope Rulings*, 77 FR 9893 (Feb. 21, 2012); *Notice of Scope Rulings*, 78 FR 59654 (Sept. 27, 2013); *Notice of Scope Rulings*, 78 FR 59654 (Sept. 27, 2013); *Notice of Scope Rulings*, 79 FR 19057 (Apr. 7, 2014).

<sup>21</sup> Letter to Catherine DeFilippo, Director, Office of Investigations, U.S. International Trade Commission from Abdelali Elouradia, Director, Office IV AD/CVD Operations Enforcement and Compliance, U.S. Department of Commerce International Trade Administration, September 12, 2014.

production in 2008.<sup>22</sup> The two petitioning firms (Nashville Wire and SSW) accounted for \*\*\* percent of reported U.S. production of oven racks in 2008.<sup>23</sup>

In response to the Commission's notice of institution in the current reviews, domestic interested parties provided a list of five known and currently operating U.S. producers of KASAR. Of the five identified producers of refrigeration shelving, domestic interested parties estimate that Nashville Wire accounted for approximately \*\*\* percent of 2013 U.S. production of refrigeration shelving, SSW accounted for \*\*\* percent, Archer Wire accounted for \*\*\* percent, Latitude Corp. ("Latitude") accounted for \*\*\* percent, and Mid-West Wire roducts ("Mid-West Wire") accounted for \*\*\* percent.<sup>24</sup> Domestic interested parties estimate that Nashville Wire accounted for approximately \*\*\* percent of 2013 U.S. production of oven racks, SSW accounted for \*\*\* percent, and \*\*\* accounted for \*\*\* percent.<sup>25</sup>

Two new U.S. producers entered the market during the review period, and an existing producer was purchased by another company.<sup>26</sup> Latitude and Archer Wire entered the market following the imposition of the orders \*\*\*.<sup>27</sup> Matrix Wire, another producer at the time of the original investigations, was purchased by Nashville Wire in December 2012.<sup>28</sup> SSW closed its KASAR plant in Fort Smith, Arkansas in early 2011 following the shutdown of a nearby Whirlpool refrigerator production facility.<sup>29</sup> \*\*\*.<sup>30</sup>

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<sup>22</sup> U.S. producer \*\*\* closed its U.S. refrigeration shelving facility in April 2007. *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, Table III-2.

<sup>23</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, Table III-3.

<sup>24</sup> Domestic Interested Parties' Response to Notice of Institution, pp. 14 and 16.

<sup>25</sup> *Ibid.*, p 17.

<sup>26</sup> *Ibid.*, pp. 14-17.

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> "Plant shutdown, layoffs affect more than 200 area jobs," *The City Wire*, October 26, 2010, <http://www.thecitywire.com/index.php?q=node/12447>.

<sup>30</sup> *Ibid.*

## DEFINITION OF THE DOMESTIC INDUSTRY AND RELATED PARTY ISSUES

Based on its definition of two domestic like products in the original investigations, the Commission found two corresponding domestic industries consisting of the following: (1) all producers of certain refrigeration shelving; and (2) all producers of certain oven racks.

In the original determinations, the Commission found that \*\*\*, but it found that appropriate circumstances did not exist to exclude \*\*\* from the domestic industry as a related party.<sup>31</sup> Domestic interested parties report that neither of them is related to a foreign producer, exporter, or importer of subject merchandise.<sup>32</sup>

## U.S. PRODUCERS' TRADE AND FINANCIAL DATA

The Commission asked domestic interested parties to provide trade and financial data in response to the notice of institution of these five-year reviews. Table I-4 presents the data reported by responding U.S. refrigeration shelving producers in their response to the notice of institution and table I-5 presents the data reported by responding U.S. oven racks producers in their response to the notice of institution.

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<sup>31</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, pp. 7-8, n.28.

