Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom

Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

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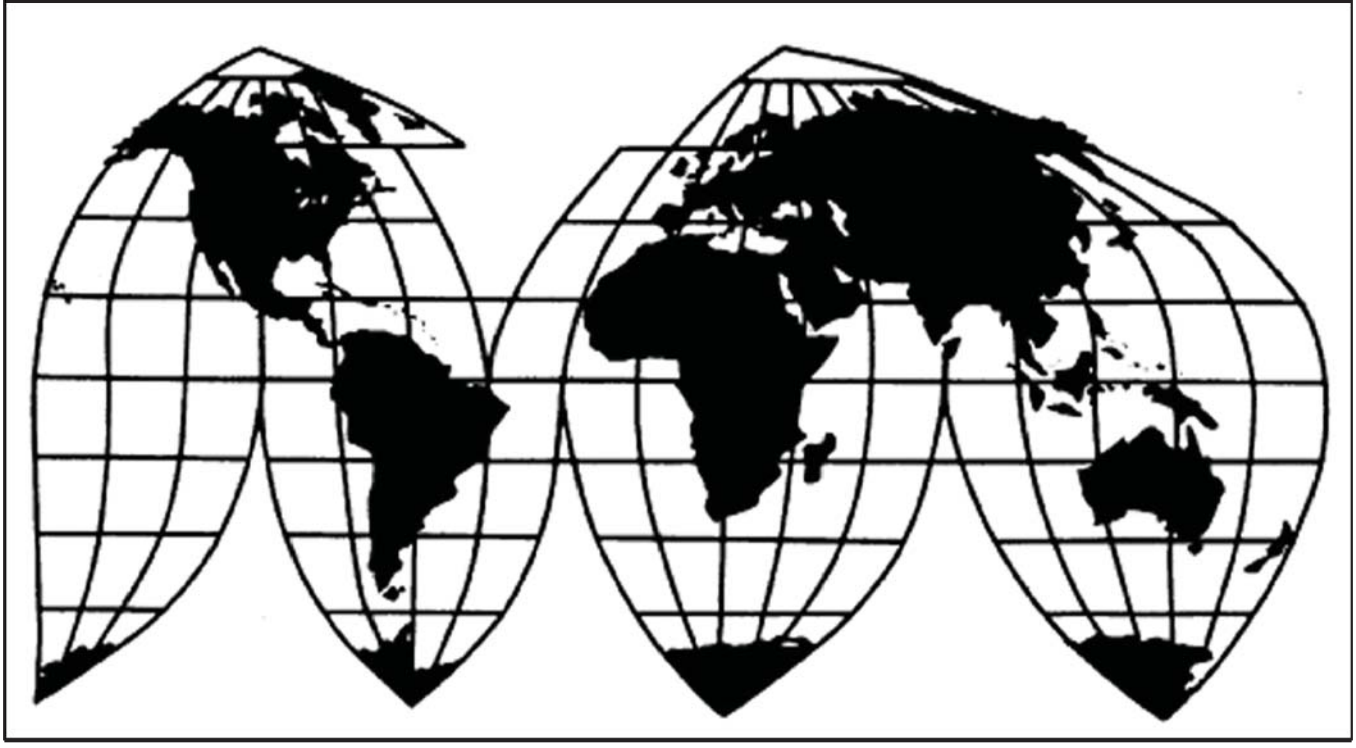
U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom, provided for in subheadings 7213.91.30, 7213.91.45, 7213.99.00, 7227.20.00, and 7227.90.60 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and imports of wire rod that are alleged to be subsidized by the government of Turkey.[2] The Commission also determines that an industry in the United States is threatened with material injury by reason of imports of wire rod that are alleged to be subsidized by the government of Italy.

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under sections 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On March 28, 2017, Charter Steel, Saukville, Wisconsin; Gerdau Ameristeel US Inc., Tampa, Florida; Keystone Consolidated Industries, Inc., Peoria, Illinois; and Nucor Corporation, Charlotte, North Carolina filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV and subsidized imports of wire rod from Italy and Turkey and LTFV imports of wire rod

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

[2] Commissioner F. Scott Kieff not participating.

from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom. Accordingly, effective March 28, 2017, the Commission, pursuant to sections 703(a) and 733(a) of the Act (19 U.S.C. 1671b(a) and 1673b(a)), instituted countervailing duty investigation Nos. 701-TA-573-574 and antidumping duty investigation Nos. 731-TA-1349-1358 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of April 3, 2017 (82 FR 16232). The conference was held in Washington, DC, on April 18, 2017, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon and certain alloy steel wire rod ("wire rod") from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom that are allegedly sold in the United States at less than fair value and imports of wire rod that are allegedly subsidized by the government of Turkey. We further determine that an industry in the United States is threatened with material injury by reason of imports of wire rod that are allegedly subsidized by the government of Italy.[1]

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[2] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[3]

II. Background

Parties to the investigations. On March 28, 2017, Gerdau Ameristeel U.S. Inc. ("Gerdau"); Nucor Corporation ("Nucor"); Keystone Consolidated Industries, Inc. ("Keystone"); and Charter Steel (collectively "petitioners"), domestic producers of wire rod, filed petitions in these investigations. Petitioners appeared at the staff conference with counsel. Nucor submitted a postconference brief, as did the other three petitioners jointly.

Several respondent entities participated in these investigations. Ferriere Nord S.p.A, a producer and exporter of wire rod in Italy ("Italian respondent"), appeared at the conference and submitted a postconference brief. POSCO, a producer and exporter of wire rod in Korea ("Korean respondent"), appeared at the conference and submitted a postconference brief. The Ministry of Industry and Trade of the Russian Federation submitted a postconference brief.

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[1] Commissioner F. Scott Kieff did not participate in the vote in these investigations.

[2] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[3] *American Lamb*, 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

ArcelorMittal South Africa, a producer and exporter of wire rod in South Africa ("South African respondent") appeared at the conference and submitted a postconference brief. CELSA Group, CELSA Atlantic SA, and Compania Espanola de Laminacion, producers and exporters of wire rod in Spain, and Global Steel Wire S.A., a U.S. importer of wire rod from Spain (collectively "Spanish respondents"), appeared at the conference and submitted a joint postconference brief. Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S., a producer and exporter of wire rod in Turkey, and The Istanbul Minerals and Metals Association and the Turkish Steel Exporters' Association, associations for producers and exporters of subject merchandise in Turkey ("Turkish respondents"), appeared at the conference and submitted a joint postconference brief. Public Joint Stock Company Yenakiieve Iron and Steel Works and Metinvest International S.A., producers and exporters of wire rod in Ukraine (collectively "Ukrainian respondents"), appeared at the conference and submitted a joint postconference brief. British Steel Limited, a producer and exporter of wire rod in the United Kingdom ("British respondent"), appeared at the conference and submitted a postconference brief. Kiswire Ltd. and Kiswire America Inc., U.S. purchasers of wire rod (collectively "Kiswire"), appeared at the conference and submitted a joint postconference brief. Finally, the American Wire Producers Association, an association for U.S. purchasers of wire rod ("AWPA"), appeared at the conference and submitted a postconference brief.

Data Coverage. U.S. industry data are based on the questionnaire responses of *** firms that accounted for the vast majority of U.S. wire rod production in 2014-2016 ("period of investigation").[4] U.S. import data are based on official Commerce import statistics as adjusted by questionnaire data.[5] The Commission received usable questionnaire data from 28 importers accounting for all imports from Belarus, all imports from Italy, all imports from Korea, 88.5 percent of imports from Russia, 96.2 percent of imports from South Africa, 69.9 percent of imports from Spain, 45.1 percent of imports from Turkey, 95.8 percent of imports from Ukraine, all imports from the United Arab Emirates, and all imports from the United Kingdom.[6] The Commission received usable responses to its foreign producer questionnaires from one producer of subject merchandise in Belarus whose reported exports accounted for *** percent of U.S. imports of wire rod from Belarus over the period of investigation,[7] four producers of subject merchandise in Italy whose reported exports accounted for all U.S. imports from Italy in 2016,[8] one producer of subject merchandise in Korea whose reported exports accounted for *** percent of all U.S. imports from Korea over the period of investigation,[9] one producer of subject merchandise in South Africa whose reported exports accounted for *** percent of all

[4] Confidential Staff Report, Memorandum INV-PP-059 (May 5, 2017) ("CR") at I-5, Public Report ("PR") at I-4.

[5] CR at I-5, IV-1 n.2, PR at I-4, IV-1 n.2.

[6] CR at IV-1, PR at IV-1.

[7] CR at VII-3, PR at VII-3.

[8] CR at VII-10, PR at VII-7.

[9] CR at VII-17, PR at VII-10.

U.S. imports from South Africa over the period of investigation,[10] four producers of subject merchandise in Spain, whose reported exports accounted for *** percent of all U.S. imports from Spain over the period of investigation,[11] four producers of subject merchandise in Turkey whose reported exports accounted for *** percent of U.S. imports from Turkey in 2016,[12] two producers of subject merchandise in Ukraine whose reported exports accounted for *** percent of all U.S. imports from Ukraine over the period of investigation,[13] one producer of subject merchandise in the United Arab Emirates whose exports accounted for *** percent of all U.S. imports from the United Arab Emirates over the period of investigation,[14] and two producers of subject merchandise in the United Kingdom whose exports accounted for *** percent of all U.S. imports from the United Kingdom over the period of investigation.[15] The Commission did not receive any completed responses from producers of subject merchandise in Russia.[16]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[17] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[18] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[19]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[20] No single factor is

[10] CR at VII-26, PR at VII-15.
[11] CR at VII-32, PR at VII-18.
[12] CR at VII-40, PR at VII-23.
[13] CR at VII-47, PR at VII-26.
[14] CR at VII-55, PR at VII-30.
[15] CR at VII-63, PR at VII-33-34.
[16] CR at VII-23, PR at VII-13.
[17] 19 U.S.C. § 1677(4)(A).
[18] 19 U.S.C. § 1677(4)(A).
[19] 19 U.S.C. § 1677(10).
[20] *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (Continued…)

dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[21] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[22] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value,[23] the Commission determines what domestic product is like the imported articles Commerce has identified.[24]

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

> . . . certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All

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(…Continued)
(3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

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

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

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

> products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.
>
> Wire rod is currently imported under statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the Harmonized Tariff Schedule of the United States (HTSUS). Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. The HTSUS provisions are for convenience and customs purposes; the written description of the scope is dispositive.[25]

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that typically is produced in nominal fractional diameters up to 47/64 inch (18.7 mm) and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers.[26] Wire rod sold in the United States is categorized by quality according to end use.[27]

Arguments of the Parties

Petitioners argue that the Commission should find a single domestic like product consisting of all wire rod, coextensive with the scope of the investigations. They assert that this would be consistent with the Commission's treatment of wire rod in prior investigations and reviews in which the Commission found all wire rod to comprise a single continuum domestic like product with no clear demarcations by type, grade, size, or use.[28]

Kiswire, the AWPA, and the British and Korean respondents, supported by the Turkish respondents, argue that grade 1080 and higher ("grade 1080") tire cord and tire bead wire rod should be defined as a domestic like product separate from other wire rod covered by the

[25] *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom*, 82 Fed. Reg. 19207, 19213 (Apr. 26, 2017) (initiation of less-than-fair-value investigations) ("Commerce Antidumping Duty Investigations"); *Carbon and Alloy Steel Wire Rod from Italy and Turkey*, 82 Fed. Reg. 19213, 19217 (Apr. 26, 2017) (initiation of countervailing duty investigations) ("Commerce Countervailing Duty Investigations").

[26] CR at I-12-13, PR at I-10-11.

[27] CR at I-13, PR at I-11.

[28] Petitions, Vol. I at 12-14; Gerdau, Keystone, and Charter Steel Postconf. Br. at 4-6; Nucor Postconf. Br. at 5 (incorporating by reference the postconference brief of Gerdau, Keystone, and Charter Steel).

scope.[29] They assert that the specifications for grade 1080 tire cord and tire bead wire rod have become more demanding since the Commission's prior wire rod investigations, which would support now defining this specialized wire rod as a separate like product.[30] Kiswire and the British and Korean respondents further assert that grade 1080 tire cord and tire bead wire rod is not interchangeable with, and has different channels of distribution and manufacturing facilities than, other types of wire rod.[31] They claim that customers and producers clearly perceive grade 1080 tire cord and tire bead wire rod to be a distinct product from other wire rod and that it commands a price premium due to its specialized chemistry and production process.[32]

Petitioners disagree. They assert that as was the case in the prior investigations, there is no clear dividing line between grade 1080 tire cord and tire bead wire rod and other wire rod products.[33]

Analysis and Conclusion

Based on the record, we define a single domestic like product consisting of all wire rod corresponding to the scope of the investigations.

Physical Characteristics and Uses. The record indicates that there is some overlap between grade 1080 tire cord and tire bead wire rod and all other wire rod with respect to physical characteristics and uses. All wire rod products within the scope, including grade 1080 tire cord and tire bead wire rod, are intermediate circular, hot-rolled steel products that are sold in irregularly wound coils and used for drawing and finishing into wire and wire products.[34] The scope definition encompasses at least 11 major categories of wire rod, defined by end use, ranging from low carbon wire rod such as industrial wire rod used for nails and chain link fence, to medium to high carbon wire rod used for tire bead and prestressed concrete strand ("PC strand"), to the highest-end products, including tire cord wire rod.[35]

Kiswire and the British and Korean respondents argue that grade 1080 tire cord and tire bead wire rod is physically distinct from other wire rod because it is produced through a tightly managed manufacturing process to stringent specifications requiring high carbon levels of at

[29] Kiswire Postconf. Br. at 2-10; AWPA Postconf. Br. at 25; British Respondent Postconf. Br. at 22-29; Korean Respondent Postconf. Br. at 5-16; Turkish Respondents Postconf. Br. at 9. The AWPA bases its argument that grade 1080 tire cord and tire bead wire rod is a separate domestic like product argument solely upon the lack of domestic industry production of the product. AWPA Postconf. Br. at 25.

[30] Kiswire Postconf. Br. at 2-3; British Respondent Postconf. Br. at 22-23; Korean Respondent Postconf. Br. at 15-16.

[31] Kiswire Postconf. Br. at 5-7; British Respondent Postconf. Br. at 22, 25-28; Korean Respondent Postconf. Br. at 9-13.

[32] Kiswire Postconf. Br. at 7-8; British Respondent Postconf. Br. at 27-28; Korean Respondent Postconf. Br. at 11, 13-14.

[33] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 pp. 4-11; Nucor Postconf. Br. at 5.

[34] CR at I-12-13, PR at I-10-11.

[35] CR at I-13-14, PR at I-11-12.

least 0.8 percent.[36] However, the evidence indicates that the domestic industry produces a number of different wire rod products in addition to grade 1080 tire cord and tire bead wire rod, including wire rod for ***, that require carbon levels at 0.8 percent or more.[37] Moreover, like grade 1080 tire cord and tire bead wire rod, suspension spring wire rod is a highly specialized wire rod product used in critical automotive safety applications, and has exacting metallurgical and mechanical standards.[38] Additionally, its production process must be carefully controlled to ensure the surface quality and cleanliness of the steel.[39] Thus, although Kiswire and the British and Korean respondents demonstrate distinguishing characteristics between grade 1080 tire cord and tire bead wire rod, on the one hand, and industrial quality products, on the other, they fail to show any clear demarcations between grade 1080 tire cord and tire bead wire rod and other specialized products that they advocate should be in the same like product as industrial quality wire rod. Rather, the record indicates that certain high-end wire rod products, including grade 1080 tire cord and tire bead wire rod, share stringent metallurgical and quality requirements.

Manufacturing Facilities, Production Processes and Employees. All wire rod, including grade 1080 tire cord and tire bead wire rod, shares a basic manufacturing process consisting of steelmaking, casting, hot-rolling, and coiling and cooling.[40] While chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced, the basic equipment, machinery, and facilities remain the same for the production of all wire rod.[41]

Kiswire and the British and Korean respondents argue that grade 1080 tire cord and tire bead wire rod must be produced using the basic oxygen furnace ("BOF") process, which utilizes pure iron rather than scrap as the primary input and is currently used only by foreign producers.[42] However, whether grade 1080 tire cord and tire bead wire rod meeting certain

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[36] Kiswire Postconf. Br. at 2-3; British Respondent Postconf. Br. at 22, 25; Korean Respondent Postconf. Br. at 7-8.

[37] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 6, Ex. 9, Ex. 10; Nucor Postconf. Br. at Ex. 1-1.

[38] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 9; Spanish Respondents Postconf. Br. at 4-5. The Spanish respondents do not argue that suspension spring wire rod is a separate domestic like product. Conf. Tr. at 76 (Bond).

[39] Spanish Respondents Postconf. Br. at 5.

[40] CR at I-15-20, PR at I-12-16. During the period of investigation Evraz Rocky Mountain Steel ("Evraz") produced and shipped grade 1080 tire cord and tire bead wire rod. Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 8; Email from ***, EDIS Doc. No. 610953; Evraz U.S. Producer Questionnaire Response at II-10 (Apr. 11, 2017). Keystone produced and shipped tire bead. Keystone U.S. Producer Questionnaire Response at II-10 (Apr. 5, 2017); Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 11.

[41] CR at I-16 n.26, I-20, PR at I-14 n.26; Conf. Tr. at 156-57 (Nystrom); Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 9. ***. Email from M. Carroll (Apr. 24, 2017), EDIS Doc. No. 610953.

[42] Kiswire Postconf. Br. at 4-7; British Respondent Postconf. Br. at 22-23; Korean Respondent Postconf. Br. at 13. Kiswire and the British respondent state that before its closure, ArcelorMittal USA's (Continued…)

performance specifications can only be manufactured using the BOF process, which is the crux of respondents' arguments, is not probative to a like product analysis in these investigations. This is because the domestic like product analysis compares different domestically produced products[43] and as respondents recognize, no domestic wire rod producer uses the BOF process. Rather, domestic wire rod mills use the electric arc furnace ("EAF") production process to produce wire rod.[44] Consequently, there is no distinction in production facilities and manufacturing processes between domestically produced grade 1080 tire cord and tire bead wire rod and other domestically produced wire products.

Channels of Distribution. The majority of all domestically produced wire rod is sold to end users.[45] Petitioners and respondents agree that grade 1080 tire cord and tire bead wire rod is sold directly to end users.[46]

Interchangeability. Wire rod used for industrial applications may not meet the quality specifications required for grade 1080 tire cord and tire bead wire rod.[47] Additionally, Kiswire and the British and Korean respondents assert that grade 1080 tire cord and tire bead wire rod would not be used in low-end applications, either for cost reasons or because it would entail process adjustments.[48] As previously stated, however, the scope definition encompasses 11 broad end use categories within which there is an overlap of metallurgical qualities, chemistries, and physical characteristics. Products in the various end use categories are not necessarily interchangeable, but this does not distinguish grade 1080 tire cord and tire bead wire rod from other types of wire rod within the scope.

Producer and Customer Perceptions. Kiswire, a purchaser of grade 1080 tire cord and tire bead wire rod, asserts that customers and producers clearly perceive grade 1080 tire cord and tire bead wire rod to be a distinct product that must be produced to stringent

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(…Continued)
("ArcelorMittal") Georgetown, South Carolina facility, which used the EAF process, was able to produce lower grade tire cord and tire bead wire rod used on small tires but was unable to pass the qualification process for grade 1080 tire cord and tire bead wire rod. Kiswire Postconf. Br. at 6-7; British Respondent Br. at 23. Additionally, Kiswire states that it attempted to qualify ***. Kiswire Postconf. Br. at 6-7.

[43] *See*, *e.g.*, *Large Residential Washers from China*, Inv. No. 731-TA-1306 (Preliminary), USITC Pub. 4591 at 10 (Feb. 2016).

[44] Kiswire Postconf. Br. at 6; Korean Respondent Postconf. Br. at 9-10, 13; British Respondent Postconf. Br. at 22. Petitioners state that a wire rod producer can purchase billets from a BOF producer and that the production processes beginning from the rolling stage are largely identical for all wire rod. Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 8; *see also* AWPA Postconf. Br. at 21 (email from Bekaert employee stating that Evraz supplied the company with grade 1080 tire cord wire rod manufactured with billets from a BOF producer in Canada).