<sup>32</sup> Domestic Interested Parties' Response to the Notice of Institution, p.15. According to information submitted in Domestic Interested Parties' Response to the Notice of Institution, Nashville Wire and SSW both imported oven racks into the United States since 2008, although they did not report whether these imports originated in China or a nonsubject country. *Ibid*, Exhibit 5. Domestic Interested Parties do not identify any other U.S. producers as possible importers of subject merchandise from China since 2008. *Ibid*.

**Table I-4**

**KASAR (refrigeration shelving): Trade and financial data submitted by U.S. producers, 2013**

<b>Data for 2013</b>			
<b>Item</b>	<b>Nashville Wire</b>	<b>SSW</b>	<b>Total</b>
<b>Capacity (1,000 units)</b>	***	***	***
<b>Production:</b>			
<b>Quantity (1,000 units)</b>	***	***	***
<b>Share of reported total (percent)</b>	***	***	
<b>Capacity utilization (percent)</b>	***	***	***
<b>Ratio of quantity of imports to reported U.S. production (percent)</b>			
<b>China</b>			***
<b>All other</b>			***
<b>All imports</b>			***
<b>U.S. commercial shipments:<sup>1</sup></b>			
<b>Quantity (1,000 units)</b>	***	***	***
<b>Value (\$1,000)</b>	***	***	***
<b>Average unit value (dollars)</b>	\$***	\$***	\$***
<b>Net sales (\$1,000)</b>	***	***	***
<b>COGS (\$1,000)</b>	***	***	***
<b>COGS/Net Sales (percent)</b>	***	***	***
<b>Gross profit or (loss) (\$1,000)</b>	***	***	***
<b>SG&amp;A expenses (loss) (\$1,000)</b>	***	***	***
<b>Operating income (loss) (\$1,000)</b>	***	***	***
<b>Operating income (loss)/Net sales (percent)</b>	***	***	***

<sup>1</sup> There were no reported company transfers or internal consumption.

Source: Domestic Interested Parties' Response to the Notification of Institution, exhibit 8.

**Table I-5**

**KASAR (oven racks): Trade and financial data submitted by U.S. producers, 2013**

<b>Data for 2013</b>			
<b>Item</b>	<b>Nashville Wire</b>	<b>SSW</b>	<b>Total</b>
<b>Capacity (1,000 units)</b>	***	***	***
<b>Production:</b>			
<b>Quantity (1,000 units)</b>	***	***	***
<b>Share of reported production total (percent)</b>	***	***	***
<b>Capacity utilization (percent)</b>	***	***	***
<b>Ratio of quantity of imports to US production (percent)</b>			
<b>China</b>			***
<b>All other</b>			***
<b>All imports</b>			***
<b>U.S. commercial shipments:<sup>1</sup></b>			
<b>Quantity (1,000 units)</b>	***	***	***
<b>Value (\$1,000)</b>	***	***	***
<b>Average unit value (dollars)</b>	\$***	\$***	\$***
<b>Net sales (\$1,000)</b>	***	***	***
<b>COGS (\$1,000)</b>	***	***	***
<b>COGS/Net Sales (percent)</b>	***	***	***
<b>Gross profit or (loss) (\$1,000)</b>	***	***	***
<b>SG&amp;A expenses (loss) (\$1,000)</b>	***	***	***
<b>Operating income (loss) (\$1,000)</b>	***	***	***
<b>Operating income (loss)/Net sales (percent)</b>	***	***	***

<sup>1</sup> There were no reported company transfers or internal consumption.

Source: Domestic Interested Parties' Response to the Notification of Institution, exhibit 8.

## U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

### U.S. IMPORTERS

In the original investigations, at least eight firms reported importing KASAR from China between January 2006 and March 2009, four of which accounted for 81.5 percent of reported subject imports from China in 2008.<sup>33</sup> Of the \*\*\* firms reporting imports of refrigeration shelving from China and/or nonsubject countries during the original investigations, \*\*\* accounted for the largest share, followed by \*\*\*.<sup>34</sup> Of the \*\*\* firms reporting imports of oven racks from China and/or nonsubject countries during the original investigations, the largest importers were \*\*\*.<sup>35</sup>

In the current reviews, the domestic interested parties identified 13 firms that they believe to be importing refrigeration shelving into the U.S. market.<sup>36</sup> They also identified 24 firms that they believe to be importing oven racks into the U.S. market.<sup>37</sup>

### DEVELOPMENTS IN THE U.S. MARKET

According to the domestic interested parties, the U.S. market for oven racks and refrigeration shelving are related to the U.S. housing market.<sup>38</sup> Although new residential construction increased overall by 67 percent,<sup>39</sup> information submitted by the domestic interested parties indicates that apparent U.S. consumption of refrigeration shelving declined

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<sup>33</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, p. I-3.

<sup>34</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, Table IV-6.

<sup>35</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, Table IV-7.

<sup>36</sup> *Domestic Interested Parties' Response to the Notice of Institution*, September 2, 2014, Exhibit 5 (identifying Eair LLC ("Eair"); Electrolux; GE; King Shan LLC; King Shan (U.S.) Corp.; LCG Sales Inc. ("LCG"); Midea America Corporation; Motors & Armatures Inc. (Jard Corporation) ("Jard"); Omega Consulting Services c/o Electrolux ("Omega"); Quality Engineering Products Corp. ("QEP"); Thetford Corporation ("Thetford"); Twin Eagles Inc.; and Whirlpool).

<sup>37</sup> *Ibid.* (identifying AAG Metal Industries; Asian Pacific CIS/Central Industrial Supply; Component Hardware Group, Inc.; Consolidated Commercial Controls; Dynamic Cooking Systems Inc.; Eagletech; Eair; Electrolux; GE; Geeton America, Inc.; King Shan LLC; King Shan (U.S.) Corp.; LCG; Metro Cad Inc.; Jard; Nashville Wire; Newtronics Inc.; Omega; QEP; SSW; Thetford; Turbochef Technologies Inc.; U-Line Corporation; and Whirlpool).

<sup>38</sup> *Domestic Interested Parties' Response to the Notice of Institution*, September 2, 2014, p. 17.

<sup>39</sup> U.S. Department of Commerce, Census Bureau. "New Privately Owned Housing Units Started." n.d. <http://www.census.gov/construction/nrc/pdf/startsan.pdf>.



overall since orders were imposed. Domestic interested parties report that this decline is largely due to Whirlpool's relocation of refrigerator production from the United States to Mexico in 2010 and 2012.<sup>40</sup> They report that U.S. demand for refrigerators has otherwise recently improved.<sup>41</sup>

According to domestic interested parties, apparent U.S. consumption of oven racks declined between 2008-2009, then increased between 2010 and 2013, as was the case with housing market trends.<sup>42</sup> From 2008 to 2011, U.S. shipments of electric and gas ranges and parts decreased by 23 percent.<sup>43</sup>

## U.S. IMPORTS AND U.S. MARKET SHARE

Data concerning the volume and market share of subject imports, nonsubject imports, and the domestic industries during the original investigations are presented in Appendix C. Table C-1 presents combined summary data concerning both refrigeration shelving and oven racks.

During the original investigations, the domestic industry's share of the U.S. refrigeration shelving market was \*\*\* percent in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008, whereas the share of subject imports from China was \*\*\* percent in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008. Nonsubject imports' share of the U.S. refrigeration shelving market was \*\*\* percent in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008, as indicated in Table C-2.

During the original investigations, the domestic industry's share of the U.S. oven racks market was \*\*\* percent in 2006, \*\*\* percent in 2007, and \*\*\* percent in 2008, whereas the share of subject imports from China was \*\*\* percent in 2007, \*\*\* percent in 2008, and \*\*\* percent in 2008. Nonsubject imports' share of the U.S. oven racks market was \*\*\*, as indicated in Table C-3.