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

[46] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 pp. 7-8; Nucor Postconf. Br. at 5; Kiswire Postconf. Br. at 6; British Respondent Postconf. Br. at 28; Korean Respondent Postconf. Br. at 10-11.

[47] CR at II-14, PR at II-8; Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 7; Nucor Postconf. Br. at 5.

[48] Kiswire Postconf. Br. at 5; British Respondent Postconf. Br. at 27; Korean Respondent Postconf. Br. at 9.

specifications.[49] This is true not only for grade 1080 tire cord and tire bead wire rod, but for other types of specialized wire rod products as well.[50] Domestic producers generally produce both specialty and lower end types of wire rod, and do not make bright-line distinctions among the various types, but rather view the various types as comprising a range of wire rod products.[51]

Price. Prices are lower for industrial quality wire rod and higher for higher quality and more specialized wire rod.[52] Kiswire and the British and Korean respondents argue that grade 1080 tire cord and tire bead wire rod is priced higher than other wire rod products.[53] The petitioners agree that tire cord wire rod commands a price premium over lower end products, but assert that this is true for other high-end wire rod products as well.[54]

Conclusion. In investigations such as these in which domestically manufactured merchandise is made up of a grouping of similar products or involves niche products, the Commission does not consider each item of merchandise to be a separate domestic like product that is only "like" its identical counterpart in the scope, but considers the grouping itself to constitute the domestic like product[55] and "disregards minor variations,"[56] absent a "clear dividing line" between particular products in the group. In prior investigations involving wire rod, the Commission has found that distinctions between different types of wire rod do not constitute "clear dividing lines" warranting the definition of separate domestic like products.[57] Notwithstanding respondents' contention that product characteristics have changed since these prior proceedings, we conclude that the record here warrants the same result. While grade 1080 tire cord and tire bead wire rod are high-end specialized products that may have certain distinct characteristics and are made using specialized processes to specific

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[49] Kiswire Postconf. Br. at 7-8.

[50] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 9 & Ex. 10; AWPA Postconf. Br. at Ex. 20 (excerpt from Evraz's website describing the demanding nature of the requirements for wire rope and PC strand as well as tire bead and tire cord).

[51] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 10, Ex. 9.

[52] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 10.

[53] Kiswire Postconf. Br. at 8-9; British Respondent Postconf. Br. at 28; Korean Respondent Postconf. Br. at 13-14.

[54] Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 1 p. 10; Nucor Postconf. Br. at 5.

[55] *See, e.g., Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547, 731-TA-1291-1297 (Preliminary), USITC Pub. 4570 at 10 (Oct. 2015); *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Pub. 4190 (November 2010) at 8, n. 45.; *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom*, Inv. Nos. 701-TA-413 (Final) and 731-TA-913-916 and 918 (Final), USITC Pub. 3488 (February 2002) at 6-7.

[56] *See* S. Rep. No. 96-249 at 90-91 (1979).

[57] *E.g.*, *Carbon and Certain Alloy Steel Wire Rod from China, Germany, and Turkey*, Inv. Nos. 731-TA-1099-1101 (Preliminary), USITC Pub. 3832 at 10 (Jan. 2006); *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and* Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final), USITC Pub. 3546 at 9 (Oct. 2002).

customer requirements and standards, the same is true for many other types of high-end specialized wire rod. Moreover, all types of wire rod share certain basic physical properties, are generally manufactured in the same domestic facilities using the same processes, and are sold primarily to end users. Limited interchangeability in some end uses and price differences are consistent with a grouping of a range of similar products. We accordingly define a single domestic like product consisting of all wire rod, including grade 1080 tire cord and tire bead wire rod, corresponding to the scope of the investigations.

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[58] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[59] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[60]

*** U.S. producer, ***, meets the statutory definition of a related party.[61] It shares the same parent company, ***, as exporters of subject merchandise from *** and as U.S. importer ***.[62] *** imported subject wire rod from Spain and Ukraine during the period of

[58] 19 U.S.C. § 1677(4)(A).

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

[60] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the less than fair value sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market); (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry; (4) the ratio of import shipments to U.S. production for the imported product; and (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp. 3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington*, 790 F. Supp. at 1168.

[61] Petitioners argue that the Commission should define the domestic industry to include all domestic producers of wire rod. Petitions, Vol. I at 15. None of the respondents address how the Commission should define the domestic industry.

[62] CR/PR at Table III-2 n.1, -3.

investigation.[63] Because both *** and an importer and exporters of subject merchandise have a common parent, *** is a related party.[64]

Based on the record and the lack of any contrary party arguments, we find that the appropriate circumstances do not exist to exclude *** from the domestic industry. Although ***,[65] its U.S. production in 2014 and 2015 was still considerably larger than its affiliated firm's imports for those years, underscoring that its principal interest was in domestic production. Specifically, *** U.S. production was *** short tons in 2014 and *** short tons in 2015. *** imported *** short tons from *** combined in 2014 (the equivalent of *** percent of *** domestic production in 2014), and *** short tons from *** combined in 2015 (the equivalent of *** percent of *** domestic production in 2015).[66] *** states that it *** and that ***.[67] The record provides no indication that *** affiliations with exporters or an importer of subject merchandise were benefitting the firm. ***.[68]

Consequently, we define the domestic industry as all U.S. producers of the domestic like product.

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent (or four percent in the case of a developing country in a countervailing duty investigation) of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition.[69]

The statute further provides that subject imports from a single country which comprise less than 3 percent of such total imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.[70] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative (USTR)), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[71]

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should

[63] *** U.S. Producer Questionnaire Response at II-10(a) (Apr. 11, 2017).

[64] 19 U.S.C. § 1677(7)(4)(B)(ii)(III).

[65] CR/PR at Table III-1 n.1

[66] CR/PR at Table III-8.

[67] *** U.S. Importer Questionnaire at II-4 (Apr. 7, 2017).

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

[69] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[70] 19 U.S.C. § 1677(24)(A)(ii).

[71] 19 U.S.C. § 1677(24)(B).

the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than 3 percent (4 percent for countervailing duty investigations of developing countries) of all such merchandise imported into the United States.[72] The Commission also assesses whether there is a potential that the aggregate volumes of subject imports from all countries with currently negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.[73] The threshold is 9 percent for developing countries.

Arguments of the Parties

Petitioners' Arguments. Petitioners argue that according to official import statistics for the most recent 12-month period prior to the filing of the petitions (March 2016 through February 2017), subject imports from Korea, Russia, Spain, Turkey, and Ukraine each exceeded the 3 percent negligibility threshold applicable in antidumping duty investigations.[74] Additionally, they assert that although subject imports from Belarus, Italy, South Africa, the United Arab Emirates, and the United Kingdom individually fell below the 3 percent negligibility threshold, the volume of imports from these countries collectively exceeded the 7 percent threshold set forth in 19 U.S.C. § 1677(24)(A)(ii).[75]

With respect to the countervailing duty investigation covering allegedly subsidized imports from Italy, petitioners argue that the Commission should not make a distinction between dumped or subsidized imports and that it should combine allegedly subsidized imports from Italy with imports from other subject countries that are individually negligible in the antidumping duty investigations.[76] Petitioners maintain that the collective volume of imports during the relevant period exceeded the 7 percent aggregate threshold.[77] Petitioners further argue that even if the Commission decides separately to assess the negligibility of allegedly subsidized imports from Italy, these imports would not be negligible in the context of the Commission's threat analysis because "there is a potential" that imports from Italy will imminently exceed the individual country negligibility threshold based on import license and questionnaire data.[78] Additionally, petitioners assert that production capacity in Italy is massive and that *** and ***.[79]

Respondents' Arguments. The Italian respondent argues that imports from Italy subject to the countervailing duty investigation are negligible because they accounted for only 2.5 percent of total wire rod imports from March 2016 through February 2017. Additionally, no other individually negligible sources subject to a countervailing duty investigation can be

[72] 19 U.S.C. § 1677(24)(A)(iv).

[73] 19 U.S.C. § 1677(24)(A)(iv).

[74] Nucor Postconf. Br. at 7; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8 (incorporating by reference discussion of negligibility in Nucor's postconference brief).

[75] Nucor Postconf. Br. at 7-8; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8.

[76] Nucor Postconf. Br. at 9; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8.

[77] Nucor Postconf. Br. at 9; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8.

[78] Nucor Postconf. Br. at 10; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8, 12-13.

[79] Nucor Postconf. Br. at 13-15; Gerdau, Keystone, and Charter Steel Postconf. Br. at 7-8.

combined with imports from Italy, rendering the aggregated exception to the statute inapplicable.[80]

The Italian respondent maintains that imports from Italy are also negligible in the context of the Commission's threat analysis because there is no potential that subject imports from Italy will imminently account for more than 3 percent of the volume of imports over a sustained 12-month period.[81] It maintains that imports from Italy did not reach 3 percent of total imports during any 12-month period during the period of investigation. Additionally, imports from Italy did not exceed this threshold in any six-month period of the period of investigation except for September 2016 through February 2017 in which imports from Italy reached 3.9 percent.[82] Moreover, it maintains that the Italian wire rod industry has stable capacity, *** capacity utilization, produces a *** of its production for internal consumption or transfers, and has never had a significant presence in the U.S. market.[83]

The South African respondent argues that wire rod imports from South Africa are negligible.[84] The South African respondent argues that in conducting its negligibility analysis, the Commission should use the questionnaire response data for all subject countries except for ***. The South African respondent asserts that in using import statistics for *** and questionnaire response data for the remaining subject countries, imports from only two countries, ***, fall below the 3 percent negligibility threshold. Moreover the two countries collectively account for only *** percent of total imports, which is less than the 7 percent threshold pertinent to aggregated imports from individually negligible sources.[85]

Analysis and Conclusion

Subject imports from five of the ten subject countries are clearly above the statutory negligibility threshold. Specifically, official import data[86] indicate that from March 2016 through February 2017, the 12-month period preceding the filing of the petition, subject imports from Korea accounted for 4.9 percent of total imports, subject imports from Russia accounted for 6.0 percent, subject imports from Spain accounted for 4.5 percent, subject imports from Turkey accounted for 4.5 percent, and subject imports from Ukraine accounted

[80] Italian Respondent Postconf. Br. at 4.

[81] Italian Respondent Postconf. Br. at 5.

[82] Italian Respondent Postconf. Br. at 6. The Italian respondent asserts that during the six-month period from September 2016 through February 2017, subject imports from Italy fluctuated from month to month, entering in four of the six months and that they have decreased since November 2016. *See id.*

[83] Italian Respondent Postconf. Br. at 6-10.

[84] South African Respondent Postconf. Br. at 1-6.

[85] South African Respondent Postconf. Br. at 4-5.

[86] We do not agree with the South African respondent that the Commission should rely on official import data for only *** and questionnaire data for all other subject countries in its negligibility analysis. Importer coverage for subject imports, as well as for imports from nonsubject sources, is incomplete. CR at IV-1, PR at IV-1. Moreover, there is nothing in the record that leads us to believe the official import statistics are inaccurate or overstate the subject imports.

for 9.3 percent.[87] Consequently, we find that subject imports from these five countries are not negligible for purposes of the antidumping duty investigations and that subject imports from Turkey are not negligible for purposes of the countervailing duty investigation.[88]

Subject imports from the remaining five subject countries are below the 3 percent individual subject country statutory negligibility threshold. Official import data indicate that subject imports from Belarus accounted for 2.6 percent of total imports during the relevant period, subject imports from Italy accounted for 2.5 percent, subject imports from South Africa accounted for 1.2 percent, subject imports from the United Arab Emirates accounted for 1.3 percent, and subject imports from the United Kingdom accounted for 2.6 percent.[89] The aggregate percentage of total imports from these five countries is 10.2 percent. Because this exceeds the 7 percent statutory threshold pertinent to aggregated imports from individually negligible sources, we find that subject imports are not negligible for purposes of the antidumping duty investigations on wire rod from Belarus, Italy, South Africa, Ukraine, and the United Kingdom.

The remaining question is whether subject imports from Italy are negligible for purposes of the countervailing duty investigation. As previously stated, subject imports from Italy accounted for 2.5 percent of total imports over the relevant period, which is below the applicable 3 percent negligibility threshold. There are no subject imports from any country subject to a countervailing duty investigation that are eligible to be aggregated with those from Italy for purposes of the 7 percent statutory threshold. Subject imports from Turkey, the only other country subject to a countervailing duty investigation, exceed the 3 percent negligibility threshold.

We reject petitioners' request to aggregate imports from Italy subject to the countervailing duty investigation with imports from other subject countries that are individually negligible in the antidumping duty investigations. The Commission has consistently declined to follow such a practice.[90] We consequently determine that subject imports from Italy are negligible for our present injury analysis in the countervailing duty investigation.

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[87] CR/PR at Table IV-3.

[88] USTR has not designated Italy or Turkey to be a developing country. 15 C.F.R. § 2013.1 (1-1-16 edition); 19 U.S.C. § 1677(24)(B).

[89] CR/PR at Table IV-3.

[90] In the 1999 *Cold-Rolled Steel* investigations, the Commission referred to a statement in the Uruguay Round Agreements Act Statement of Administrative Action (the substance of which is also clear on the face of the underlying statutory provision) that the special alternative 4 and 9 percent thresholds apply only to subject imports from developing countries in countervailing duty investigations, and it read this limitation as precluding it from cross-aggregating dumped imports with subsidized imports for purposes of assessing developing country negligibility. *Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, Inv. Nos. 701-TA-393-396 and 731-TA-829-840 (Preliminary), USITC Pub. 3214 at 16 & n.105 (July 1999). The Commission has recently reaffirmed that it does not aggregate dumped and subsidized imports for purposes of determining negligibility. *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Pub. 4637 at 13 n.69 (Sept. 2016) ("*2016 Cold-Rolled Final*"); *Certain*
(Continued…)

We find that it is not likely that evidence leading to a contrary result will arise in any final phase of these investigations notwithstanding that subject imports from Italy were approaching the 3 percent threshold. Questionnaire data in the preliminary phase encompassed all subject imports from Italy.[91] Staff calculated import data based on both adjusted and unadjusted import statistics, and there is no material difference between the two.[92] Consequently, any further adjustments to data for subject imports from Italy or total imports in any final phase of the investigations would be minor. Accordingly, we find that it is not likely that contrary evidence concerning the level of subject imports from Italy will arise in any final phase of these investigations that would make them non-negligible for purposes of material injury analysis in the countervailing duty investigation.

On the other hand, we find subject imports from Italy in the countervailing duty investigation are not negligible for purposes of our analysis of reasonable indication of threat of material injury.[93] The record indicates that imports from Italy accounted for less than 0.5 percent of total imports until August 2016 when the volume of imports from Italy began to increase.[94] For the seven-month period beginning in August 2016 through February 2017, imports from Italy accounted for 4.4 percent of total imports; these subject imports from Italy increased on a monthly basis throughout the negligibility period.[95] We also observe that subject imports from Italy account for *** percent of all reported arranged imports for the second quarter of 2017.[96] In light of the recent upward trend of subject imports from Italy as a percentage of total imports, we find that subject imports from Italy have the potential imminently to exceed the 3 percent negligibility threshold for purposes of determining threat of material injury. Therefore, for purposes of our consideration of whether there is a reasonable indication of threat of material injury in the countervailing duty investigation, we consider subject imports from Italy.

(…Continued)
*Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turke*y, Inv. Nos. 701-TA-559-561 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 at 22-23 (May 2016).

[91] CR/PR at IV-1.

[92] Official import statistics for wire rod were based on thirteen HTS statistical reporting numbers under which wire rod imports typically entered the United States. Importers were asked to report data for imports of wire rod under these HTS numbers and to report separately imports of wire rod that entered under other HTS numbers. Few imports were reported under other HTS numbers, and such imports did not materially impact each individual subject country's share of imports. CR at IV-6 n.6, PR at IV-6 n.6.

[93] *See* 19 U.S.C. § 1677(24)(A)(iv).

[94] CR/PR at Table IV-4.

[95] CR/PR at Table IV-4.

[96] CR/PR at Table VII-37.

VI. Cumulation

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

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

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

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

(4) whether the subject imports are simultaneously present in the market.[97]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[98] Only a "reasonable overlap" of competition is required.[99]

[97] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'd, Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

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

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

Arguments of the Parties

Petitioners argue that the Commission should cumulatively assess imports from all subject countries as it did in the prior investigations and reviews involving wire rod.[100] They contend that the petitions against all ten countries were filed simultaneously on the same day and the record demonstrates a reasonable overlap in competition, and that cumulation for all ten subject countries is therefore mandatory.[101] Petitioners discount respondents' contention that there is limited competition between the domestic like product and imports of high-carbon tire cord and tire bead wire rod from Korea, the United Kingdom, and Spain and suspension spring wire rod from Spain, arguing that the domestic industry also produces these products.[102] They observe that, in any event, subject imports from each subject country and the domestic like product competed ***.[103]

The Spanish respondents argue that the Commission should not cumulate subject imports from Spain with other subject imports because they consisted primarily of specialized products requiring qualification and certification.[104] Specifically, *** percent of imports from Spain were of suspension spring wire rod and over *** percent of such imports were of tire cord and tire bead wire rod, products which Spanish respondents assert "virtually no" U.S. wire rod producers are qualified to supply.[105] They maintain that the vast majority of domestically produced wire rod and wire rod imported from other subject countries consist of standard quality industrial wire rod, which is not interchangeable with specialty wire rod.[106] The Spanish respondents also argue that subject imports from Spain were sold to limited geographic markets *** using different channels of distribution (exclusively to end users).[107]

Analysis and Conclusion

We consider subject imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom on a cumulated basis

[100] Petitions, Vol. I at 19-23; Gerdau, Keystone, and Charter Steel Postconf. Br. at 8-12; Nucor Postconf. Br. at 5.

[101] Gerdau, Keystone, and Charter Steel Postconf. Br. at 8-10; Nucor Postconf. Br. at 5.

[102] Gerdau, Keystone, and Charter Steel Postconf. Br. at 12-14; Nucor Postconf. Br. at 5.

[103] Gerdau, Keystone, and Charter Steel Postconf. Br. at 13; Nucor Postconf. Br. at 5.

[104] Spanish Respondents Postconf. Br. at 9-13, 18-23. The Spanish respondents state that the qualification process is a rigorous and lengthy process which entails providing samples, undergoing an audit with the original equipment manufacturer ("OEM"), a trial evaluation with the OEM, product validation, and multiple follow-up steps. Spanish Respondents Postconf. Br. at 6-7. After the wire rod mill qualifies as a supplier to the OEM, the OEM, in turn, must go through the Automotive Industry Action Group Production Part Approval Process. *See id.* at 7.

[105] Spanish Respondents Postconf. Br. at 7-11. The Spanish respondents acknowledge, however, that *** are qualified suppliers of wire rod to *** of suspension spring coils, and that ***. *See id.* at 7. They further acknowledge that *** domestic producers reported shipments of tire cord or tire bead wire rod in 2016. *See id.* at 23-24.

[106] Spanish Respondents Postconf. Br. at 11-12.

[107] Spanish Respondents Postconf. Br. at 14-17.

because the statutory criteria for cumulation are satisfied. As an initial matter, petitioners filed the antidumping/countervailing duty petitions with respect to all sources of subject imports on the same day, March 28, 2017.[108] Additionally, as discussed below, the record supports finding a reasonable overlap of competition among wire rod produced in Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, the United Kingdom, and the United States.

Fungibility. Subject imports from each subject country are generally interchangeable with the domestically produced product. All domestic producers and at least half of responding importers reported that imports from the individual subject countries are always or frequently interchangeable with each other and the domestic like product.[109] In particular, a majority of both domestic producers and importers found subject imports from Spain always or frequently interchangeable with the domestic like product,[110] and majorities of domestic producers and at least half of importers found subject imports from Spain always or frequently interchangeable with imports from each other subject country.[111] Although the types and qualities of imported wire rod vary to some extent among subject sources, generally, wire rod is imported within the same range of grades.[112] There is substantial product overlap of shipments of the domestic like product and subject imports, and between subject imports from each subject country. In 2016, low-carbon industrial wire rod accounted for 56.2 percent of total U.S. shipments of the domestic like product and at least *** percent of total U.S. shipments of wire rod from nine of the ten subject countries.[113] Each subject country shipped some volume of this product.[114]

The Spanish respondents argue that subject imports from Spain, which consist primarily of suspension spring wire rod and tire cord and tire bead wire rod, are not fungible with the domestic like product and have limited fungibility with imports from other subject countries. We acknowledge that there are some differences in product mix imported from Spain and that low-carbon industrial wire rod accounted for a lower percentage of U.S. shipments of subject imports from Spain (*** percent) in 2016 than it did for any other subject country.[115] Nevertheless, there is sufficient overlap with the domestic like product and imports from other subject countries to support a finding of fungibility. The record indicates that the domestic industry produced and shipped appreciable quantities of tire cord and tire bead wire rod and suspension spring wire rod during the period of investigation.[116] There were also appreciable

[108] None of the statutory exceptions to cumulation applies. We observe that while allegedly subsidized subject imports from Italy are not eligible for cumulation for the material injury analysis because of our negligibility finding, allegedly dumped subject imports from Italy are eligible for cumulation.