Table I-6 presents the quantity, value, and unit value for U.S. imports of refrigeration shelving and oven racks from China and all other sources, as estimated by domestic interested parties in their response to the notice of institution. These data indicate that subject imports from China retain a presence in both the U.S. refrigeration shelving and oven racks markets, but at lower levels after 2009 than reported during the original investigations. Imports of refrigeration shelving from nonsubject countries \*\*\* in the U.S. refrigeration shelving market, and imports of oven racks from nonsubject countries \*\*\*.

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<sup>40</sup> *Domestic Interested Parties' Response to the Notice of Institution*, September 2, 2014, pp. 17-18.

<sup>41</sup> *Ibid.*, p. 18.

<sup>42</sup> *Ibid.*

<sup>43</sup> Compiled from U.S. Census Bureau, "Annual Survey of Manufacturers" and U.S. Census Bureau, "Major Household Appliances – 2010," Current Industrial Reports.

**Table I-6**  
**KASAR: U.S. imports, 2009-13**

Item	2009	2010	2011	2012	2013
<b>Quantity (1,000 units)</b>					
<b>Refrigeration shelving</b>					
China (subject)	***	***	***	***	***
All other imports (nonsubject)	***	***	***	***	***
Total imports	***	***	***	***	***
<b>Oven racks</b>					
China (subject)	***	***	***	***	***
All other imports (nonsubject)	***	***	***	***	***
Total imports	***	***	***	***	***
<b>KASAR</b>					
China (subject)	***	***	***	***	***
All other imports (nonsubject)	***	***	***	***	***
Total imports	***	***	***	***	***

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

*Source:* The import statistics for refrigeration shelving and oven racks are industry estimates based on the U.S. producers' market knowledge. These data are presented in Exhibit 1 (Declaration of Brad Nall) of Domestic Interested Parties' Response to the Notice of Institution. Refrigeration shelving and oven racks are currently classifiable under HTSUS statistical reporting numbers 8418.99.8050, 8418.99.8060, 7321.90.5000, 7321.90.6090, 7321.90.6040, 8516.90.8010, 8516.90.8050, and 8419.90.9520. Because of the nature of these statistical reporting numbers, U.S. Customs and Border Protection ("Customs") does not collect volume data. In addition, all of these statistical reporting numbers, except statistical reporting numbers 7321.90.6040 and 8516.90.8010, consist of basket categories that include a preponderance of nonsubject merchandise. Although HTS statistical reporting numbers 7321.90.6040 and 8516.90.8010 do cover subject merchandise (oven racks), these categories did not exist prior to July 2009 and only are monitored on a value basis. Thus, the official import statistics are not included because they do not reflect the volume of subject imports.

## PRICES AND RELATED INFORMATION

Raw materials constitute an important part of the final cost of KASAR. Raw material costs accounted for \*\*\* percent of the cost of goods sold in 2006, \*\*\* percent in 2007, \*\*\* percent in 2008, and \*\*\* percent during January-March 2009. The principal raw material used in producing KASAR is carbon or stainless steel wire rod and wire which is used to make wire shelving and racks. During the original investigations, the average price of U.S. industrial-quality, low-carbon steel wire rod increased irregularly to a peak of \$1,150 per short ton in August 2008, and then decreased to \$600 per short ton in April 2009.<sup>44</sup> Prices for steel wire rod have fluctuated since the original investigations. The average price of U.S. steel wire rod slowly increased to a peak of \$945 in July 2011, and decreased to \$640 in October 2013.<sup>45</sup>

In the original investigations, the Commission requested that U.S. producers and importers of KASAR provide quarterly sales and purchase data for the following products:

**Product 1.**—Open-end freezer shelf that is about 16.69 inches by 27.88 inches, consisting of 26 filler wires, a front and rear rail, an R-bar, a back and front bar, and a white powder coat finish. Part used in a Frigidaire/Electrolux manufactured upright freezer.

**Product 2.**—Freezer basket that is about 17.385 inches by 25.9997 inches by 6.9 inches, consisting of 27 filler wires, a frame wire, and a white powder coat finish. Part used in a Whirlpool manufactured bottom mount refrigerator/freezer.