[109] CR/PR at Tables II-4(a)-4(b).

[110] CR/PR at Table II-4(a).

[111] CR/PR at Table II-4(b).

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

[113] CR/PR at Tables III-6 & IV-5.

[114] CR at IV-9, PR at IV-9.

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

[116] In 2016, Evraz and Keystone shipped *** short tons of tire cord and tire bead wire rod. CR/PR at Table III-6; Evraz U.S. Producer Questionnaire Response at II-10 (Apr. 11, 2017); Keystone U.S. (Continued…)

quantities of tire cord and tire bead wire rod imported from Korea and the United Kingdom that competed with the product imported from Spain.[117] Moreover, there were modest quantities of low-carbon industrial wire rod being imported from Spain into the U.S. market.[118] Indeed, the record permits some comparisons of pricing product 3 from Spain (an industrial quality mesh product) with both the domestic like product and imports from eight other subject countries.[119]

Although the record indicates varying degrees of overlap in product mix, on balance, the record indicates a reasonable level of fungibility between and among the domestic like product and wire rod from each subject source.

Channels of Distribution. Domestic producers and importers sold wire rod to distributors and end users. In 2016, the majority of domestic producers' U.S. shipments of wire rod ***, as well as substantial portions of U.S. shipments of imports of wire rod from Belarus ***, Korea ***, Russia ***, Spain ***, Turkey ***, and Ukraine *** were sold to end users.[120] Appreciable proportions of shipments of the domestic like product *** and of imports from Belarus ***, Korea ***, and Turkey ***, and the great majority of shipments of imports from Italy ***, South Africa ***, the United Arab Emirates ***, and the United Kingdom *** were sold to distributors.

Geographic Overlap. Domestically produced wire rod is sold in all six regions in the contiguous United States.[121] Subject imports are also sold to all six regions, but are concentrated in the Southeast, Midwest, and Central Southwest regions.[122]

Simultaneous Presence in Market. Import data show that the domestic like product and wire rod imported from all subject countries have been present in the U.S. market during both 2015 and 2016.[123]

Conclusion. The record supports finding that subject imports from each subject country are fungible with the domestic like product and each other, that subject imports from each subject country and the domestic like product are sold in similar channels of distribution and in similar geographic markets, and have been simultaneously present in the U.S. market. In light

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(…Continued)
Producer Questionnaire Response at II-10 (Apr. 5, 2017); Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 8., Ex. 11.

Also during this period, Charter Steel produced and shipped suspension spring wire rod. Charter Steel U.S. Producer Questionnaire Response at II-10 (Apr. 6, 2017); Gerdau, Keystone, and Charter Steel Postconf. Br. at Ex. 11.

[117] CR/PR at Table IV-5. In 2016, there were *** short tons of U.S. shipments of tire cord and tire bead wire rod imported from Spain compared to *** short tons of U.S. shipments of tire cord and tire bead wire rod imported from Korea and *** short tons of U.S. shipments of this product imported from the United Kingdom. *See id.*

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

[119] CR at Table V-5.

[120] CR/PR at Table II-1.

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

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

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

of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and between imports from each subject country.

VII. Reasonable Indication of Material Injury by Reason of Subject Imports

Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[124] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[125] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[126] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[127] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[128]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured by reason of" unfairly traded imports,[129] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[130] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports

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[124] 19 U.S.C. §§ 1671b(a), 1673b(a). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of reasonable indication of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments here.

[125] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... {a}nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[126] 19 U.S.C. § 1677(7)(A).

[127] 19 U.S.C. § 1677(7)(C)(iii).

[128] 19 U.S.C. § 1677(7)(C)(iii).

[129] 19 U.S.C. §§ 1671b(a), 1673b(a).

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

are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[131]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[132] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[133] Nor does

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

[132] SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal*, 542 F.3d at 877.

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

the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[134] It is clear that the existence of injury caused by other factors does not compel a negative determination.[135]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[136] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[137]

The Federal Circuit's decisions in *Gerald Metals*, *Bratsk,* and *Mittal* all involved cases in which the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[138] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal* litigation.

Mittal clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record 'to show that the harm occurred 'by reason of' the LTFV imports,'" and requires that

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(…Continued)
tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

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

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

[136] *Mittal*, 542 F.3d at 877-78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 792 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

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

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

the Commission not attribute injury from nonsubject imports or other factors to subject imports.[139] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[140]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[141] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[142]

Conditions of Competition and the Business Cycle

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

1. Captive Production Provision

The domestic industry captively consumes a portion of its production of the domestic like product in the manufacture of downstream articles. Accordingly, we have considered whether the statutory captive production provision requires us to focus our analysis primarily

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

[140] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in the final phase of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in the final phase of investigations in which there are substantial levels of nonsubject imports.

[141] We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

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

on the merchant market when assessing market share and the factors affecting the financial performance of the domestic industry.[143] [144]

Petitioners maintain that the criteria for applying the captive production provision are clearly satisfied, and that therefore the Commission should focus primarily on the merchant market in analyzing the market share and financial performance of the U.S. industry.[145] None of the respondents directly address the applicability of the captive production provision.[146]

Threshold Criterion. The captive production provision can be applied only if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. In these investigations, internal consumption accounted for between 27.6 percent and 30.0 percent of U.S. producers' U.S. shipments of wire rod between 2014 and 2016.[147] Commercial shipments accounted for between 69.0 percent and 71.2 percent of the domestic industry's U.S. shipments in this period.[148] We find that both the internal consumption and merchant market segments constitute significant portions of the market.

First Statutory Criterion. The first criterion tests whether the domestic like product produced that is internally transferred for processing into downstream articles does not enter the merchant market for the domestic like product.[149] No domestic producers in these

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[143] The captive production provision, 19 U.S.C. § 1677(7)(C)(iv), provides:

> (iv) CAPTIVE PRODUCTION –If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that –
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> > (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product, and
> > (II) the domestic like product is the predominant material input in the production of that downstream article;
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> then the Commission, in determining market share and the factors affecting financial performance set forth in clause (iii), shall focus primarily on the merchant market for the domestic like product.

[144] The Trade Preferences Extension Act of 2015 eliminated what had been the third statutory criterion of the captive production provision. Pub. L. 114-27, § 503(c).

[145] Gerdau, Keystone, and Charter Steel Postconf. Br. at 21-23; Nucor Postconf. Br. at 5.

[146] The Turkish respondents acknowledge that petitioners are vertically integrated and that their wire rod mills produce wire rod that is used to feed their downstream wire operations. Turkish Respondents Postconf. Br. at 3.

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

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

[149] *See Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Preliminary), USITC Pub. 3961 at 13 (Nov. 2007) ("No producer reported diverting raw flexible magnets intended for internal consumption to the merchant market.").

investigations reported diverting wire rod that was to be internally consumed or transferred to the merchant market.[150] This criterion is therefore satisfied.

Second Statutory Criterion. In applying the second statutory criterion, the Commission generally considers whether the domestic like product is the predominant material input into a downstream product by referring to its share of the raw material cost of the downstream product.[151] In these investigations, reporting domestic producers indicated that wire rod accounted for between 60 percent and 87 percent of the finished cost of the downstream products produced from wire rod.[152] Because wire rod is the predominant material input into downstream products, this criterion is also satisfied in these investigations.

Conclusion. We conclude that the criteria for application of the captive production provision are satisfied in these investigations and, accordingly, we focus primarily on the merchant market in analyzing the market share and financial performance of the domestic industry.[153] We also have considered the market as a whole and the captive portion of the market.

2. Demand Conditions

Wire rod is a hot-rolled intermediate steel product that is used in a variety of downstream products in the construction, automotive, energy, and agriculture industries.[154] Consequently, demand for wire rod depends on demand for these downstream products. Most U.S. producers reported that overall demand for wire rod has decreased since January 2014 while a plurality of importers reported that demand has increased.[155]

Apparent U.S. consumption of wire rod decreased by 4.0 percent in the merchant market during the period of investigation, falling from 4.44 million short tons in 2014 to 4.39 million short tons in 2015 and 4.26 million short tons in 2016.[156]

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[150] CR at III-13, PR at III-7.

[151] *See* 19 U.S.C. § 1677(7)(C)(iv)(II).

[152] CR at III-14, PR at III-8.

[153] In the 2014-15 investigations of wire rod from China, which involved the same domestic like product and essentially the same domestic industry as these investigations, the Commission found the threshold criterion, as well as the first and second statutory criteria, were satisfied. However, the Commission did not apply the captive production provision because it concluded that the third statutory criterion was not satisfied. *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 at 11-12 (Jan. 2015). As previously discussed, the Trade Preferences Extension Act of 2015 subsequently eliminated the third statutory criterion.

[154] CR at II-1, PR at II-1.

[155] CR at II-12, PR at II-8.

[156] CR/PR at Table IV-8. Apparent U.S. consumption in the overall market decreased by 2.2 percent, falling from 5.45 million short tons in 2014 to 5.44 million short tons in 2015 and 5.33 million short tons in 2016. CR/PR at Table IV-8.

3. Supply Conditions

The domestic industry was the largest supplier of wire rod to the U.S. market during the period of investigation, although its share of apparent U.S. consumption in the merchant market decreased from 59.2 percent in 2014 to 59.0 percent in 2015 and 58.0 percent in 2016.[157]

In 2014, there were ten U.S. producers of wire rod, with seven of these firms internally transferring some wire rod to produce downstream products.[158] During the course of the period of investigation, two domestic producers ceased production; in August 2015, ArcelorMittal closed its mill in Georgetown, South Carolina, and in March 2016, Republic Steel shuttered its wire rod operations in Lorain, Ohio.[159] Although ArcelorMittal's closure reduced domestic industry capacity by *** short tons, two domestic producers, ***, expanded their operations adding *** short tons and *** short tons of capacity, respectively.[160] Overall, the domestic industry's capacity declined by 5.2 percent between 2014 and 2016.[161] Petitioners maintain that the domestic industry has ample capacity to meet demand for wire rod in the U.S. market and that it produces the entire product line of wire rod.[162]

Nonsubject imports were the next largest source of supply in the U.S. market after the domestic industry. Nonsubject imports declined from 30.6 percent of apparent U.S. consumption in the merchant market in 2014 to 25.6 percent in 2015 and 25.3 percent in 2016.[163] During the period of investigation, wire rod imports from China were the subject of antidumping and countervailing duty investigations and in January 2015, antidumping and countervailing duty orders were imposed covering these imports.[164] Consequently, wire rod imports from China decreased from 374,785 short tons in 2014 to 1,672 short tons in 2015 and 44 short tons in 2016.[165] Antidumping duty orders have also been in place since 2002 on wire rod imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago, as well as a countervailing duty order on wire rod imports from Brazil.[166] In 2016, the largest source of

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[157] CR/PR at Table IV-9. The domestic industry supplied 66.9 percent of apparent U.S. consumption in the overall market in 2014 and 2015 and 66.4 percent in 2016. *See id.*

[158] CR/PR at Table III-1; CR at III-13, PR at III-7.

[159] Gerdau, Keystone, and Charter Steel Postconf. Br. at 35-36; Nucor Postconf. Br. at 5. Republic Steel provided a questionnaire response but it was not usable. CR at III-1 n.1, PR at III-1 n.1.

[160] CR at II-4 n.2; PR at II-2 n.2.

[161] CR at III-5, PR at III-2-3. Capacity declined from 4.9 million short tons in 2014 and 2015 to 4.6 million short tons in 2016. CR/PR at Table III-3.

[162] Gerdau, Keystone, and Charter Steel Postconf. Br. at 19; Nucor Postconf. Br. at 5.

[163] CR/PR at Table IV-9. In the market as a whole, nonsubject imports' share of apparent U.S. consumption was 24.9 percent in 2014, 20.7 percent in 2015, and 20.2 percent in 2016. *See id.*

[164] *Carbon and Certain Alloy Steel Wire Rod from China*, 80 Fed. Reg. 1015 (Jan. 8, 2015) (antidumping duty order); *Carbon and Certain Alloy Steel Wire Rod from China*, 80 Fed. Reg. 1018 (Jan. 8, 2015) (countervailing duty order).

[165] Working Table 1, EDIS Doc. No. 611872.

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

nonsubject imports was Canada, which accounted for 51.3 percent of nonsubject imports and 30.9 percent of all wire rod imports in that year.[167]

Cumulated subject imports were the third largest source of supply to the U.S. market after the domestic industry and nonsubject imports. Cumulated subject imports' share of apparent U.S. consumption in the merchant market increased from 10.2 percent in 2014 to 15.4 percent in 2015 and 16.7 percent in 2016.[168]

4. Substitutability

As previously stated, all domestic producers and the majority of responding importers reported that imports from the subject countries are always or frequently interchangeable with the domestic like product.[169] The domestic like product and cumulated subject imports compete with one another in a range of products, but particularly in the industrial/standard quality wire rod category, which in 2016 accounted for *** percent of the domestic industry's commercial U.S. shipments and 76.7 percent of U.S. shipments of cumulated subject imports.[170]

The record also indicates that price is an important consideration for purchasers of wire rod. Most U.S. producers reported that differences other than price were never important in purchasing decisions.[171] Although some importers reported that factors other than price are important in purchasing decisions, at least half reported that such factors are only sometimes or never important.[172] Purchasers responding to the lost sales lost revenue survey listed price/total cost second most frequently when identifying the three most important factors in purchasing decisions.[173]

We consequently find that subject imports and the domestically produced product of the same type are highly substitutable and that price plays an important role in purchasing decisions.[174]

5. Other Conditions

Raw material costs accounted for a substantial portion of the domestic industry's cost of goods sold ("COGS") in the merchant market during the period of investigation, ranging from a

[167] CR at II-8, PR at II-5.

[168] CR/PR at IV-9. In the total market, cumulated subject imports' share of apparent U.S. consumption increased from 8.3 percent in 2014 to 12.4 percent in 2015 and 13.4 percent in 2016. *See id.*

[169] CR/PR at Table II-4(a).

[170] CR/PR at Tables III-6 & IV-5.

[171] CR/PR at Table II-5a.

[172] CR/PR at Table II-5a.

[173] CR at II-15, PR at II-9.

[174] CR at II-13, PR at II-8. Substitutability between industrial quality wire rod and higher-end wire rod products is more limited. *See id.*

high of 64.1 percent in 2014 to a low of 54.1 percent in 2016.[175] Steel scrap is the primary raw material input to manufacture wire rod.[176] Different types and quantities of steel scrap are used depending on the type and quality of wire rod being produced; a larger amount of heavy melt scrap is used to produce industrial grade wire rod while more busheling scrap is used to produce higher-end grades of wire rod.[177] Between January 2014 and December 2016, the average prices of heavy melt scrap, busheling scrap, and shredded auto scrap reported in *American Metal Market* declined by 43.3 percent, 39.3 percent, and 39.8 percent, respectively.[178]

Most domestic producers and most importers report that they include scrap costs in their wire rod prices.[179] One domestic producer and some importers report adding a separate raw material surcharge for scrap costs.[180] Purchasers state that price negotiations for wire rod begin with references to steel scrap prices published in indices such as the *American Metal Market*.[181]

Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[182]

Cumulated subject imports had a significant and increasing presence in the U.S. market during the period of investigation. Cumulated subject import volume increased from 450,414 short tons in 2014 to 677,254 short tons in 2015 and 712,279 short tons in 2016, a level 58.1 percent higher than in 2014.[183] Cumulated subject imports increased their share of apparent U.S. consumption in the merchant market from 10.2 percent in 2014 to 15.4 percent in 2015 and 16.7 percent in 2016.[184] This market share gain occurred while nonsubject imports were losing market share. As discussed above, wire rod imports from China, which became subject to antidumping and countervailing duty orders in January 2015, decreased precipitously, from 374,785 short tons in 2014 to 1,672 short tons in 2015 and 44 short tons in 2016.[185] Although nonsubject imports from Canada, the largest supplier of nonsubject imports to the United

[175] CR/PR at VI-1. In the total market, raw material costs accounted for between 64.6 percent and 54.7 percent of the domestic industry's COGS during the period of investigation. See id.

[176] CR at V-1, PR at V-1.

[177] CR at V-1, PR at V-1.

[178] CR at V-2, PR at V-1.

[179] CR at V-4, PR at V-2.

[180] CR at V-4, PR at V-2.

[181] AWPA Postconf. Br. at 10; Hearing Tr. at 105 (Stuaffer), 107 (Moffitt), 108 (Johnson).

[182] 19 U.S.C. § 1677(7)(C)(i).

[183] CR/PR at Table IV-8, Table C-1.

[184] CR/PR at Table IV-9. Cumulated subject imports also increased as a share of apparent U.S consumption in the overall market, increasing from 8.3 percent in 2014 to 12.4 percent in 2015 and 13.4 percent in 2016. *See id.*

[185] Working Table 1, EDIS Doc. No. 611872.

States during the period of investigation,[186] increased, the market share held by nonsubject imports in the merchant market decreased from 30.6 percent in 2014 to 25.6 percent in 2015 and 25.3 percent in 2016.[187] The domestic industry's share of apparent U.S. consumption in the merchant market also fell from 59.2 percent in 2014 to 59.0 percent in 2015 and 58.0 percent in 2016.[188]

The Turkish respondents argue that the increase in volume of cumulated subject imports was not significant because they merely replaced imports from China and the British respondent argues that the increase in the volume of subject imports during the period of investigation represented a return to their prevailing level of U.S. shipments prior before wire rod from China surged into the U.S. market.[189] As an initial matter, this argument is not relevant in the context of our statutory inquiry, which concerns whether subject import volume or the increase in that volume – and not total import volume – is significant.[190] Moreover, as discussed above in section VII.B.4, cumulated subject imports competed directly with domestically produced wire rod during the period of investigation. Indeed, subject imports did not merely replace nonsubject imports from China, they also took market share from the domestic industry in the merchant market where the products competed.

Based on the current record, for purposes of these preliminary determinations, we find that the volume of cumulated subject imports from Belarus, Italy, Korea, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom and the increase in that volume are significant both in absolute terms and relative to consumption in the United States.

Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[191]

[186] In 2016, nonsubject imports from Canada accounted for 51.3 percent of nonsubject imports and 30.9 percent of all imports. CR at II-8, PR at II-5.

[187] CR/PR at Table IV-9. Nonsubject imports' market share in the overall market decreased from 24.9 percent in 2014 to 20.7 percent in 2015 and 20.2 percent in 2016. *See id.*

[188] CR/PR at Table IV-9. The domestic industry's share of the overall market decreased from 66.9 percent in 2014 and 2015 to 66.4 percent in 2016. *See id.*

[189] British Respondent Postconf. Br. at 15; Turkish Respondents Postconf. Br. at 11-12.

[190] 19 U.S.C. § 1677(7)(C)(i).

[191] 19 U.S.C. § 1677(7)(C)(ii).

As stated above, the current record indicates a high degree of substitutability among subject imports and the domestically produced product produced to the same specifications and that price is an important consideration in purchasing decisions. Moreover, both the domestic like product and the cumulated subject imports are concentrated in the industrial quality grades.