**Product 3.**—Freezer shelf that is about 9.495 inches by 15.863 inches, consisting of 9 filler wires, an R-bar, a frame wire, and a white powder coat finish. Part used in a Whirlpool manufactured side by side refrigerator/freezer.

**Product 4.**—Freezer shelf that is about 9.7 inches by 12.7 inches, consisting of 19 filler wires, a middle R-bar, a rear R-bar, two side arms and a roll form strip, and a white powder coat finish. Part used in a Whirlpool manufactured side by side refrigerator/freezer.

**Product 5.**—Nickel plated oven rack that is about 16.13 inches by 22.82 inches; consisting of 13 filler wires, an R-bar, a frame wire, and has a nickel plated finish. Part used in a Frigidaire/Electrolux manufactured freestanding range.

**Product 6.**—Nickel plated oven rack that is about 24.2 inches by 15.9 inches; consisting of 1 frame, 1 brace and 13 filler wires, and has a nickel plated finish. Part used in an Electrolux manufactured oven.

**Product 7.**—Heavy-duty nickel plated oven rack that is about 24.2 inches by 15.9 inches; consisting of 1 frame, 1 brace and 13 filler wires, and has a nickel plated finish. Part used in an Electrolux manufactured oven.

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<sup>44</sup> American Metal Market database.

<sup>45</sup> American Metal Market database.

**Product 8.**—Freezer basket that is about 17.385 inches by 20.589 inches by 6.9 inches, consisting of 23 filler wires, a frame wire, and a white powder coat finish. Part used in a Whirlpool manufactured bottom mount refrigerator/freezer.

**Product 9.**—Open-end freezer shelf that is about 14.5 inches by 23.88 inches consisting of 22 filler wires, a front and a rear rail, an R-bar, a back and front bar, and a white powder coat finish. Part used in a Frigidaire/Electrolux manufactured upright freezer.

**Product 10.**—Open-end freezer shelf that is about 16.69 inches by 23.88 inches consisting of 22 filler wires, a front and a rear rail, an R-bar, a back and front bar, and a white powder coat finish. Part used in a Frigidaire/Electrolux manufactured upright freezer.

**Product 11.**—Nickel plated baking drawer rack that is about 22.5 inches by 15.5 inches; consisting of 1 frame, 2 braces, 9 filler wires, 3 wire assemblies, and has a nickel plated finish. Part used in a General Electric manufactured oven.

**Product 12.**—Nickel plated flat oven rack that is about 24.2 inches by 17.8 inches; consisting of 1 frame, 1 brace, and 13 filler wires, and has a nickel plated finish. Part used in an Electrolux manufactured oven.

In the original investigations, \*\*\* domestic producers and \*\*\* importers provided usable quarterly net f.o.b. selling price data for seven refrigeration pricing products. These data accounted for 16.1 percent of U.S. producers' shipments and 13.6 percent of U.S. shipments of imports from China. The Commission explained in its original determinations that there were no pricing data that allowed direct comparisons between domestic f.o.b. sales prices and importer f.o.b. sales prices for imports of subject merchandise from China. Direct price comparisons of prices charged to purchasers for delivered subject merchandise with prices charged to purchasers for delivered domestic like product were limited to three pricing products and nine quarterly comparisons. The Commission found that the limited available comparisons were due mainly to the fact that the industry is highly concentrated, with two U.S. purchasers accounting for about 90 percent of sales and three OEM purchasers accounting for about 90 percent of all purchases. These OEM purchasers are often the direct importers of the subject merchandise. Moreover, the Commission noted that because refrigeration shelving is designed by specific OEM kitchen appliance producers for specific model applications, the seven pricing products account for only a small percentage of total sales. The Commission found significant underselling because subject imports from China undersold the domestic like product in \*\*\* of the available comparisons. The Commission did not find that subject imports depressed prices for the domestic like product to a significant degree because U.S. delivered purchase prices for all but one product were higher in the last quarter of the original final phase period of investigation ("POI") (January-March 2009) than in the first quarter of the POI

(January-March 2006). The Commission relied on confirmed lost sales of refrigeration shelving to lower priced subject imports in its price analysis.<sup>46</sup>

In the original investigations, the reported quarterly data on U.S. f.o.b. sales prices, delivered import prices, delivered U.S. purchase prices, and delivered Chinese purchase prices for five oven rack pricing products accounted for 19 percent of the domestic industry's U.S. shipments of oven racks and 28.6 percent of U.S. shipments of oven racks imported from China between January 2006 and March 2009. For the available price comparisons, all of which involved nickel-plated oven racks, the Commission found mixed underselling and overselling, noting that subject imports undersold the domestic like product in 10 out of 30 observations, all of which occurred in the last two quarters of 2007 or in 2008. Three purchasers reported that producers in China provided tooling at discounted prices to their customers, which the Commission explained was another way, besides lower unit prices, to undercut domestic prices. The Commission did not find that subject imports had a significant price depressing effect on prices of the domestic like product because prices for both the domestic like product and subject imports from China generally increased between January 2006 and March 2009.<sup>47</sup>

In response to purchaser surveys sent during the adequacy phase of these reviews, three firms \*\*\* submitted information to the Commission.<sup>48</sup> In support of expedited reviews, the domestic interested parties argue that purchasers did not submit any information during the adequacy phase that would require conducting full reviews.<sup>49</sup> They argue that the U.S. market remains highly price-sensitive and that subject imports and the domestic like product are substitutable.<sup>50</sup> They argue that revoking the orders will remove the disciplining effect on the volume of subject imports and lead to significant underselling of the domestic like products, causing price depression and suppression.<sup>51</sup>

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<sup>46</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, pp. 16-18.

<sup>47</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication 4098, August 2009, pp. 24-25.

<sup>48</sup> As part of their response to the notice of institution, interested parties were requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in Appendix B are the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of these reviews.

<sup>49</sup> Domestic Interested Parties' Comments on Adequacy, p. 3.

<sup>50</sup> Domestic Interested Parties' Response to the Notice of Institution, pp. 6-18.

<sup>51</sup> Domestic Interested Parties' Response to the Notice of Institution, pp.3-5, 10-12.

## THE INDUSTRY IN CHINA

### FOREIGN PRODUCERS

In the original investigations, the petitions identified 12 producers in China allegedly producing KASAR. The Commission sent foreign producer questionnaires to these firms, six of whom returned useable responses. The U.S. exports reported by these six Chinese producers collectively accounted for more than 98 percent of the imports reported by U.S. importers of KASAR from China for 2008.<sup>52</sup> The responding producers of refrigeration shelving in China included Guangdong Wireking; Jiangsu Weixi Group Co. (“Jiangsu Weixi”); Marmon Retail Services Asia (“Marmon”); and Yuyao Hanjun.<sup>53</sup> During the original investigations, the responding producers of oven racks in China included Hangzhou Dunli Imp. & Exp. Co., Ltd. (“Hangzhou Dunli”); Jiangsu Weixi; New King Shan Zhuhai Co., Ltd. (“New King Shan”); and Marmon.<sup>54</sup> Reproduced in appendix C are foreign producer tables as presented in the Commission’s final staff report (tables VII-2, VII-3, and VII-4).

In these reviews, the domestic interested parties’ response to the notice of institution identified 14 firms in China allegedly involved in the production and/or exportation of KASAR: Asber Enterprise Co., Ltd.; Changzhou Yixiong Metal Products Co., Ltd.; CIS Global; Dongguan QuanXin Products Co., Ltd.; Foshan Winleader Metal Production Co., Ltd.; Guangdong Wireking; Hangzhou Dunli; Jingsu Wixi; and King Shan.<sup>55</sup> Domestic interested parties assert that the capacity to produce KASAR in China remains “huge.”<sup>56</sup> They argue that the industry in China supplies a full range of KASAR products to overseas markets, and they point to websites of current producers of KASAR in China indicating that producers in China are export-oriented, with the United States being an important export market.<sup>57</sup>

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<sup>52</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication, 4098, August 2009, pp. VII-2 to VII-3.