In the preliminary phase of these investigations, the Commission requested that U.S. producers and importers provide quarterly weighted-average sales price data for five wire rod products shipped to unrelated U.S. customers between January 2014 and December 2016.[192] Eight U.S. producers and 13 importers submitted usable pricing data on sales of the requested products,[193] although not all firms reported pricing for all products for all quarters.[194]

The pricing data show that cumulated subject imports undersold the domestic like product in 132 of 175 price comparisons (involving 892,749 short tons of subject imports) at underselling margins that ranged from 0.1 percent to 44.5 percent and oversold the domestic industry's price in the remaining 43 price comparisons (involving 251,716 short tons of subject imports) by 0.5 to 51.4 percent.[195] We find this underselling to be significant.[196]

We also examined changes in prices for the domestic like product and cumulated subject imports. Prices for the five domestically produced pricing products declined between 30.8 percent and 32.7 percent over the period of investigation.[197] The Commission did not

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[192] The pricing products are: (1) industrial quality wire rod, grade 1006, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) thick in diameter; (2) industrial quality wire rod, grades C1008 through C1010, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) thick in diameter; (3) mesh quality wire rod, grades 1006 through C1015, 5.5 mm (7/32 inch) through 14 mm (9/16 inch) thick in diameter; (4) grades C1050 through C1070, 5.5 mm (7/32 inch) through 6.5 mm (1/4 inch) diameter for spring applications; and (5) industrial quality wire rod, grades C1060 through C1065, 5.5 mm (7/32 inch) through 17.5 mm (11/16 inch) thick in diameter CR at V-7-8, PR at V-5.

[193] CR at V-8, PR at V-6.

[194] CR at V-8, PR at V-6. The pricing data accounted for approximately 42.9 percent of the domestic industry's U.S. shipments, *** percent of subject imports from Belarus, *** percent of subject imports from Italy, *** percent of subject imports from Korea, *** percent of subject imports from Russia, *** percent of subject imports from South Africa, *** percent of subject imports from Spain, *** percent of subject imports from Turkey, *** percent of subject imports from Ukraine, *** percent of subject imports from the United Arab Emirates, and *** percent of subject imports from the United Kingdom in 2016. CR at V-8, PR at V-6.

[195] CR at V-26, PR at V-8; CR/PR at Table V-9a.

[196] We have also considered the results of the lost sales lost revenue survey. The domestic producers identified 29 firms to which they lost sales or revenue (eight consisted of lost sales allegations, two consisted of lost revenue allegations, and 18 consisted of both types of allegations). CR at V-29, PR at V-10 Of the 22 responding purchasers, 17 reported that they had purchased imported wire rod from the subject countries instead of the domestic like product since 2014 with 11 purchasers stating that price was primary reason for the decision to purchase subject imports instead of the domestic like product. CR at V-30-31, PR at V-11. Additionally, seven purchasers reported that domestic producers had reduced prices in order to compete with lower-priced imports from the subject countries. CR at V-31, PR at V-11.

[197] CR at V-24, PR at V-7; CR/PR at Table V-8.

receive enough quarterly instances of price data to show price trends for all countries for all products, but for instances in which price data were available for all 12 quarters, subject import prices decreased.[198]

Respondents argue that declines in steel scrap costs explain the price declines.[199] As discussed above, raw material prices fell over the period of investigation.[200] While declines in raw material costs certainly contributed to the observed wire rod price declines, on the current record, it is unclear whether they can explain the magnitude of the declines, and the record suggests that the increasing volume of low-priced subject imports may have also played a role in these declines. In particular, the declines in U.S. producers' sales AUVs were larger than the decrease in their raw material costs, but similar to their overall cost declines.[201] In any final phase of these investigations, we will consider the extent to which both the cumulated subject imports and factors other than cumulated subject imports, such as changes in steel scrap costs and demand, played a role in price declines for wire rod in the U.S. market.

We also considered whether cumulated subject imports prevented increases in prices of the domestic like product that otherwise would have occurred to a significant degree. As discussed above, apparent U.S. consumption and raw material costs decreased from 2014 to 2016.[202] During that time, the domestic industry's COGS to net sales ratio in the merchant market declined from 60.6 percent in 2014 to 55.3 percent in 2015 and 50.3 percent in 2016.[203] Unit costs in the merchant market decreased from $678 in 2014 to $559 in 2015 and $493 in 2016.[204] Because price increases were unlikely in light of apparent consumption trends and falling costs, we do not find that cumulated subject imports prevented price increases that otherwise would have occurred to a significant degree.

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[198] CR at V-24, PR at V-7-8; CR/PR at Table V-8. Specifically, prices of product 1 from Turkey decreased by *** percent, and prices for product 3 from Spain decreased by *** percent. *See id.*

[199] AWPA Postconf. Br. at 10-13; British Respondent Postconf. Br. at 8-10; Korean Respondent Postconf. Br. at 26-27; Turkish Respondents Postconf. Br. at 13; Ukrainian Respondents Postconf. Br. at 2-3, 6-7.

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

[201] CR/PR at Table VI-2. The AUV of the industry's commercial sales declined by $187 per ton from 2014 to 2016, while the industry's raw material costs declined by $168 per ton over the same period; in the overall market, the AUV of the industry's total net sales declined by $177 per ton, while the industry's raw material costs declined by $165 per ton. *See id.* However, the industry's average COGS in the merchant market declined by $185 per ton, similar to the AUV decline of $187 per ton for commercial sales from 2014 to 2016; in the overall market, the industry's average COGS declined by $181 per ton, slightly more than the $177 per ton decline in total net sales AUV. *See id.* We also note that the percentage declines in U.S. prices for pricing products were less severe than the declines in raw material prices. CR/PR at Figure V-1 and Table V-8.

[202] CR/PR at Table IV-9, Table VI-1.

[203] CR/PR at Table VI-1. In the total market, the domestic industry's COGS to net sales ratio decreased from 61.2 percent in 2014 to 55.6 percent in 2015 and 50.3 percent in 2016. *See id.*

[204] CR/PR at Table VI-1. In the total market, the domestic industry's unit costs decreased from $660 in 2014 to $539 in 2015 and $479 in 2016. *See id.*

On the basis of the record in the preliminary phase of these investigations, we find that there was significant underselling of the domestic like product by cumulated subject imports. Prices of the domestic like product declined while low-priced cumulated subject imports increased in volume and gained market share, particularly in the merchant market, at the expense of the domestic industry.[205]

Impact of the Subject Imports[206]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[207]

As discussed above, the domestic industry's market share in the merchant market declined from 59.2 percent in 2014 to 59.0 percent in 2015 and 58.0 percent in 2016.[208] The domestic industry's capacity,[209] production,[210] and U.S. shipments[211] also declined from 2014 to

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

[206] Commerce initiated antidumping duty investigations on imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom based on estimated antidumping duty margins of 161.75 to 280.02 percent for imports from Belarus, 18.89 percent for imports from Italy, 33.96 to 43.25 percent for imports from Korea, 214.06 to 756.93 percent for imports from Russia, 128.66 to 142.26 percent for imports from South Africa, 32.70 percent for imports from Spain, 37.67 percent for imports from Turkey, 21.23 to 44.03 percent for imports from Ukraine, 84.10 percent for imports from the United Arab Emirates, and 147.63 percent for imports from the United Kingdom. Commerce Antidumping Duty Investigations, 82 Fed. Reg. at 19211.

[207] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[208] CR/PR at Table IV-9. In the overall market, the domestic industry's market share was 66.9 percent in 2014 and 2015, which decreased to 66.4 percent in 2016. *See id.*

[209] The domestic industry's capacity declined from 4.9 million short tons in 2014 and 2015 to 4.6 million short tons in 2016. CR/PR at Table III-3. As previously discussed, ArcelorMittal and Republic Steel ceased operations during the period of investigation. Petitioners claim that subject imports caused the companies to shutter their facilities. Gerdau, Keystone, and Charter Steel Postconf. Br. at 35-36. Respondents contend that factors other than subject imports led to the closures. AWPA Postconf. Br. at 26-29; Turkish Respondents Postconf. Br. at 17-19; Ukrainian Respondents Postconf. Br. at 7. We will examine further the causes of these closures in any final phase of these investigations.

[210] The domestic industry's production decreased from 3.71 million short tons in 2014 to 3.68 million short tons in 2015 and 3.58 million short tons in 2016. CR/PR at Table III-4.

[211] The domestic industry's commercial shipments totaled 2.6 million short tons in 2014 and 2015 and 2.5 million short tons in 2016. CR/PR at Table III-5. The domestic industry's total U.S. shipments were 3.6 million short tons in 2014 and 2015 and 3.5 million short tons in 2016. *See id.*
(Continued…)

2016. The domestic industry's capacity utilization[212] and ratio of end-of-period inventories to total shipments increased from 2014 to 2016.[213]

Employment-related indicators for the domestic industry largely showed overall declines from 2014 to 2016. The number of production-related workers ("PRWs"), total hours worked, and productivity declined overall during this period at the same time hourly wages and unit labor costs increased.[214]

The domestic industry's financial indicators in the merchant market generally declined from 2014 to 2016. Net sales,[215] unit net sales value,[216] gross profit,[217] operating income,[218] and net income[219] declined from 2014 to 2016. Operating income and net income as a share of

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(…Continued)
Internal consumption and transfers to related firms were 1.02 million short tons in 2014, 1.05 million short tons in 2015, and 1.07 million tons in 2016. Calculated from CR/PR at Table VI-1.

[212] The domestic industry's capacity utilization was 75.8 percent in 2014, 74.6 percent in 2015, and 77.3 percent in 2016. CR/PR at Table III-3.

[213] The ratio of end-of-period inventories to total shipments was 7.1 percent in 2014 and 2015 and 7.3 percent in 2016. CR/PR at Table III-7.

[214] The domestic industry's PRWs increased from 2,269 in 2014 to 2,411 in 2015, before declining to 2,222 in 2016. Total hours worked, after increasing from 4,835 in 2014 to 4,945 in 2015, declined to 4,754 in 2016. Hourly wages decreased from $35.28 in 2014 to $34.84 in 2015, before increasing to $35.40 in 2016. Productivity decreased from 766.7 short tons per 1,000 hours in 2014 to 743.2 short tons per 1,000 hours in 2015, before increasing to 753.3 short tons per 1,000 hours. Unit labor costs, after increasing from $46.02 in 2014 to $46.87 in 2015, decreased to $47.00 in 2016. CR/PR at Table III-19.

[215] The domestic industry's net sales revenues in the merchant market declined from $1.9 billion in 2014 to $1.5 billion in 2015 and $1.3 billion in 2016. CR/PR at Table IV-1. In the market as a whole, the domestic industry's net sales decreased from $2.6 billion in 2014 to $2.1 billion in 2015 and $1.9 billion in 2016. *See id.* The net sales of internal consumption and transfers to related firms declined from $656.8 million in 2014 to $560.2 million in 2015 and $533.6 million in 2016. Calculated from CR/PR at Table VI-1.

[216] The domestic industry's unit net sales value in the merchant market declined from $717 per short ton in 2014 to $585 per short ton in 2015 and $530 per short ton in 2016. CR/PR at Table VI-1. In the market as a whole, the domestic industry's unit net sales value declined from $697 per short ton in 2014 to $570 per short ton in 2015 and $520 per short ton in 2016. *See id.*

[217] The domestic industry's gross profit in the merchant market declined from $103.2 million in 2014 to $66.5 million in 2015, before increasing to $93.6 million in 2016. CR/PR at Table VI-1. In the overall market, the domestic industry's gross profit declined from $136.6 million in 2014 to $114.4 million in 2015, before increasing to $147.2 million in 2016. *See id.*

[218] The domestic industry's operating income in the merchant market decreased from $38.8 million in 2014 to $8.9 million in 2015, before increasing to $30.6 million in 2016. CR/PR at Table VI-1. In the overall market, the domestic industry's operating income decreased from $52.5 million in 2014 $37.4 million in 2015, before increasing to $63.5 million in 2016. *See id.* The domestic industry's operating income in the captive market increased from $13.7 million in 2014 to $28.5 million in 2015 and $32.9 million in 2016. Calculated from CR/PR at Table VI-1.

[219] The domestic industry's net income in the merchant market decreased from $32.4 million in 2014 to $1.6 million in 2015, before increasing to $26.3 million in 2016. CR/PR at Table VI-1. In the (Continued…)

net sales improved from 2014 to 2016, but remained low throughout the period of investigation.[220]

Domestic producers' capital expenditures declined from 2014 to 2016.[221] Domestic producers also reported negative effects on investment and on growth and development due to subject imports.[222]

As discussed above, significant volumes of low-priced cumulated subject imports that were generally highly substitutable with the domestic like product entered the U.S. market and significantly undersold the domestic like product. Although wire rod imports from China retreated from the market following imposition of antidumping and countervailing duty orders covering those imports and nonsubject imports decreased their presence in the U.S. market, the domestic industry lost further market share to the cumulated subject imports, particularly in the merchant market. As a result, the domestic industry's production, capacity utilization, and U.S. shipments declined from 2014 to 2016. Its revenues and financial performance remained at poor levels. We therefore find that the significant volume of cumulated subject imports, which gained market share through significant underselling, had a significant impact on the domestic industry.

We have considered whether there are other factors that may have had an impact on the domestic industry during the period of investigation to ensure that we are not attributing injury from such other factor to subject imports. The Turkish respondents blame declines in apparent U.S. consumption as contributing to the domestic industry's weakened performance.[223] The modest decline in apparent U.S. consumption, however, fails to explain either the significant increase in the volume (and therefore market share) of cumulated subject imports or the domestic industry's inability to increase, or even maintain, its market share after wire rod imports from China largely departed the U.S. market.

(…Continued)
overall market, net income decreased from $39.1 million in 2014 to $24.1 million in 2015, before increasing to $54.6 million in 2016. *See id.*

[220] In the merchant market, the domestic industry's operating income as a share of net sales initially decreased from 2.0 percent in 2014 to 0.6 percent in 2015, before increasing to 2.3 percent in 2016. CR/PR at Table VI-1. In the overall market, the domestic industry's operating income as a share of net sales initially decreased from 2.0 percent in 2014 to 1.8 percent in 2015, before increasing to 3.4 percent in 2016. *See id.*

The domestic industry's net income as a share of net sales in the merchant market decreased from 1.7 percent in 2014 to 0.1 percent in 2015, before increasing to 2.0 percent in 2016. CR/PR at Table VI-1. In the overall market, the domestic industry's net income as a share of net sales decreased from 1.5 percent in 2014 to 1.2 percent in 2015, before increasing to 2.9 percent in 2016. *See id.*

Part of the improvement in the domestic industry's performance from 2015 to 2016 ***. CR at VI-3 n.8, PR at VI-2 n.8.

[221] Capital expenditures declined from $97.7 million in 2014 to $86.3 million in 2015 and $66.4 million in 2016. CR/PR at Table VI-5.

[222] CR/PR at Table VI-7.

[223] Turkish Respondents Postconf. Br. at 14.

We have also considered the role of nonsubject imports in these investigations. Nonsubject imports' share of apparent U.S. consumption in the merchant market declined from 30.6 percent in 2014 to 25.6 percent in 2015 and 25.3 percent in 2016.[224] Although wire rod imports from Canada, the largest source of nonsubject imports in 2016, increased, the pricing data show that they were predominantly priced higher than both subject imports and the domestic like product.[225] Moreover, wire rod imports from six countries are currently subject to antidumping duty orders and wire rod from two countries are subject to countervailing duty orders. Accordingly, we find that nonsubject imports cannot explain the domestic industry's deteriorating condition over the period of investigation.

We therefore conclude, for purposes of these preliminary determinations, that the cumulated subject imports have had a significant impact on the domestic industry.

VIII. Reasonable Indication of Threat of Material Injury by Reason of Allegedly Subsidized Subject Imports from Italy

As discussed earlier, we have determined that subject imports from Italy would imminently account for more than 3 percent of all subject merchandise imported into the United States. Therefore we proceed to determine whether there is a reasonable indication that the U.S. industry is threatened with material injury by reason of allegedly subsidized subject imports from Italy.

Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether there is a reasonable indication that the U.S. industry is threatened with material injury by reason of subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[226] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[227] In making

[224] CR/PR at Table IV-9. Nonsubject imports' share of apparent U.S. consumption in the overall market declined from 24.9 percent in 2014 to 20.7 percent in 2015 and 20.2 percent in 2016. *See id.*

[225] One importer reported pricing data for nonsubject imports from Canada, accounting for 5.3 percent of U.S. commercial shipments of wire rod from Canada in 2016. CR at E-3, PR at E-3. These data show that prices for nonsubject imports from Canada were higher than the domestic like product in 21 quarterly comparisons and lower than the domestic like product in 15 quarterly comparisons; they were higher than cumulated subject imports in 23 quarterly comparisons and lower than cumulated subject imports in nine quarterly comparisons. CR/PR at Table E-4.

[226] 19 U.S.C. § 1677(7)(F)(ii).

[227] 19 U.S.C. § 1677(7)(F)(ii).

our determinations, we consider all statutory threat factors that are relevant to these investigations.[228]

B. Cumulation for Threat

Because our determinations involve the issue of reasonable indication of threat of material injury by reason of subject imports, we must consider whether to cumulate allegedly subsidized subject imports from Italy with those from other sources eligible for cumulation. In contrast to cumulation for material injury, cumulation for a threat analysis is discretionary. Under Section 771(7)(H) of the Tariff Act, the Commission may "to the extent practicable" cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.[229] Imports from all other sources subject to investigation are

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[228] These factors are as follows:

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

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

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

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

(V) inventories of the subject merchandise,

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

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

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

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

[229] 19 U.S.C. § 1677(7)(H).

eligible for cumulation with allegedly subsidized subject imports from Italy for purposes of the threat analysis.[230]

Petitioners contend that the Commission should cumulate all subject imports for purposes of the threat analysis.[231] With respect to subject imports from Italy, Korea, Spain, Turkey, and Ukraine, respondents argue that the Commission should not cumulate subject imports from their individual subject countries with any other subject imports for the purposes of its threat analysis.[232]

We found above that there is a reasonable overlap of competition between subject imports from all subject countries and between imports from each of these subject countries and the domestic like product.[233] There is no information on the record to suggest that the reasonable overlap of competition between and among subject imports and the domestic like product that now exists will not continue into the imminent future. We recognize that there are some differences in volume trends and product mix of imports from each subject country. We also recognize the potential for some differences in conditions of competition among subject imports from the ten countries but find that they are not significant enough to warrant not cumulating allegedly subsidized subject imports from Italy with subject imports from all other subject countries. For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate allegedly subsidized subject imports from Italy with the other subject imports subject to investigation in the preliminary phase of these investigations for our analysis of whether there is a reasonable indication of a threat of material injury to the domestic industry.

Analysis of Threat of Material Injury Factors

1. Likely Volume

We found in Section VII.C. above that the volume of cumulated subject imports and the increase in the volume of these imports over the period of investigation was significant in absolute terms and relative to consumption. Cumulated subject imports are likely to maintain a

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[230] *See* 19 U.S.C. § 1677(7)(G)(ii), (7)(H); *see generally Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500, 731-TA-1215-1217, 1219-1123 (Final), USITC Pub. 4489 at 50 (Sept. 2014).

[231] Gerdau, Keystone, and Charter Steel Postconf. Br. at 45-46; Nucor Postconf. Br. at 16.

[232] Italian Respondent Postconf. Br. at 11-12; Korean Respondent Postconf. Br. at 27-28; Spanish Respondents Postconf. Br. at 25; Turkish Respondents Postconf. Br. at 21-23. To the extent that the Italian respondent argues that the Commission is barred from cumulating in the threat analysis subject imports that are negligible for purposes of current injury but not for threat, it provides no statutory support for such a proposition. There is no exception in 19 U.S.C. § 1677(7)(G)(ii) for cumulating negligible imports for the threat analysis unless negligibility leads to termination of the investigation, which is not the case here.

[233] As explained above, this analysis included allegedly dumped imports from Italy (which are identical to the allegedly subsidized imports from Italy), as well as subject imports from Belarus, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom.

significant presence in the U.S. market, and the significant level and increase in cumulated subject import volume observed during the period of investigation are likely to persist in the imminent future. The producers in the subject countries have substantial capacity and excess capacity, export in appreciable quantities, and have demonstrated the ability, on a cumulated basis, to increase exports to the U.S. market. The combined capacity for the industries in Belarus, Italy, Korea, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom was over 15 million short tons in each year of the period of investigation.[234] The combined excess capacity for the industries in these countries amounted to 2.2 million short tons in 2016.[235] This figure is equivalent to nearly half of total apparent U.S. consumption in 2016.[236] Total export shipments of the industries in these countries increased from 4.9 million short tons in 2014 to 5.3 million short tons in 2016; their exports to the United States, as share of total shipments, increased from 3.2 percent in 2014 to 4.9 percent in 2016.[237] These data on subject producers' aggregate excess capacity and exports do not include data for the industry in Russia because no subject producers in Russia responded to the Commission's questionnaire.[238] According to Nucor, however, the industry in Russia expanded its capacity during the period of investigation. In 2014, ***.[239] Official import statistics indicate that Russia's total export shipments of bar and rod, as well as Russia's exports to the United States, as a share of total shipments, were higher in 2016 than in 2014.[240]

Moreover, wire rod from the subject countries is subject to antidumping duties, countervailing duties, or safeguard measures in third countries, providing additional incentive for producers in the subject countries to export wire rod to the U.S. market.[241]

In light of the increases in cumulated subject import volume and market penetration observed during the period of investigation, the substantial cumulated capacity and excess capacity of the subject industries, and the subject industries' demonstrated ability to supply export markets generally and the United States in particular, we find that the significant increase in cumulated subject import volume that occurred during the period of investigation will likely continue in the imminent future.[242]

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[234] CR/PR at Table VII-34.

[235] Derived from CR/PR at Table VII-34.

[236] Derived from CR/PR at Table IV-9.

[237] CR/PR at Table VII-34.

[238] CR at VII-9, PR at VII-7; CR/PR at Table VII-41.

[239] Nucor Postconf. Br. at 27-28.

[240] CR/PR at Table VII-11. These export statistics include out-of-scope merchandise.

[241] CR/PR at VII-38.

[242] We have considered several other factors in our analysis of likely volume. Commerce has initiated countervailing duty investigations on 14 alleged subsidy programs in Italy and 21 alleged subsidy programs in Turkey. The alleged subsidy programs from Italy and Turkey include export credit programs. CR at I-9-10, PR at I-7-9. Additionally, the evidence in the record with respect to existing inventories of subject merchandise show that end-of-period inventories held by responding producers in the subject countries declined on both an absolute and relative basis during the period of investigation. CR/PR at Table VII-34. Inventories of subject merchandise held by importers in the United States also (Continued…)

2. Likely Price Effects

As explained in Section VII.D. above, the domestic like product and subject imports of the same type are highly substitutable, and price is an important consideration in purchasing decisions. We found significant underselling by cumulated subject imports, which caused the domestic industry to lose market share. The significant and increasing volumes of cumulated subject imports that will likely enter the U.S. market in the imminent future will likely continue predominantly to undersell the domestic like product as they did during the period of investigation, absent the issuance of any orders. The likely low prices of the cumulated subject imports, in turn, are likely to increase demand for the subject imports, displace sales of the domestic like product, and cause reduction in the domestic industry's market share in the imminent future, as they did during the period of investigation. Accordingly, we find that subject imports are likely in the imminent future to enter the U.S. market at prices that are likely to increase demand for further imports.

3. Likely Impact

We found in Section VII.E. above that the subject imports had a significant impact on the domestic industry during the period of investigation. Due to the domestic industry's decline in market share, production, U.S. shipments, capacity utilization, and profitability, we find that the domestic industry is in a vulnerable condition. We further find that cumulated subject imports are likely to continue both to enter the U.S. market in significant and increasing volumes and to engage in significant underselling of the domestic like product in the imminent future. We conclude that cumulated subject imports will likely have the same type of adverse impact on the domestic industry in the imminent future that they did during the period of investigation. The significant volumes of low-priced subject imports will likely continue to displace sales of the domestic like product and cause the domestic industry to lose market share, which will lead to adverse effects on the domestic industry's revenues and financial performance.

In Section VII.E., we have already considered other factors, including nonsubject imports, and concluded that any injury that may be attributable to these factors is distinct from the injury attributable to the subject imports. This analysis is equally pertinent to likely conditions in the imminent future. We accordingly find that further subject imports are imminent and that material injury by reason of subject imports will occur unless a countervailing duty order is issued on subject imports from Italy.

(…Continued)
declined during the period of investigation. CR/PR at Table VII-36. With respect to the potential for product shifting, wire rod producers in the aggregate produce a substantial quantity of other products at the same facilities. The record, however, is unclear regarding wire producers' incentives to switch production from these other products to wire rod. CR/PR at Table VII-35.

IX. Conclusion

For the foregoing reasons, we conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom that are allegedly sold at less than fair value and by reason of imports of wire rod that are allegedly subsidized by the government of Turkey, and a reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly subsidized imports of wire rod from Italy.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Charter Steel ("Charter"), Saukville, Wisconsin; Gerdau Ameristeel US Inc. ("Gerdau"), Tampa, Florida; Keystone Consolidated Industries, Inc. ("Keystone"), Peoria, Illinois; and Nucor Corporation ("Nucor"), Charlotte, North Carolina on March 28, 2017, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of carbon and certain alloy steel wire rod ("wire rod")[1] from Italy and Turkey, and less-than-fair-value ("LTFV") imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
March 28, 2017	Petition filed with Commerce and the Commission; institution of Commission investigation (82 FR 16232, April 3, 2017)
April 17, 2017	Commerce's notice of initiation of countervailing duty and antidumping duty investigations (82 FR 19213 and 82 FR 19207, April 26, 2017)
April 18, 2017	Commission's conference
May 11, 2017	Commission's vote
May 12, 2017	Commission's determination
May 19, 2017	Commission's views

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

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

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

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

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

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

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

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

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

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

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

MARKET SUMMARY

Wire rod is generally used as an intermediate product for drawing into wire. The leading U.S. producers of wire rod are Charter, Gerdau, Keystone, Nucor, and Sterling. Leading producers of wire rod in subject countries are Byelorussian Steel Works ("Byelorussion") of Belarus; Ferriere Nord S.p.a. ("Ferriere Nord") of Italy; POSCO of Korea; Abinsk Electric Steel Works Ltd. ("Abinsk") of Russia; ArcelorMittal South Africa of South Africa; ArcelorMittal Espana ("ArcelorMittal Spain") and Global Steel Wire, S.A. ("Global Steel Wire") of Spain; Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. ("Icdas") and Iskenderun Demir ve Celik A.S. (Isdemir) ("Isdemir") of Turkey; ArelorMittal Kryvyi Rih ("ArcelorMittal Ukraine") and Yenaliieve Steel ("Yenakiieve") of Ukraine; Emirates Steel Industries PJSC ("Emirates Steel") of United Arab Emirates ("UAE"); and British Steel Limited ("British Steel") of the United Kingdom. The leading U.S. importers of wire rod from subject countries in 2016 are ***. U.S. purchasers of wire rod are primarily firms that draw wire and use wire for a large variety of end use products. U.S. producers of wire rod are related to firms that draw wire, to which they transfer wire rod.

Apparent U.S. consumption of wire rod totaled approximately 5.3 million short tons ($2.8 billion) in 2016. *** firms were known to produce wire rod in the United States in 2016. U.S. producers' U.S. shipments of wire rod totaled 3.5 million short tons ($1.8 billion) in 2016,

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

and accounted for 66.4 percent of apparent U.S. consumption by quantity and 64.5 percent by value. U.S. imports from subject sources totaled 712 thousand short tons ($303 million) in 2016 and accounted for 13.4 percent of apparent U.S. consumption by quantity and 10.6 percent by value. U.S. imports from nonsubject sources totaled 1.1 million short tons ($708 million) in 2016 and accounted for 20.2 percent of apparent U.S. consumption by quantity and 24.8 percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1.[6] Except as noted, U.S. industry data are based on questionnaire responses of *** firms that accounted for essentially all U.S. production of wire rod during 2014-16. U.S. imports are based on official Commerce statistics except as noted. Additional data concerning nonsubject price data appears in appendix E.

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted a number of previous import relief investigations on wire rod products or similar merchandise. There are currently antidumping orders in effect covering wire rod from Brazil, China, Indonesia, Mexico, Moldova, and Trinidad and Tobago, as well as countervailing duty orders in effect covering wire rod from Brazil and China. Table I-1 presents the Commission's countervailing and antidumping duty investigations concerning wire rod since 1982.

[6] Table C-1 presents summary data for the entire wire rod market and table C-2 presents summary data for the wire rod merchant market. Appendix D presents monthly U.S. producers' U.S. shipment data, import data, apparent consumption, and market shares. Appendix E presents nonsubject country price data.

Table I-1

Wire rod: Previous and related title VII investigations

Original investigation				First review		Second review		
Date[1]	Number	Country	Outcome	Date[1]	Outcome	Date[1]	Outcome	Current status
1982	731-TA-88	Venezuela	Negative	-	-	-	-	-
1982	731-TA-113	Brazil	Affirmative	-	-	-	-	ITA revoked 9/20/85
1982	731-TA-114	Trinidad & Tobago	Affirmative	-	-	-	-	ITA revoked 12/14/87
1982	701-TA-148	Brazil	Affirmative[2]	-	-	-	-	Investigation terminated 8/21/85
1982	701-TA-149	Belgium	Affirmative[2]	-	-	-	-	Petition withdrawn11/9/82
1982	701-TA-150	France	Affirmative[2]	-	-	-	-	Petition withdrawn 11/9/82
1983	701-TA-209	Spain	Affirmative	-	-	-	-	ITA revoked 9/11/85
1983	731-TA-157	Argentina	Affirmative	1998	Negative	-	-	Order revoked
1983	731-TA-158	Mexico	Negative[2]	-	-	-	-	-
1983	731-TA-159	Poland	Negative	-	-	-	-	-
1983	731-TA-160	Spain	Affirmative	-	-	-	-	ITA revoked 9/16/85
1984	731-TA-205	E. Germany	Affirmative[2]	-	-	-	-	Petition withdrawn 8/1/85
1985	701-TA-243	Portugal	Negative[2]	-	-	-	-	-
1985	701-TA-244	Venezuela	Affirmative[2]	-	-	-	-	Petition withdrawn 7/24/85
1985	731-TA-256	Poland	Affirmative[2]	-	-	-	-	Petition withdrawn 9/10/85
1985	731-TA-257	Portugal	Affirmative[2]	-	-	-	-	Petition withdrawn 11/20/85
1985	731-TA-258	Venezuela	Affirmative[2]	-	-	-	-	Petition withdrawn 8/30/85
1992	701-TA-314	Brazil	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-315	France	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-316	Germany	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-317	United Kingdom	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-552	Brazil	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-553	France	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-554	Germany	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-555	United Kingdom	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-572	Brazil	Negative	-	-	-	-	-
1993	731-TA-646	Brazil	Negative	-	-	-	-	-
1993	731-TA-647	Canada	Affirmative[2]	-	-	-	-	Petition withdrawn 4/18/94
1993	731-TA-648	Japan	Negative	-	-	-	-	-
1993	731-TA-649	Trinidad & Tobago	Negative[2]	-	-	-	-	-
1994	701-TA-359	Germany	Negative[2]	-	-	-	-	-
1994	731-TA-686	Belgium	Affirmative[2]	-	-	-	-	Petition withdrawn 7/7/94
1994	731-TA-687	Germany	Negative[2]	-	-	-	-	-

Table continued on next page.

Table I-1--*Continued*
Wire rod: Previous and related title VII investigations

Original investigation				First review		Second review		
Date[1]	Number	Country	Outcome	Date[1]	Outcome	Date[1]	Outcome	Current status
1997	701-TA-368	Canada	Negative	-	-	-	-	-
1997	701-TA-369	Germany	Negligible[3]	-	-	-	-	-
1997	701-TA-370	Trinidad & Tobago	Negative	-	-	-	-	-
1997	701-TA-371	Venezuela	Negative	-	-	-	-	-
1997	731-TA-763	Canada	Negative	-	-	-	-	-
1997	731-TA-764	Germany	Negative	-	-	-	-	-
1997	731-TA-765	Trinidad & Tobago	Negative	-	-	-	-	-
1997	731-TA-766	Venezuela	Negative	-	-	-	-	-
2001	701-TA-417	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	701-TA-418	Canada	Affirmative	-	-	-	-	ITA revoked 1/23/04
2001	701-TA-419	Germany	Negative	-	-	-	-	-
2001	701-TA-420	Trinidad & Tobago	Negative[4]	-	-	-	-	-
2001	701-TA-421	Turkey	Negative[4]	-	-	-	-	-
2001	731-TA-953	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	731-TA-954	Canada	Affirmative	2007	Negative	-	-	Order revoked
2001	731-TA-955	Egypt	Negligible[3]	-	-	-	-	-
2001	731-TA-956	Germany	Negligible[3]	-	-	-	-	-
2001	731-TA-957	Indonesia	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	731-TA-958	Mexico	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	731-TA-959	Moldova	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	731-TA-960	South Africa	Negligible[3]	-	-	-	-	-
2001	731-TA-961	Trinidad & Tobago	Affirmative	2007	Affirmative	2013	Affirmative	Order in effect
2001	731-TA-962	Ukraine	Affirmative	2007	Affirmative	2013	Negative	Order revoked
2001	731-TA-963	Venezuela	Negligible[3]	-	-	-	-	-
2005	731-TA-1099	China	Negative[2]	-	-	-	-	-
2005	731-TA-1100	Germany	Negative[2]	-	-	-	-	-
2005	731-TA-1101	Turkey	Negative[2]	-	-	-	-	-
2014	701-TA-512	China	Affirmative	-	-	-	-	Order in effect
2014	731-TA-1248	China	Affirmative	-	-	-	-	Order in effect

[1] "Date" refers to the year in which the investigation or review was instituted by the Commission.
[2] Preliminary determination.
[3] The Commission found subject imports to be negligible, and its investigation was thereby terminated.
[4] The Department of Commerce made a negative determination.

Source: *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Investigation Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008; *Carbon and Certain Alloy Steel Wire Rod from China, Germany, and Turkey, Investigation Nos. 731-TA-1099-1101 (Preliminary),* USITC Publication 3832, January 2006; *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 78 FR 33103, June 3, 2013; and *Carbon and Certain Alloy Steel Wire Rod from China, Investigation Nos. 701-TA-512 and 731-TA-1248* (*Final*), USITC Publication 4509, January 2015.

Safeguard investigation

In 1999, the Commission conducted a safeguard investigation under section 202 of the Trade Act of 1974 to determine whether steel wire rod was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Commission was equally divided in its injury determination.[7] The President considered the determination of the Commissioners voting in the affirmative and issued Proclamation 7273 imposing relief in the form of a Tariff Rate Quota ("TRQ") on imports of steel wire rod for a period of three years and one day, effective March 1, 2000.

Imports of subject products in excess of the quarterly or the annual quota amounts were assessed duties in addition to the column-1 general rates of duty in the amounts of 10 percent ad valorem in the first year of relief (in-quota quantity of 1,580,000 short tons); 7.5 percent ad valorem in the second year of relief (in-quota quantity of 1,611,600 short tons); and 5 percent ad valorem in the third year of relief (in-quota quantity of 1,643,832 short tons). The President subsequently issued Proclamation 7505 effective November 24, 2001, modifying the TRQ, by providing that the in-quota quantity of the TRQ be allocated among these four supplier country groupings: European Community; Commonwealth of Independent States; Trinidad and Tobago; and all other countries.[8]

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On April 26, 2017, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigations on wire rod from Italy and Turkey.[9] The following programs in Italy are included:[10]

A. Electricity subsidies
    1. Exemptions from general electricity network costs
    2. Energy interruptibility contracts

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[7] Pursuant to section 311(a) of the North American Free Trade Agreement ("NAFTA") Implementation Act, the Commission made negative findings with respect to imports of wire rod from Canada and Mexico.

[8] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Investigation Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008, pp. I-11-I-12.

[9] *Carbon and Alloy Steel Wire Rod from Italy and Turkey: Initiation of Countervailing Duty Investigations*, 82 FR 19213, April 26, 2017.

[10] *Carbon and Alloy Steel Wire Rod from Italy*, Enforcement and Compliance Office of AD/CVD Operations Countervailing Duty Investigation Initiation Checklist, April 17, 2017.

B. Grant and preferential loan programs
    1. Industrial development grants under law 488/92
    2. Technological innovation fund grants under law 46/82
    3. Technological innovation fund loans under law 46/82
    4. Preferential financing under law 266/97
    5. Grants to revive industrial areas under law 181/89
    6. Preferential loans to revive industrial areas under law 181/89
    7. *Patti Territoriali* grants under law 662/96
C. Income tax programs
    1. Income tax deferral under article 42 of law 78/2010
    2. Tax credits under article 1 of law 296/06
    3. Tax credits under article 62 of law 289/02
    4. Certain social security reductions and exemptions ("*Sgravi*" benefits)
D. Export subsidies
    1. Export credit subsidies

The following programs in Turkey are included:[11]

A. Provision of goods for less/more than adequate remuneration
    1. Natural gas for less than adequate remuneration
    2. Electricity for more than adequate remuneration
    3. Provision of funds for electricity for less than adequate remuneration
    4. Steam coal for less than adequate remuneration
    5. Land for less than adequate remuneration
B. Government Loans and Assistance
    1. Turkish development bank loans
C. Export credits, loans and insurance by Turkish ExIm bank
    1. Pre-shipment export credits
    2. Foreign trade company export loans
    3. Pre-export credits
    4. Short-term export credit discount program
D. Investment incentives
    1. Regional investment scheme
    2. Large-scale investment scheme

[11] *Carbon and Alloy Steel Wire Rod from the Republic of Turkey*, Enforcement and Compliance Office of AD/CVD Operations Countervailing Duty Investigation Initiation Checklist, April 17, 2017.

E. Tax benefit programs
    1. Deductions from taxable income for export revenue
    2. Incentives provided under Turkish law no. 5746
    3. Withholding of income tax on wages and salaries
    4. Exemption from property tax
    5. Tax, duty, and land benefits for wire rod producers located in free zones
F. Other financial assistance
    1. Employers' share in insurance premiums program
    2. Assistance to offset costs related to AD/CVD investigations
    3. Industrial R&D projects grant program
    4. Other government loans and grants

Alleged sales at LTFV

On April 26, 2017, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom.[12] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 161.75 to 280.02 percent for wire rod from Belarus, 18.89 percent for imports from Italy, 33.96 to 43.25 percent for imports from Korea, 214.06 to 756.93 percent for imports from Russia, 128.66 percent to 142.26 percent for imports from South Africa, 32.70 percent for imports from Spain, 37.67 percent for imports from Turkey, 21.23 to 44.03 percent for imports from Ukraine, 84.10 percent for imports from United Arab Emirates, and 147.63 percent for imports from the United Kingdom.[13]

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of this investigation as follows:

> *The merchandise covered by these investigations are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted*

[12] *Carbon and Alloy Steel Wire Rod From Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207, April 26, 2017.

[13] *Carbon and Alloy Steel Wire Rod From Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207, April 26, 2017.

physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent of more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS may also be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these proceedings is dispositive.[14]

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is currently imported under the following provisions of the 2017 Harmonized Tariff Schedule ("HTS") of the United States: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035. The column-1 General duty rate for imports of wire rod under all of these provisions is "free."

[14] *Carbon and Alloy Steel Wire Rod from Italy and Turkey: Initiation of Countervailing Duty Investigations*, 82 FR 19213, April 26, 2017 and *Carbon and Alloy Steel Wire Rod From Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207, April 26, 2017.

THE PRODUCT

Description and applications[15]

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that typically is produced in nominal fractional diameters up to 47/64 inch (18.7 mm) and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers.[16] Wire rod sold in the United States is categorized by quality according to end use. End-use categories are broad descriptions with overlapping metallurgical qualities, chemistries,[17] and physical characteristics.[18]

Table I-2 presents quality and commodity descriptions for 11 major types of wire rod, as indicated by the Iron and Steel Society. Industrial quality wire rod currently accounts for the majority of wire rod consumed in the United States. It is primarily intended for drawing into industrial (or standard) quality wire that, in turn, is used to manufacture such products as nails, reinforcing wire mesh, and chain link fence. Most of the industrial quality wire rod is produced and sold in the smallest cross-sectional diameter that is hot rolled in substantial commercial quantities (7/32 inch or 5.6 mm).[19] Industrial quality wire rod generally is manufactured from low- or medium-low-carbon steel.[20]

Other relatively large-volume qualities of wire rod consumed in the United States include high- and medium-high carbon and cold-heading quality. High- and medium-high carbon wire rod are intended for drawing into wire for such products as strand, upholstery spring, mechanical spring, rope, screens, and pre-stressed concrete wire.[21]

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[15] Except as noted, information presented in the "Description and Applications" and "Manufacturing Processes" is drawn from *Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final),* USITC Publication 4509, January 2015.