<sup>53</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication, 4098, August 2009, Table VII-1.

<sup>54</sup> *Certain Kitchen Appliance Shelving and Racks From China*, Inv. Nos. 701-TA-458 and 731-TA-1154 (Final), USITC Publication, 4098, August 2009, Table VII-1. Some of these firms reported producing other products using the same equipment and machinery. \*\*\*. Ibid. Table VII-5.

<sup>55</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, September 2, 2014, p. 6, Exhibit 3.

<sup>56</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, September 2, 2014, p. 6.

<sup>57</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, September 2, 2014, pp. 6-8, Exhibit 4.

## **ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS**

During the original investigations, there were no known antidumping or countervailing duty orders on KASAR from China in third-country markets.

### **THE GLOBAL MARKET**

There are no known data sources specific to KASAR, let alone refrigeration shelving and oven racks, for markets outside the United States.





**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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
79 FR 44743, August 1, 2014	<i>Initiation of Five-Year ("Sunset") Review</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-08-01/pdf/2014-18259.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-08-01/pdf/2014-18259.pdf</a>
79 FR 44862, August 1, 2014	<i>Certain Kitchen Appliance Shelving and Racks From China; Institution of Five-Year Reviews</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-08-01/pdf/2014-17913.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-08-01/pdf/2014-17913.pdf</a>
79 FR 69525, November 21, 2014	<i>Certain Kitchen Appliance Shelving and Racks From China; Scheduling of Expedited Five-Year Reviews</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-11-21/pdf/2014-27539.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-11-21/pdf/2014-27539.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC INFORMATION**



**Contains Business Proprietary Information**

**RESPONSE CHECKLIST FOR U.S. PRODUCERS IN THE FIVE-YEAR REVIEW ON CERTAIN KITCHEN APPLIANCE  
SHELVING AND RACKS FROM CHINA**

Item	Nashville Wire	SSW	Total
Nature of operation	✓ <sup>1</sup>	✓	NA
Statement of intent to participate	✓	✓	NA
Statement of likely effects of revoking the order	✓	✓	NA
U.S. producer list	✓	✓	NA
U.S. importer/foreign producer list	✓	✓	NA
List of 3-5 leading purchasers	✓	✓	NA
List of sources for national/regional prices	✓	✓	NA
Production Quantity Refrigerator Shelving (1,000 units)	***	***	***
Percent of total Refrigerator Shelving	***	***	***
Capacity Refrigerator Shelving (1,000 units)	***	***	***
Quantity U.S. Commercial Shipment Refrigerator Shelving (1,000 units)	***	***	***
Value U.S. Commercial Shipments Refrigerator Shelving (\$1,000)	***	***	***
Production Quantity Oven Racks (1,000 units)	***	***	***
Percent of total Oven Racks <sup>2</sup>	***	***	***
Capacity Oven Racks (1,000 units)	***	***	***
Quantity U.S. Commercial Shipment Oven Racks (1,000 units)	***	***	***
Value U.S. Commercial Shipments Oven Racks (\$1,000)	***	***	***
Quantity KASAR (total) (1,000 units)	***	***	***
Percent of total KASAR (total)	***	***	***
Capacity KASAR (total) (1,000 units)	***	***	***
Quantity U.S. Commercial Shipment KASAR (1,000 units)	***	***	***
Value U.S. Commercial Shipments KASAR (total) (\$1,000)	***	***	***
Net sales Refrigerator Shelving (\$1,000)	***	***	***
Net sales Oven Racks (\$1,000)	***	***	***
Net sales KASAR (total) (\$1,000)	***	***	***
COGS Refrigerator Shelving (\$1,000)	***	***	***
COGS Oven Racks (\$1,000)	***	***	***
COGS KASAR (total) (\$1,000)	***	***	***
Gross profit or (loss) Refrigerator Shelving(\$1,000)	***	***	***
Gross profit or (loss) Oven Racks (\$1,000)	***	***	***

<sup>1</sup> ✓ = response proved; ✕ = response not provided; NA = not applicable; ? = indicated that the information was not known.