[16] Wire drawers (also referred to as redrawers) manufacture wire and wire products and may be independent of the wire rod manufacturers or may be affiliated parties.

[17] Steel chemistries are designated as "grades" of standardized composition ranges for carbon, nonferrous metals, and nonmetallic elements. See e.g., table 2-1, Standard Steels for Wire Rods and Wire Nonresulfurized Carbon Steels, Manganese Maximum Not Exceeding 1.00 Percent. Iron and Steel Society ("I&SS"), *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, p. 36.

[18] Steel ductility, hardness, and tensile strength are positively correlated with carbon content. Alloying elements can be added at the steel melting stage of the manufacturing process to impart various characteristics to the wire rod.

[19] Wire rod with a nominal diameter of less than from 7/32 inch (5.6 mm) has become commercially available in the United States since the 2005 investigations. *Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final),* USITC Publication 4509, January 2015, p. I-15-17.

[20] I&SS, *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, p. 36.

[21] The end uses of very high quality wire rod are those where the manufacturing processes involve large amounts of cold deformation of the steel such as in recessed quality cold heading; those that are safety critical, such as automotive wheel bolts and tire reinforcing wire; those that have very demanding consistency requirements or unusual steel chemistry requirements, such as certain welding grades; and other applications that put unusual and demanding requirements on the steel.

Table I-2

Wire rod: Quality, end uses, and important characteristics

Quality	End uses	Important characteristics
Chain quality	Electric welded chain	Butt-welding properties and uniform internal soundness
Cold-finishing quality	Cold-drawn bars	Surface quality
Cold-heading quality	Cold-heading, cold-forging, cold- extrusion products	Internal soundness, good surface quality, may require thermal treatments
Concrete reinforcement	Nondeformed rods for reinforcing concrete (plain round or smooth surface rounds)	Chemical composition important only insofar as it affects mechanical property
Fine wire	Insect screen, weaving wire, florist wire	Rods must be suitable for drawing into wire sizes as small as 0.035 inch (0.889 mm) without intermediate annealing; internal quality important
High carbon and medium-high carbon	Strand and rope, tire bead, upholstery spring, mechanical spring, screens, aluminum conductors steel reinforced core, pre-stressed concrete strand; pipe wrap wire is a subset	Requires thermal treatment prior to drawing; however, it is not intended to be used for music wire or valve spring wire
Industrial (standard) quality	Nails, coat hangers, mesh for concrete reinforcement, fencing	Can only be drawn a limited number of times before requiring thermal treatment
Music spring wire	Springs subject to high stress; valve springs are a subset	Restrictive requirements for chemistry, cleanliness, segregation, decarburization, surface imperfections
Scrapless nut	Fasteners produced by cold heading, cold expanding, cold punching, thread tapping	Internal soundness, good surface quality
Tire cord	Tread reinforcement in pneumatic tires	Restrictive requirements for cleanliness, segregation, decarburization, chemistry, surface imperfections
Welding quality	Wire for gas welding, electric arc welding, submerged arc welding, metal inert gas welding	Restrictive requirements for uniform chemistry

Source: Iron and Steel Society, Steel Products Manual: Carbon Steel Wire and Rods, August 1993, pp. 35-37.

Manufacturing processes

The manufacturing process for wire rod consists of several stages: (1) melting and refining to set the steel's chemical and metallurgical properties; (2) casting the steel into a semifinished shape (billet); (3) hot-rolling the billet into rod on a multistand, high-speed rolling mill; and (4) coiling and controlled cooling of the wire rod as it passes along a Stelmor deck, a specialized conveyor unique to the wire rod industry. The equipment used to produce wire rod is much the same throughout the world and without significant differences in production technology.

U.S. and foreign wire rod manufacturers have made capital investments in their production facilities to improve processing efficiencies and product quality. Higher standards for product quality (e.g., dimensional tolerances, control over residual or trace elements, and coil weights) have been applied across the entire range of wire rod products largely in response to customer demands for improved performance on the customer's equipment. These improvements have tended to blur the distinctions among quality terms over time.

Melting stage

There are two primary process routes by which steel for rod has been made in the United States and in foreign countries: the integrated process, which employs blast furnaces and basic oxygen furnaces ("BOFs"), and the nonintegrated (or "minimill") production processes which utilize an electric arc furnace ("EAF") to produce raw steel. In both processes, pig iron, ferrous scrap, and/or direct reduced iron ("DRI") are charged into BOFs or EAFs. In the United States, all steel[22] for rod production is melted from ferrous scrap in an EAF, along with other raw materials that may also be added as part of the EAF charge.[23] Alloy agents are added to the liquid steel to impart specific properties to finished steel products. The molten steel is poured or tapped from the furnace to a ladle, which is an open-topped, refractory-lined vessel that has an off-center opening in its bottom and is equipped with a nozzle. Meanwhile, the primary steelmaking vessel (either EAF or BOF) may be charged with new materials to begin another refining cycle.

Molten steel typically is further treated in a ladle metallurgy station, where its chemistry is refined to give the steel those properties required for specific applications. At the ladle metallurgy, or secondary steel making, station the chemical content (particularly that of carbon and sulfur) is adjusted and alloying agents may be added.[24] The steel may be degassed (eliminating oxygen and hydrogen) at low pressures.[25] Ladle metallurgy stations are equipped

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[22] Petitioning three-firm's postconference brief, exhibit 1, p. 8 and conference transcript, p. 66 (Cameron).

[23] Minimills use ferrous scrap as their primary raw material but may add DRI or hot-briquetted iron and/or pig iron, with the mix— which may vary over time and locations— depending on the relative costs of the raw materials, specifications for the end product, and individual furnace configurations. Minimills that produce high quality rod products, such as high carbon, cold heading quality, tire cord quality, and/or other special quality wire rod may use less ferrous scrap and more DRI than other steelmakers, however the production process in general does not change. Petitioners' Gerdau, Keystone, and Charter's ("Petitioning three-firm's") postconference brief, exhibit 1, pp. 7–10. EAF operators add DRI as a premium raw material to attain the same effects as BOF steel. Conference transcript, pp. 156-157 (Nystrom).

[24] Boron can be added as ferroboron to molten steel (in concentrations of 0.0015–0.0030 percent or 15–30 parts per million (ppm)) to increase the hardenability of the steel. However, because of boron's high reactivity with any dissolved oxygen and nitrogen in the molten steel, ferroboron is the last addition at the ladle metallurgy station, under controlled conditions, and only after the molten steel is "killed" (deoxidized or degassed). Shieldalloy Metallurgical Corp., "Boron," *Ferroalloys & Alloying Additives Online Handbook*, November 23, 2000.

According to the Iron & Steel Society, fine-grained, standard killed carbon steels may include 0.0005–0.003 percent (5–30 ppm) boron to enhance the steel's hardenability. Standard boron alloy steels can contain 0.0005–0.003 percent (5–30 ppm) boron. Iron & Steel Society, Note 4 to "Table 1 Standard Carbon Steels, Cast or Heat Chemical Ranges and Limits, Bars, Wire Rods, Blooms, Billets and Slabs" and footnote "a" to Standard Boron Alloy Steels in "Table 7 Standard Alloy Steels, Cast or Heat Chemical Ranges and Limits, Bars, Wire Rods, Blooms, Billets and Slabs," Pocketbook of Standard Steels, July 1996.

[25] Liquid steel absorbs gasses from the atmosphere and from the materials used in the steelmaking

(*continued*...)

with electric arc power to adjust the temperature of the molten steel for optimum casting and to allow it to serve as a holding reservoir for the tundish.

Casting stage

Once molten steel with the requisite properties has been produced, it is cast into a form that can enter the rolling process. Continuous (strand) casting is the method primarily used in the United States. In strand casting, the ladle containing molten steel is transferred from the ladle metallurgy station to the caster and the molten steel is poured at a controlled rate into a refractory-lined tundish (reservoir dam), which in turn controls the rate of flow of the molten steel into the molds at the top of the caster. The tundish may have a special design or employ electromagnetic stirring to ensure homogeneity of the steel. The strand caster is designed to produce billets in the desired cross-sectional dimensions, based on the dimensions of the rod and the design of the rolling mill. Billets may be sent directly ("hot-charged") into the rolling mill or, depending upon the rolling mill's schedule, sent to a storage yard. While in storage, billets may be inspected and subjected to one or more conditioning operations (e.g., grinding or turning) to prepare them for hot rolling. This preparation is more common with cold-heading quality rods intended to be made into fasteners.[26]

Rolling stage

The wire rod rolling process determines the rod's size (diameter) and dimensional precision, depth of decarburization, surface defects and seams, amount of mill scale, structural grain size, and within limits set by the chemistry, tensile strength and other physical properties. There is little or no difference among the wire rod rolling mills in the United States, or between U.S. mills and their foreign competitors.[27] A larger billet will produce a heavier coil. Also, usable coil size may be limited by the capabilities of the wire drawer's equipment and machinery.

Modern rod rolling mills consist of five parts: a roughing mill, an intermediate mill, a pre-finishing mill, a no-twist finishing mill, and a coiler combined with a conveyor cooling bed

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(…*continued*)

process. These gasses, chiefly oxygen and hydrogen, cause embrittlement, voids, and nonmetallic inclusions. Low pressures, such as in a vacuum, aid the release of oxygen in gas form without the need for additions of deoxidizers such as silicon, aluminum, or titanium, which form nonmetallic inclusions in steel. Additionally, the carbon content may be reduced more readily at low pressure (because it combines with oxygen to form carbon monoxide and is released in gaseous form), resulting in a more ductile steel.

Moreover, hydrogen gas causes embrittlement, low ductility, and blow holes in steel; vacuum treatment more readily removes hydrogen from the steel. Hence the use of deoxidizing processes result in more efficient processing and cleaner steel.

[26] The purpose of these surface treatments is to make the steel billet softer and more ductile (annealing); in the case of surface grinding, seam and folds are removed.

[27] The rolling process, however, can be optimized for various quality levels. The rolling process for higher quality steel, such as for cold heading quality and other surface sensitive products, must be designed to maximize surface integrity. This is managed by the number of rolling stands used to get to a specific end diameter, the design of the reductions taken at each step, and the design of the guiding equipment used to keep the steel moving on the proper path through the mill.

along which the coiled rod travels prior to being collected, tied, compacted, and readied for shipment. Wire rod mills typically consist of 22 to 29 rolling stands and the specialized Stelmor conveyor deck;[28] the need for uniform metallurgical properties requires close temperature control accomplished by accelerating or retarding the rod's cooling as it is rolled and conveyed along the Stelmor deck. This is accomplished by water quench, forced air drafts, or by lowering removable hoods overtop the deck. Metallurgical quality, temperature, and dimensional tolerance usually are inspected in-line.

Exiting the reheat furnace, the billet is initially reduced on a roughing mill (which usually consists of approximately five stands). It then is passed through and successively reduced in size on several more stands, termed intermediate rolling. After the last intermediate rolling stand, the rolling mill usually splits into dual lines and the product is passed along to a pre-finishing mill which reduces it further in diameter. Rod mills often employ a "twist" mill for primary and intermediate rolling, but the final rolling is nearly always on a no-twist Morgan vee mill (the rolls in each of approximately five stands are set a 90-degree angles to allow the rod to be rolled without twisting). This produces a nearly uniform non-oriented grain structure in the steel.

Cooling stage

After exiting the last finishing stand, the rod is coiled into concentric loops and placed on a conveyor which moves the hot wire rod along while it cools. During rolling, the rod is water-cooled as it travels along the Stelmor deck; cooling practices are varied depending on the designated end use of the rod and the customer's preferences. The speed at which the rod is cooled affects the consistency and formation of its metallurgical structure (grain structure and physical properties such as tensile strength). It also affects scale buildup, which determines yield losses at the wire drawer. The cooling rate may be varied through the use of removable covers (insulating hoods which may be independently raised or lowered) over the deck or blown-air cooling, or a combination of the two, or through varying the speed of the roller table. The end user often specifies the cooling practice of the rod purchased.

At the end of the cooling deck, workers crop the ends of each rod to remove the part of the rod which may be of lower quality due to uneven temperature control; the cropped ends are also used for testing and inspection. The rod is then collected onto a carrier, transferred to a "c" hook, compacted, tied, and readied for shipment, or for further finishing or in-house fabrication. Figure I-1 illustrates the reheat through cooling stages of the wire rod production process.

Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. While changes to production processes are limited, changes in chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced.

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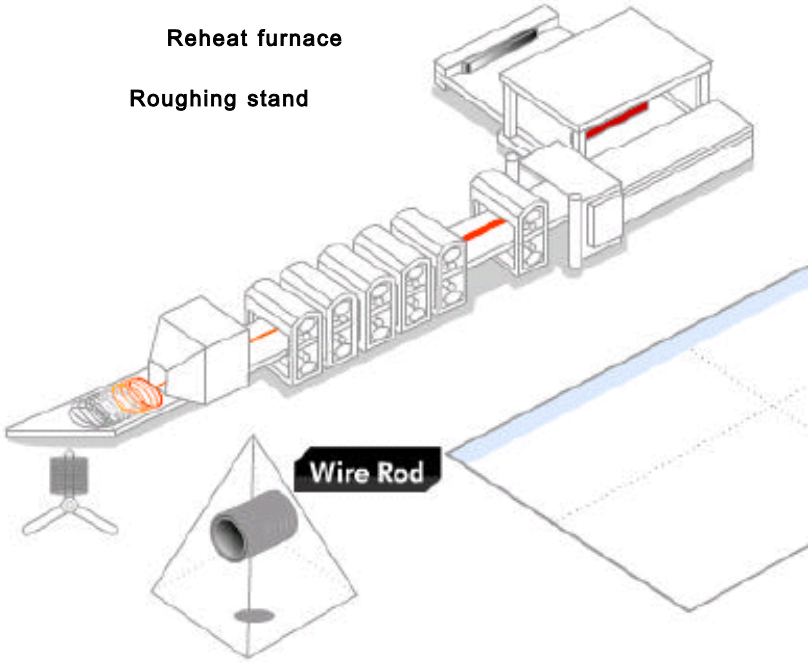
[28] The Stelmor conveyor deck allows for controlled cooling of the wire rod. The cooling speed imparts certain physical characteristics, thereby enabling producers to produce a wider range of wire rod qualities. Likewise, the Stelmor deck may be optimized for specific end products. For example, ***. Most, if not all, U.S. wire rod producers have installed controlled cooling capacities.

The basic equipment, machinery, facilities, and production personnel, however, remain the same for the production of industrial quality, tire cord quality, welding quality, and cold heading quality ("CHQ") wire rod.

Figure I-1
Wire rod: Reheat and rolling process



Source: POSCO Web site, http://www.steel-n.com/esales/general/us/catalog/wire_rod/, accessed April 7, 2017.

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic products that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and (6) price. Information regarding these factors is discussed below.

In these investigations, petitioners argue that there is a single domestic like product comprising all carbon and certain alloy steel wire rod.[29] Respondents American Wire Producers Association ("AWPA"), British Steel, Kiswire, and POSCO, argue that grade 1080 and higher tire cord and tire bead quality wire rod is a separate like product.[30] In the 2015 wire rod

[29] Petitioning three-firm's postconference brief, p. 4.

[30] British Steel, Kiswire, and POSCO provided the same definition for what they define as the separate like product:

> Wire rod, Grade 1080 and higher for tire cord and bead wire production, with 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional

(*continued*...)

investigations, which had the same scope as these investigations, the Commission defined a single domestic like product that was coextensive with the scope of the investigations.[31] In the 2002 wire rod investigations, the Commission considered arguments regarding certain tire cord, tire bead, CHQ, and clean-steel precision bar-in-coils wire rod and found a single domestic like product.[32]

Physical characteristics and uses

Tire cord and tire bead quality wire rod is used to manufacture tire reinforcement products.[33] Grade 1080 and higher tire cord and tire bead quality wire rod is a high carbon wire rod,[34] at or above 0.8 percent,[35] is between 5.0 mm and 6.5 mm in cross-sectional diameter, and free of impurities and defects.[36] Key technical parameters for tire cord and tire bead include steel cleanliness, segregation, surface quality, decarburization and dimensional tolerances.[37] Low magnesium content of 0.3 to 0.6 percent is necessary to establish sufficient ductility to produce the thin strands required for tire cord and tire bead.[38]

(…*continued*)

diameter, low manganese content in the range of 0.25 - 0.6 percent, and having no inclusions greater than 20 microns.

Respondent British Steel's postconference brief, p. 1; respondent Kiswire's postconference brief, p. 22; and respondent POSCO's postconference brief, p. 7.

[31] *Carbon and Alloys Steel Wire Rod from China, Inv. Nos 701-TA-512 and 731-TA-1248 (Final)*, USITC Publication 4509, January 2015, p. 6. In the 2015 investigations, no party, however, argued that the Commission should adopt a definition of the domestic like product different from that in the preliminary determinations, in which the Commission found that all wire rod products of the type described in the scope of the investigations comprised a single domestic like product. Ibid.

[32] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546 (October 2002), pp. 7-12.

[33] Respondent British Steel's postconference brief, p. 24.

[34] Respondent POSCO's postconference brief, p. 7

[35] Respondent POSCO's postconference brief, p. 7 and respondent Kiswire's postconference brief, p. 2. Kiswire notes that the standard carbon content for tire cord and tire bead quality wire rod has changed from 0.72-0.82 percent in 2001 to 0.8 percent and above, with some tire producers requiring 0.95 and 1.0 percent carbon content. Respondent Kiswire's postconference brief, p. 3.

[36] Respondent POSCO's postconference brief, pp. 7-8. POSCO notes that the same stringent specifications do not typically exist for other qualities of wire rod.

[37] Respondent British Steel's postconference brief, p. 24. British Steel argues that the levels and testing requirements for these parameters are significantly more demanding and extensive than for the commercial carbon counterparts. Cleanliness testing requires ***. Respondent British Steel's postconference brief, p. 25.

[38] Respondent Kiswire's postconference brief, p. 4.

Wire rod manufacturers must undergo an exacting approval process in order to sell to tire cord manufacturers.[39] The tire cord manufacturing process is highly demanding, converting a 5.5 mm diameter wire rod into a twisted, multi-filament cord, with wire diameters that can be less than 0.20 mm, via multiple drawing, patenting and stranding operations.[40] Tire bead is directly drawn, without any intermediate heat treatment operation to restore ductility, from 5.5 mm to wire dimensions approaching 1.0 mm.[41]

Petitioners argue that carbon content is one characteristic that demonstrates the continuum nature of the product, not a distinguishing factor. They note that other wire rod products than tire cord and tire bead quality wire rod have carbon levels at 0.8 percent or more.[42]

Manufacturing facilities and production employees

For tire cord and tire bead quality wire rod, the steelmaking process is tightly managed to control the cleanliness of the steel and to engineer the inclusion species for both bead and cord products. This is done through the restrictions in the use of alloy materials,[43] and minimization of impurities which, according to respondents, can only be sufficiently controlled for by using the BOF production process.[44] Wire rod produced through the EAF process allegedly results in end products containing impurities.[45] According to respondents, the inclusion of these impurities leads to wire rod with a greater likelihood of surface cracking and a higher failure rate (breakage) because of deterioration to its drawability and mechanical descaling, attributes that are unacceptable for auto and tire manufacturers' specifications for the steel cord used in tires.[46]

Petitioners, however, note that the production of billet at the melt stage may be done using either the EAF[47] or BOF process, and the wire rod producers may produce their own

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[39] Respondent POSCO's postconference brief, p. 9. As tire cord and tire bead quality wire rod is ultimately incorporated into tires, no auto manufacturer would accept tires that have not been made with certified tire cord or tire bead quality wire rod and no tire manufacturer would take that risk.

[40] Respondent British Steel's postconference brief, p. 24. and respondent Kiswire's postconference brief, p. 3.

[41] Respondent British Steel's postconference brief, p. 24.

[42] Petitioning three-firm's postconference brief, exhibit 1, p. 5, also noting that ***. Petitioner Nucor included ***. Petitioner Nucor's postconference brief, exhibit 1-1.

[43] Respondent British Steel's postconference brief, pp. 25-26.

[44] Respondent POSCO's postconference brief, p. 12. Respondents also note that controlled casting speeds and *** are needed to produce grade 1080 and higher tire cord and tire bead quality wire rod. Respondent British Steel's postconference brief, p. 26.

[45] Respondent POSCO's postconference brief, p. 12 and respondent Kiswire's postconference brief, p. 7. ***. Petitioning three-firms' postconference brief, exhibit 8.

[46] Respondent POSCO's postconference brief, p. 12.

[47] ***. Nucor's postconference brief, exhibit 1.

billets or may purchase billets from either an EAF or BOF producer.[48] Accordingly, petitioners argue, similarities and differences in production processes are more appropriately addressed starting with the wire rod rolling stage, where the processes for making grade 1080 tire cord and tire bead wire rod are largely identical to the processes for making other wire rod.[49]

Interchangeability

Respondents state that grade 1080 tire cord and tire bead wire rod is not interchangeable with any standard wire rod. Tire cord and tire bead wire rod are designed to stringent specifications for the automotive sector.[50] Standard wire rod cannot be used for the high-strength, low-weight applications for which grade 1080 tire cord and tire bead wire rod is designed and produced.[51] Tire cord is often required to be drawn to filaments 0.15-0.3 mm requiring very clean steel, whereas it is rare for a high carbon grade to be drawn below 1.0 mm.[52]

Respondents further state that tire cord and tire bead quality wire rod are solely used to produce tire cord and tire bead for the automotive sector. In contrast, other wire rod can be used in a multitude of other applications.[53] Because of its higher carbon content, higher quality, and higher cost, it is not economically feasible to purchase tire cord or tire bead quality wire rod to use in an industrial application.[54]

Petitioners argue that different products positioned along the wire rod continuum are generally not interchangeable with one another because they would not meet the specification required for the end use.[55]

Customer and producer perceptions

According to respondents, tire cord and bead wire rod producers and their downstream supply chains consider the product to be distinct from other types of wire rod. Consumers have different product specifications that require producers to employ different manufacturing

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[48] ***. Respondent AWPA's postconference brief, p. 25 and exhibit 21. ***. ***, April 26, 2017.

[49] Petitioning three-firm's postconference brief, exhibit 1, n. 4, p. 8.

[50] Respondent POSCO's postconference brief, p. 9.

[51] Respondent Kiswire's postconference brief, p. 5.

[52] British Steel also notes that in the instances when tire wire manufacturers utilize "high carbon" grades for bead applications, these products have specific product applications that make them dissimilar to the industrial high carbon grades utilized in the making of such products as bedding and seating wire. Respondent British Steel's postconference brief, p. 27.

[53] Respondent POSCO's postconference brief, p. 8.

[54] Respondent POSCO's postconference brief, p. 9 and respondent Kiswire's postconference brief, p. 5.

[55] Petitioning three-firm's postconference brief, exhibit 1, p. 7.

process routes and controls.[56] POSCO argues that none of the petitioners actively market themselves as producing grade 1080 tire cord or tire bead quality wire rod.[57]

Petitioners argue that domestic producers make a large variety of specialized wire rod products, all of which are distinctly different from one another yet appear along the same continuum of wire rod products.[58] Other wire rod products than grade 1080 tire cord and tire bead quality wire rod must also be produced to exacting standard, petitioners argue.[59]

Channels of distribution

Although the Commission did not collect separate data specific to U.S. producers' shipments of tire cord and tire bead quality wire rod, U.S. producers' shipments to end users accounted for 85.4 to 92.4 percent of total U.S. shipments during 2014-16. U.S. producer ***, which accounted for *** percent of U.S. producers' U.S. shipments of tire cord and tire bead quality wire rod in 2016, shipped no less than *** percent of its wire rod to end users from 2014 to 2016.

Respondents state that tire cord and tire bead quality wire rod is sold exclusively to the automotive sector,[60] namely producers of grade 1080 and higher tire cord and tire bead.[61] Respondents claimed that producers of 1080 tire wire products typically engage directly with manufacturers of wire rod whereas buyers of commodity high carbon grades will also buy from traders. Tire wire product specifications are more technically complex and subject to more formal trial and development programs (due in part to being much more quality/safety critical).[62] In comparison, respondents contend that standard wire rod is bought via a third party, tends to be commodity grade product, and price tends to be a more important factor.[63]

Petitioners argue that all wire rod is sold overwhelmingly to end-users. They contend that all wire rod travels through similar channels of distribution, highlighting that Heico's witness testified that his company purchases low carbon, high carbon, tire bead, and welding tire rod and that the witness for respondent Bekaert stated that one-third of his company's wire rod purchases were of tire cord and tire bead wire rod.[64]

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[56] Respondent British Steel's postconference brief, p. 27.

[57] Respondent POSCO's postconference brief, p. 11.

[58] Petitioning three-firm's postconference brief, exhibit 1, p. 10.

[59] Petitioning three-firm's postconference brief, exhibits 9 and 10. Evraz notes that it produces wire rod that must meet demanding requirements and rigorous standards at https://www.evrazna.com/Products/WireRod/tabid/80/Default.asp, accessed April 24, 2017.

[60] Respondent POSCO's postconference brief, p. 10.

[61] Respondent Kiswire's postconference brief, p. 6.

[62] Respondent British Steel's postconference brief, p. 28. Tire cord and tire bead wire producers must work closely with wire rod mills in relationships that stretch over years. Respondent Kiswire's postconference brief, p. 6.

[63] Respondent British Steel's postconference brief, p. 28.

[64] Petitioning three-firm's postconference brief, exhibit 1, p. 7.

Price

Respondents argue that tire cord and tire bead quality wire rod sell at "substantially" higher prices than do standard wire rod products.[65] POSCO stated that its tire cord wire rod is priced approximately 70 percent higher than other wire rod products.[66] Petitioners, however, state that there is a continuum of prices for all wire rod products, with industrial grades at the low end and high-carbon, specialty grades at the high end.[67]

[65] Respondent British Steel's postconference brief, p. 28.

[66] Respondent POSCO's postconference brief, p. 13. POSCO's average selling prices, on an ex-works basis, were $*** per short ton for tire cord quality wire rod and *** per short ton for low carbon wire rod. Kiswire reported that it paid $***.

[67] Petitioning three-firm's postconference brief, exhibit 1, p. 10.

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

U.S. MARKET CHARACTERISTICS

Wire rod is a hot-rolled intermediate steel product used in downstream products for the construction, automotive, energy, and agriculture industries. These industries account for the vast majority of U.S. demand for wire rod. Most wire rod in the United States is sold commercially to wire drawers, who use it to produce a wide array of downstream wire products. U.S. producers also draw wire rod internally; U.S.-produced wire rod that was internally consumed or transferred to related firms increased from *** percent of U.S. producers' U.S. commercial shipments in 2014 to *** percent in 2016. No importer of subject wire rod reported internally consuming and/or transferring the product to related firms.

Apparent U.S. consumption of wire rod decreased during 2014-16. Overall, apparent U.S. consumption in 2016 was *** percent lower than in 2014.

CHANNELS OF DISTRIBUTION

During 2014-16, U.S. producers and importers of wire rod from *** sold mostly to end users, while importers of wire rod from *** sold mostly to distributors (table II-1). Importers of wire rod from *** sold varying but roughly equivalent amounts to both distributors and end users.

Table II-1
Wire rod: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2014-16

* * * * * * *

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling wire rod to all regions in the contiguous United States (table II-2). Importers also reported selling to all regions, but a greater number reported selling to the Central Southwest, Midwest, and Southeast regions. For U.S. producers, 16.6 percent of sales were within 100 miles of their production facilities, 72.5 percent were between 101 and 1,000 miles, and 10.9 percent were over 1,000 miles. Importers sold 50.3 percent within 100 miles of their U.S. points of shipment, 42.8 percent between 101 and 1,000 miles, and 6.9 percent over 1,000 miles.

Table II-2
Wire rod: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Importers
Northeast	6	7
Midwest	7	11
Southeast	6	13
Central Southwest	6	11
Mountain	5	3
Pacific Coast	6	2
Other (All other markets, including AK, HI, PR, and VI)	1	0
All regions (except Other)	4	2
Reporting firms	8	16

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of wire rod have the ability to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced wire rod to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity and the ability to produce alternate products. This supply responsiveness is mitigated by a limited ability to shift shipments to other markets and relatively low inventory levels, however.

Industry capacity

Domestic capacity utilization increased from 2014 to 2016, from 75.8 percent in 2014 to 77.3 percent in 2016. Overall capacity and production both decreased during this time, by 5.2 percent and 3.4 percent, respectively. Capacity decreased from 4.9 million short tons in 2014 to 4.6 million short tons in 2016, due largely to the shutdown of U.S. producer ArcelorMittal's Georgetown plant,[1] and production decreased from 3.7 million short tons in 2014 to 3.6 million short tons in 2016.[2] This relatively moderate level of capacity utilization suggests that U.S. producers may have some ability to increase production of wire rod in response to an increase in prices.

[1] ArcelorMittal press release, http://usa.arcelormittal.com/news-and-media/announcements/2015/may/05-14-2015, May 14, 2015.

[2] While two U.S. producers, ***, reported adding *** short tons and *** short tons of capacity, respectively, during 2014-16, the shutdown of ArcelorMittal's plant reduced domestic capacity by *** short tons.

Respondents argue that the domestic industry's ability to produce certain high-carbon products such as 1080 grade tire cord and tire bead is either limited or non-existent, and that the production method used by domestic producers (electric arc furnace, or "EAF") does not produce the same quality of product as the basic oxygen furnace ("BOF") method used by some foreign producers.[3] Petitioners argue that the domestic industry is capable of producing the entire range of wire rod products, including low/medium-low carbon industrial/standard wire rod, high/medium-high carbon industrial/standard quality wire rod, tire cord quality and tire bead quality wire rod, welding quality wire rod, cold heading quality wire rod, and other specialty carbon and alloy quality wire rod.[4]

Alternative markets

As a percentage of total shipments, U.S. producers' exports decreased irregularly, from 1.2 percent in 2014 to 1.1 percent in 2016. U.S. producers' total export shipments declined from *** short tons in 2014 to *** short tons in 2015 before rising to *** short tons in 2016. *** were reportedly their principal export markets. These export levels indicate that U.S. producers have a limited ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventory levels remained relatively unchanged during 2014-16, increasing slightly from *** short tons in 2014 to *** short tons in 2016. Relative to total shipments, U.S. producers' inventories increased from 7.1 percent in 2014 to 7.3 percent in 2016. These inventory levels suggest that U.S. producers may have a limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Six of 8 responding U.S. producers stated that they could switch production from wire rod to other products, and seven reported production of other products on the same equipment as wire rod. Six firms reported producing concrete reinforcing bars and rods on the same equipment as wire rod, two reported producing tool steel and high nickel steel, two reported producing ball bearing steel, and three reported producing other products, including coiled rebar, round bar, and merchant bar. With the exception of ball bearing steel, which saw

[3] Conference transcript, pp. 25 (Johnson), 39 (Hughes), 42-44, 67-68 (Minnick), 45-46 (Ryoo), 47, 86 (Hwang); British Steel's postconference brief, pp. 22-23, and 25; AWPA's postconference brief, pp. 22-25; Kiswire's postconference brief, p. 1-4, and exhibit 1 pp. 5-9; POSCO's postconference brief, pp. 25-26.

[4] Conference transcript, pp. 121 (Armstrong), 128-129 (Nystrom), 133-134 (Canosa), 155-158 (Ashby, Nystrom); Petitioning three-firms' postconference brief, pp. 19-20 and exhibits 7-8; Petitioner Nucor's postconference brief, exhibits 1-1–1-3, and 1-9.

an increase in production of *** percent between 2014 and 2016, U.S. producers' production of these alternate products decreased by ***, *** from 2014 to 2016. In general, U.S. producers reported that the only factor affecting their ability to shift production was the changeover time needed to switch between product lines.

Supply constraints

None of the eight responding U.S. producers reported refusing, declining, or being unable to supply wire rod since January 2014. *** reported that it had turned down orders due to an inability to meet competitors' prices, but not due to a supply shortage.

Subject imports from subject countries[5]

The tabulation below provides a summary of the supply of wire rod from reporting subject countries;[6] additional data are provided in Part VII. Reported production capacity in Belarus, Italy, and the United Kingdom increased, whereas production capacity in Korea, Turkey, and Ukraine declined. Reported capacity utilization increased for five of the subject countries (Korea, South Africa, Turkey, Ukraine, and the United Arab Emirates) and declined for four (Belarus, Italy, Spain, and the United Kingdom). All reporting subject countries had capacity utilization rates over *** percent in 2016, and Italy, Korea, Turkey, and the United Arab Emirates had capacity utilization rates of above *** percent. Aside from South Africa, most countries reported small inventories-to-total shipments ratios (*** percent); South Africa reported inventory-to-total shipment ratios of *** percent in 2014 and *** percent in 2016. These ratios decreased between 2014 and 2016 for five of the nine reporting subject countries. In 2016, foreign producers' home market shipments accounted for more than *** percent of their total shipments for Belarus, Italy, Korea, South Africa, Spain, and Turkey, while exports to third-country markets accounted for more than *** percent of their total shipments for Ukraine, the United Arab Emirates, and the United Kingdom.

Tabulation:
Wire rod: Foreign industry factors that affect ability to increase shipments to the U.S. market

* * * * * * *

Nonsubject imports

Nonsubject imports accounted for 60.2 percent of total U.S. imports in 2016. The largest source of nonsubject imports as well as the largest single import source overall during 2016 was

[5] For data on the number of responding foreign firms and their share of U.S. imports from each of the subject countries, please refer to Part I, "Summary Data and Data Sources."

[6] No questionnaire responses were submitted by Russian producers.

Canada. Canada alone accounted for *** percent of nonsubject imports and *** percent of all imports in 2016.

U.S. demand

Based on available information, the overall demand for wire rod is likely to experience moderate changes in response to changes in price. Most firms reported that there are no viable substitutes for the majority of end uses of wire rod, which decreases responsiveness. However, as an intermediate product that represents a large share of the cost of its downstream products, increases in the price of wire rod increases the demand for imported downstream products.

End uses and cost share

Demand for wire rod in the United States depends on the demand for the downstream products that utilize it. The most commonly reported end uses of wire rod across all firms were various forms of wire, including wire mesh, welded wire mesh, industrial wire, rail tie wire, wire rope, wire panels, and shaped wire. Other products included nails, display racks, shelving, concrete reinforcement, chain-link fencing, floor grating, garment hangers, fan grills, staples and fasteners, PC strand, suspension springs, various other springs, cold finished bar, cold headed parts, tire cord, and tire bead. U.S. producers were also asked to list separately the end uses for the wire rod they consumed internally and/or transferred to related firms. Most of the end uses for these products were the same as those they commercially sold. While no U.S. producers listed products that they consumed internally and/or transferred to a related party that they did not sell commercially, some listed products that they sold commercially but did not internally consume and/or transfer to related firms; those products were wire rope, shelving, cold finished bar, and tire bead. The end use products that were listed by importers of subject product but not by U.S. producers were suspension springs, other springs, shaped wires for the oil and gas and automotive industries, and "brake piston cup(s)."[7]

Wire rod accounts for a large share of the cost of the majority of end-use products in which it is used. Reported cost shares for various forms of most downstream wire products ranged from 55 to 87 percent. Several importers reported cost shares of 100 percent. Reported cost shares for products in which wire rod is less of a cost component included cold drawn bar (50 percent), tire cord/bead (40-50 percent),[8] fabricated wire products (40 percent), cold headed parts (30-35 percent), and shaped wires for the oil and gas and automotive industries (20 percent).

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[7] A brake piston cup is a stopper mechanism used in master cylinders of vehicles. These mechanisms typically contain a return (adjusting) spring. *See* https://www.cardone.com/tech-help/brakes/how-it-works-and-best-practices/what-is-the-master-cylinder.

[8] In total, four firms (***) listed tire cord and/or tire bead as an end-use product for the wire rod they sell. ***

Business cycles

Most responding U.S. producers (6 of 8) reported that the wire rod market was subject to business cycles, while most importers (18 of 25) reported that it was not. Among the U.S. producers reporting the existence of business cycles, most stated that construction demand was seasonal and/or driven by changes in weather. *** also stated that the end-use products made from wire rod are used mainly in construction and automotive markets, and *** reported that the wire rod market was subject to seasonal cycles in manufacturing. Among the seven importers reporting the existence of business cycles, most highlighted seasonal cycles in construction activity. One importer also noted seasonal changes in the mining industry, and one reported seasonal changes in agriculture as affecting the wire rod market. Additionally, three mentioned the automotive industry, with one firm (***) stating that sales of lower value wire rod products fluctuate with the construction industry, and sales of higher value products fluctuate with the automotive and oil and gas industries.

Four of eight responding U.S. producers reported distinct conditions of competition in the wire rod market, with three highlighting an increase in imports and global overcapacity and oversupply, and one (***) reporting "cheaper foreign rod," better quality wire rod, and more sources. Two of 25 importers also reported distinct conditions of competition, with *** stating that sales to the automotive sector can be impacted by differences between real and apparent demand, and *** reporting that "low prices from subject countries depress the market."[9]

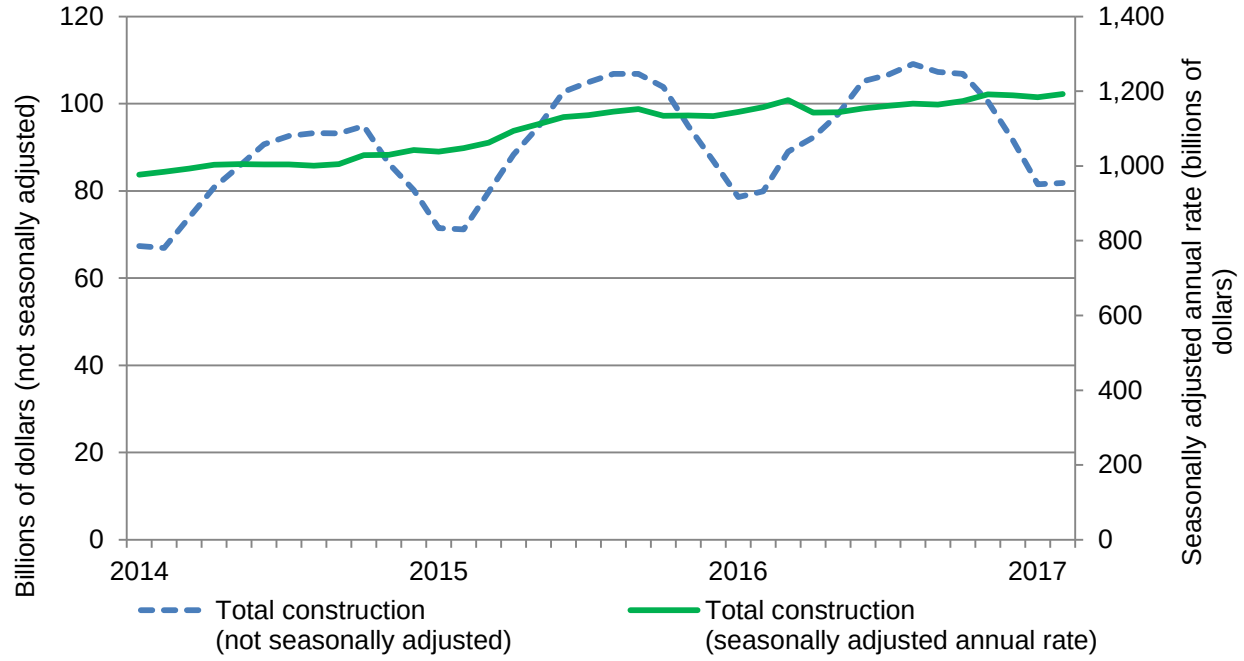
Demand trends

U.S. demand for wire rod is driven primarily by the construction and automotive markets. In general, demand for tire cord and tire bead is driven by advances and changes in the automotive industry, while demand for industrial grade products is driven by the construction industry.[10] Between 2014 and 2016, overall construction spending and vehicle sales both increased. The total value of construction put in place (seasonally adjusted) increased by 21.7 percent between January 2014 and December 2016 (figure II-1). Total vehicle sales increased by 18.4 percent between January 2014 and December 2016 (figure II-2).