<sup>2</sup> Percentages shown for individual responses are for those reported by responding firms. See memorandum for estimated coverage totals.

**Contains Business Proprietary Information**

<b>Item</b>	<b>Nashville Wire</b>	<b>SSW</b>	<b>Total</b>
<b>Gross profit or (loss) KASAR (total) (\$1,000)</b>	***	***	***
<b>SG&amp;A expenses Refrigerator Shelving (loss) (\$1,000)</b>	***	***	***
<b>SG&amp;A expenses Oven Racks (loss) (\$1,000)</b>	***	***	***
<b>SG&amp;A expenses (loss) KASAR (total) (\$1,000)</b>	***	***	***
<b>Operating income or (loss) Refrigerator Shelving (\$1,000)</b>	***	***	***
<b>Operating income or (loss) Oven Racks (\$1,000)</b>	***	***	***
<b>Operating income or (loss) KASAR (total) (\$1,000)</b>	***	***	***
<b>Changes in supply/demand</b>	✓	✓	NA

Source: Domestic Interested Parties' Response to the Notice of Institution, September 2, 2014, Exh. 8.



**APPENDIX C**

**SUMMARY DATA FROM COMMISSION FINAL STAFF REPORT**



**Table C-1**  
**KASAR: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009**

\* \* \* \* \*

**Table C-2**  
**REFRIGERATION SHELVING: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009**

\* \* \* \* \*

**Table C-3**  
**OVEN RACKS: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009**

\* \* \* \* \*

**Table VII-2**  
**KASAR: Chinese producers' operations, 2006-08, January-March 2008, January-March 2009, and projected 2009-10**

\* \* \* \* \*

**Table VII-3**  
**REFRIGERATION SHELVING: Chinese producers' operations, 2006-08, January-March 2008, January-March 2009, and projected 2009-10**

\* \* \* \* \*

**Table VII-4**  
**OVEN RACKS: Chinese producers' operations, 2006-08, January-March 2008, January-March 2009, and projected 2009-10**

\* \* \* \* \*



**APPENDIX D**  
**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following four firms as the top purchasers of certain kitchen appliance shelving and racks: \*\*\*.

Purchaser questionnaires were sent to these four firms and three firms (\*\*\*) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce certain kitchen appliance shelving and racks that affected the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?
- b.) Do you anticipate any changes in technology; production methods; or development efforts to produce certain kitchen appliance shelving and racks that will affect the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.
***	No.	No.

2. a.) Have any changes occurred in the ability to increase production of certain kitchen appliance shelving and racks (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?
- b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.
***	No.	No.

3. a.) Have any changes occurred in factors related to the ability to shift supply of certain kitchen appliance shelving and racks among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	Yes. ***.	No.
***	No.	No.



4. a.) Have there been any changes in the end uses and applications of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?

b.) Do you anticipate any changes in the end uses and applications of certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.
***	No.	No.

5. a.) Have there been any changes in the existence and availability of substitute products for certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?

b.) Do you anticipate any changes in the existence and availability of substitute products for certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.
***	No.	No.

6. a.) Have there been any changes in the level of competition between certain kitchen appliance shelving and racks produced in the United States, certain kitchen appliance shelving and racks produced in China, and such merchandise from other countries in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?

b.) Do you anticipate any changes in the level of competition between certain kitchen appliance shelving and racks produced in the United States, certain kitchen appliance shelving and racks produced in China, and such merchandise from other countries in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	Yes. 1. ***. 2. ***. 3. ***.	No.
***	Yes. ***.	No.

7. a.) Have there been any changes in the business cycle for certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China since 2009?

b.) Do you anticipate any changes in the business cycle for certain kitchen appliance shelving and racks in the U.S. market or in the market for certain kitchen appliance shelving and racks in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.
***	Unknown.	Unknown.