[9] *** reported importing only from nonsubject country Canada during 2014-16.

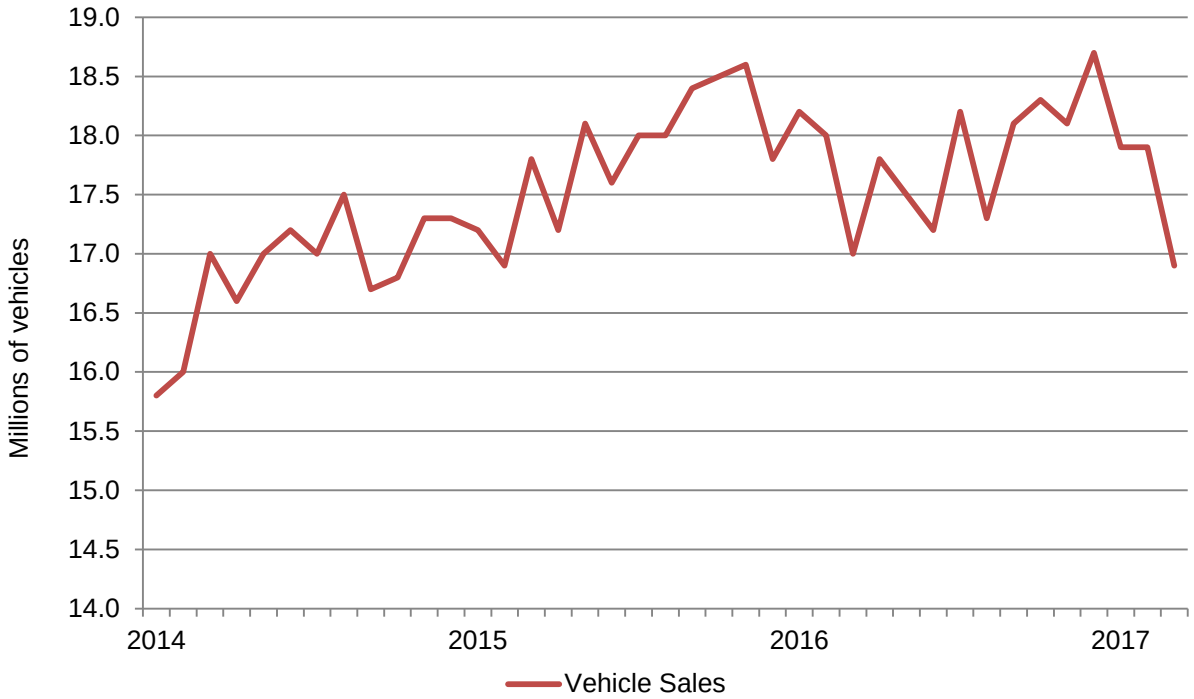
[10] Conference transcript, pp. 104-105 (Cameron, Stauffer); ***'s postconference brief, exhibit 1 p. 10.

Figure II-1
Construction spending: Total value of construction put in place in the United States, not seasonally adjusted and seasonally adjusted annual rate, monthly, January 2014-February 2017



Source: U.S. Census Bureau, retrieved April 19, 2017.

Figure II-2
Vehicle sales: Total vehicle sales, millions of units, seasonally adjusted annual rate, monthly, January 2014-March 2017



Source: St. Louis FRED, retrieved April 19, 2017.

Most U.S. producers reported that overall U.S. demand for wire rod had decreased since January 2014 (table II-3). Four of these firms cited increased wire rod imports as a reason. One U.S. producer reported that overall demand for wire rod had decreased due to an increase in imports of downstream wire products. Importer responses were more mixed; a plurality (8 firms) reported that U.S. demand had increased since January 2014, while 6 reported that demand had not changed, 5 reported that it had decreased, and 4 reported that it had fluctuated.

At the staff conference, representatives from the domestic industry generally stated that domestic demand for wire rod had been flat to weak in recent years.[11]

Table II-3
Wire rod: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	0	1	7	0
Importers	8	6	5	4
Demand outside the United States				
U.S. producers	0	0	5	1
Importers	4	3	4	7

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

Substitute products

Only two U.S. producers (***) reported that there are substitutes for wire rod. *** reported that rebar, fibers, and wood are substitutes in construction applications, and *** reported that galvanized wire was a substitute for wire rod in fencing products. All of the 24 responding importers reported that there are no substitutes for wire rod.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported wire rod depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that for products of the same quality there is high degree of substitutability between domestically produced wire rod and wire rod imported from subject sources. Substitutability between industrial quality (i.e. low- or medium-low-carbon) wire rod and higher-end (i.e. high- or medium-high carbon) wire rod products is more limited, however, and to the extent that one source specializes in one quality over another, substitutability between sources may be more limited.

[11] Conference transcript, pp. 143 (Armstrong, Nystrom), 165 (Canosa); Petitioning three-firms' postconference brief, p. 18.

Lead times

Wire rod is primarily produced-to-order. U.S. producers reported that 97.1 percent of their commercial shipments were sold on a produced-to-order basis, with lead times averaging 27.6 days. The remaining 2.9 percent of their commercial shipments came from inventories, with lead times averaging 4.8 days. Importers reported that 93.8 percent of their commercial shipments were sold on a produced-to-order basis, with lead times averaging 109.2 days. The remaining 6.1 percent of their commercial shipments came from inventories, with lead times averaging 10.7 days.

At the staff conference, some respondents testified that lead times from domestic producers had increased. Heico stated that domestic lead times had increased from 4-6 weeks to 6-8 weeks.[12] Bekaert stated that one domestic mill had placed them on monthly allocations, and that lead times by the four petitioning firms had been extended.[13] Mid-South Wire stated that domestic delivery times had been irregular and unpredictable, and that they had been placed on "controlled order entry."[14] Insteel stated that during 2016 two U.S. producers indicated that they could either not fulfill Insteel's entire order or that they could only deliver at a later date.[15]

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[16] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for wire rod. The most commonly listed first-most important purchasing factor was quality or the ability to meet firms' specifications (mentioned by 8 firms), followed by price/total cost (6 firms). Other first-most important factors included delivery, vendor relationship, and availability (mentioned by 2 firms apiece), and that the supplier was an approved source (1 firm). The most commonly listed second-most important factor was quality (mentioned by 10 firms), followed by price/total cost (6 firms). The most commonly listed third-most important factor was delivery/lead time (mentioned by 10 firms), followed by price/total cost (7 firms). Two firms (***) specifically noted a preference for wire rod produced by the BOF method due to the low-residual products this method is capable of producing.[17] Another noted that only one domestic mill had been qualified to produce its *** rod.

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[12] Conference transcript, p. 35 (Moffitt).

[13] Conference transcript, p. 40 (Hughes).

[14] Conference transcript, pp. 24-25 (Johnson).

[15] Conference transcript, pp. 31-32 (Stauffer).

[16] This information is compiled from responses by purchasers identified by Petitioners or other U.S. producers in their lost sales lost revenue allegations. See Part V for additional information.

[17] "Low-residual" refers to the level of trace element contamination. High levels residual trace elements impact the chemical properties of the steel products being produced.

Supplier certification

A number of firms reported that the qualification and certification process for some specialty products – including tire cord and tire bead as well as suspension spring wire rod – are lengthier and more stringent than industrial grade products. Bekaert stated that it takes approximately two years to qualify a new supplier of tire cord, and Kiswire stated that it takes roughly six months to a year to approve a supplier of wire bead and two years or more to approve a steel tire cord supplier.[18] *** reported that it took three to four years for it to complete the qualification process to provide suspension spring wire to one purchaser.[19] A number of respondents stated that either no or few domestic producers were qualified to supply 1080 grade tire cord or tire bead and/or suspension spring wire rod, and/or that they had attempted to qualify domestically produced 1080 grade tire cord but it did not always pass quality standards.[20]

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

In order to determine whether U.S.-produced wire rod can generally be used in the same applications as imports from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-4a, seven of eight U.S. producers reported that wire rod from the United States and each subject country is "always" interchangeable, and one U.S. producer, ***, reported that wire rod from these sources is "frequently" interchangeable. As shown in tables II-4b and II-4c, seven of eight U.S. producers reported that wire rod from each subject country and nonsubject country is "always" interchangeable with one another.

Among importers, a plurality reported that wire rod from Belarus, Korea, South Africa, Spain, the United Arab Emirates, Ukraine, and the United Kingdom was "frequently" interchangeable with wire rod from the United States. Four of 11 responding importers reported that product from the United Kingdom was "sometimes" interchangeable with product from the United States. In additional comments, importers generally noted that the factor most limiting interchangeability was quality. Several importers stated that domestic capacity to produce higher-carbon grades (such as 1080 tire cord, tire bead, PC strand, suspension spring, and/or cold-heading quality wire rod) was limited. Three importers reported

[18] Conference transcript, pp. 39-40 (Hughes), 41-43 (Minnick); AWPA's postconference brief, exhibit 19.

[19] ***'s postconference brief, pp. 6-8, and exhibit A.

[20] Conference transcript, pp. 47-48 (Hwang), 49-50 (Bond), 109 (Minnick); Kiswire's postconference brief, exhibit 1 pp. 11-13.

that the type of furnace used by domestic producers (EAF) was less capable of producing these higher quality products than the BOF furnace that is used in some other countries.[21]

Table II-4a
Wire rod: Interchangeability between wire rod produced in the United States and in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Belarus	7	1	0	0	2	5	2	0
U.S. vs. Italy	7	1	0	0	3	3	2	0
U.S. vs. Korea	7	1	0	0	3	5	2	1
U.S. vs. Russia	7	1	0	0	3	3	1	1
U.S. vs. South Africa	7	1	0	0	3	4	1	0
U.S. vs. Spain	7	1	0	0	2	5	2	1
U.S. vs. Turkey	7	1	0	0	4	4	2	1
U.S. vs. UAE	7	1	0	0	1	4	1	0
U.S. vs. Ukraine	7	1	0	0	3	4	2	0
U.S. vs. United Kingdom	7	1	0	0	2	5	4	0

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

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

Table II-4b
Wire rod: Interchangeability between wire rod produced in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Subject country comparisons:								
Belarus. vs. Italy	7	1	0	0	1	2	2	0
Belarus vs. Korea	7	1	0	0	2	2	1	0
Belarus vs. Russia	7	1	0	0	1	2	2	0
Belarus vs. South Africa	7	1	0	0	1	2	2	0
Belarus vs. Spain	7	1	0	0	1	2	3	0
Belarus vs. Turkey	7	1	0	0	2	3	2	0
Belarus vs. UAE	7	1	0	0	1	2	2	0
Belarus vs. Ukraine	7	1	0	0	1	3	2	0
Belarus vs. United Kingdom	7	1	0	0	1	3	2	0
Italy vs. Korea	7	1	0	0	1	2	2	0
Italy vs. Russia	7	1	0	0	2	2	1	0
Italy vs. South Africa	7	1	0	0	1	2	2	0
Italy vs. Spain	7	1	0	0	1	2	3	0

Table continued on next page.

[21] Mid-South Wire stated that mills in Korea, South Africa, Ukraine, and the United Kingdom supply rod produced by the BOF method, and Bekaert stated that Turkey and Spain also supply BOF-produced wire rod. Conference transcript, pp. 25 (Johnson), 39 (Hughes).

Table II-4b--*Continued*
Wire rod: Interchangeability between wire rod produced in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Subject country comparisons:								
Italy vs. Turkey	7	1	0	0	3	2	1	0
Italy vs. UAE	7	1	0	0	1	2	2	0
Italy vs. Ukraine	7	1	0	0	1	2	2	0
Italy vs. United Kingdom	7	1	0	0	1	3	3	0
Korea vs. Russia	7	1	0	0	1	2	2	0
Korea vs. South Africa	7	1	0	0	1	4	0	0
Korea vs. Spain	7	1	0	0	1	3	2	0
Korea vs. Turkey	7	1	0	0	2	2	2	0
Korea vs. UAE	7	1	0	0	1	2	2	0
Korea vs. Ukraine	7	1	0	0	1	2	2	0
Korea vs. United Kingdom	7	1	0	0	2	4	1	0
Russia vs. South Africa	7	1	0	0	1	2	2	0
Russia vs. Spain	7	1	0	0	1	2	3	0
Russia vs. Turkey	7	1	0	0	3	2	1	0
Russia vs. UAE	7	1	0	0	1	2	1	1
Russia vs. Ukraine	7	1	0	0	1	2	2	0
Russia vs. United Kingdom	7	1	0	0	1	3	2	0
South Africa vs. Spain	7	1	0	0	1	2	3	0
South Africa vs. Turkey	7	1	0	0	2	2	2	0
South Africa vs. UAE	7	1	0	0	1	2	2	0
South Africa vs. Ukraine	7	1	0	0	1	2	2	0
South Africa vs. United Kingdom	7	1	0	0	1	3	2	0
Spain vs. Turkey	7	1	0	0	2	2	2	0
Spain vs. UAE	7	1	0	0	1	2	2	0
Spain vs. Ukraine	7	1	0	0	1	2	2	0
Spain vs. United Kingdom	7	1	0	0	1	4	2	0
Turkey vs. UAE	7	1	0	0	1	2	1	1
Turkey vs. Ukraine	7	1	0	0	1	3	2	0
Turkey vs. United Kingdom	7	1	0	0	1	3	2	0
UAE vs. Ukraine	7	1	0	0	1	2	2	0
UAE vs. United Kingdom	7	1	0	0	1	3	2	0
Ukraine vs. United Kingdom	7	1	0	0	1	3	2	0

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

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

Table II-4c
Wire rod: Interchangeability between wire rod produced in nonsubject countries and in the United States and subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Nonsubject country comparisons:								
U.S. vs. Canada	7	1	0	0	2	4	3	0
U.S. vs. all other countries	7	1	0	0	1	3	6	2
Belarus vs. Canada	7	1	0	0	3	1	1	1
Belarus vs. all other countries	7	1	0	0	1	3	0	1
Italy vs. Canada	7	1	0	0	3	1	1	0
Italy vs. all other countries	7	1	0	0	1	2	1	1
Korea vs. Canada	7	1	0	0	3	2	1	0
Korea vs. all other countries	7	1	0	0	1	2	2	1
Russia vs. Canada	7	1	0	0	3	1	1	1
Russia vs. all other countries	7	1	0	0	1	2	0	1
South Africa vs. Canada	7	1	0	0	3	1	1	0
South Africa vs. all other countries	7	1	0	0	1	2	0	1
Spain vs. Canada	7	1	0	0	3	1	1	0
Spain vs. all other countries	7	1	0	0	1	2	0	1
Turkey vs. Canada	7	1	0	0	3	1	1	0
Turkey vs. all other countries	7	1	0	0	2	2	0	1
UAE vs. Canada	7	1	0	0	2	1	1	0
UAE vs. all other countries	7	1	0	0	1	2	0	1
Ukraine vs. Canada	7	1	0	0	3	1	1	0
Ukraine vs. all other countries	7	1	0	0	1	3	0	1
UK vs. Canada	7	1	0	0	3	1	2	0
UK vs. all other countries	7	1	0	0	1	2	1	1

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

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of wire rod from the United States, subject, or nonsubject countries. As seen in tables II-5a through II-5c, seven of eight U.S. producers reported that differences other than price were “never” significant for each country comparison. One U.S. producer, ***, reported that differences other than price were “sometimes” significant for each country comparison.

Among importers, responses were more varied. When comparing U.S. wire rod with wire rod from subject countries, a plurality of importers reported that differences other than price were “never” significant for most country comparisons. When comparing U.S. product with product from Turkey, a plurality reported that differences other than price were “frequently” significant. When comparing U.S. product with product from Spain, an equal number of importers reported that differences other than price were “always” significant and

"never" significant (three firms apiece). In additional comments, a number of importers pointed to quality as being a significant factor other than price. One importer stated that its imports from Spain were of a higher grade tire cord quality; one stated that its imports from Korea did not have the surface defects that wire rod from domestic mills do; one stated that domestic mills could not produce the tire cord or cold-heading quality product that the United Kingdom does; and two stated that its imports from Japan are of higher quality than domestic wire rod. Product availability/lead times were also noted as significant non-price factors by three firms, and three firms again reported that the BOF production process is capable of producing higher quality products than the EAF process.

Table II-5a
Wire rod: Significance of differences other than price between wire rod produced in the United States and in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Belarus	0	0	1	7	2	1	2	3
U.S. vs. Italy	0	0	1	7	1	1	2	3
U.S. vs. Korea	0	0	1	7	2	2	3	3
U.S. vs. Russia	0	0	1	7	1	2	0	3
U.S. vs. South Africa	0	0	1	7	1	1	1	3
U.S. vs. Spain	0	0	1	7	3	1	1	3
U.S. vs. Turkey	0	0	1	7	1	4	3	3
U.S. vs. UAE	0	0	1	7	1	1	0	2
U.S. vs. Ukraine	0	0	1	7	1	2	0	3
U.S. vs. United Kingdom	0	0	1	7	2	1	1	3

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

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

Table II-5b
Wire rod: Significance of differences other than price between wire rod produced in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Subject country comparisons:								
Belarus. vs. Italy	0	0	1	7	1	1	0	1
Belarus vs. Korea	0	0	1	7	2	1	0	1
Belarus vs. Russia	0	0	1	7	1	1	0	1
Belarus vs. South Africa	0	0	1	7	1	1	0	1
Belarus vs. Spain	0	0	1	7	2	1	0	1
Belarus vs. Turkey	0	0	1	7	1	3	1	1
Belarus vs. UAE	0	0	1	7	1	1	0	1
Belarus vs. Ukraine	0	0	1	7	1	1	0	1
Belarus vs. United Kingdom	0	0	1	7	1	0	1	1

Table continued on next page.

Table II-5b--*Continued*
Wire rod: Significance of differences other than price between wire rod produced in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Subject country comparisons:								
Italy vs. Korea	0	0	1	7	1	2	0	1
Italy vs. Russia	0	0	1	7	1	2	0	1
Italy vs. South Africa	0	0	1	7	1	1	0	1
Italy vs. Spain	0	0	1	7	2	1	0	1
Italy vs. Turkey	0	0	1	7	2	1	1	1
Italy vs. UAE	0	0	1	7	1	1	0	1
Italy vs. Ukraine	0	0	1	7	1	1	0	1
Italy vs. United Kingdom	0	0	1	7	1	1	1	1
Korea vs. Russia	0	0	1	7	1	2	0	1
Korea vs. South Africa	0	0	1	7	1	1	0	1
Korea vs. Spain	0	0	1	7	2	1	0	1
Korea vs. Turkey	0	0	1	7	1	2	1	1
Korea vs. UAE	0	0	1	7	1	1	0	1
Korea vs. Ukraine	0	0	1	7	1	1	0	1
Korea vs. United Kingdom	0	0	1	7	1	0	1	1
Russia vs. South Africa	0	0	1	7	1	1	0	1
Russia vs. Spain	0	0	1	7	2	1	0	1
Russia vs. Turkey	0	0	1	7	2	1	1	1
Russia vs. UAE	0	0	1	7	1	1	0	1
Russia vs. Ukraine	0	0	1	7	1	0	0	1
Russia vs. United Kingdom	0	0	1	7	1	0	1	1
South Africa vs. Spain	0	0	1	7	2	1	0	1
South Africa vs. Turkey	0	0	1	7	1	2	1	1
South Africa vs. UAE	0	0	1	7	1	1	0	1
South Africa vs. Ukraine	0	0	1	7	1	1	0	1
South Africa vs. United Kingdom	0	0	1	7	1	1	1	1
Spain vs. Turkey	0	0	1	7	1	2	1	2
Spain vs. UAE	0	0	1	7	1	1	0	1
Spain vs. Ukraine	0	0	1	7	1	0	0	1
Spain vs. United Kingdom	0	0	1	7	1	0	1	1
Turkey vs. UAE	0	0	1	7	1	1	0	1
Turkey vs. Ukraine	0	0	1	7	1	2	0	1
Turkey vs. United Kingdom	0	0	1	7	1	1	1	1
UAE vs. Ukraine	0	0	1	7	1	1	0	1
UAE vs. United Kingdom	0	0	1	7	1	1	1	1
Ukraine vs. United Kingdom	0	0	1	7	1	0	1	1

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

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

Table II-5c
Wire rod: Significance of differences other than price between wire rod produced in nonsubject countries and in the United States and in subject countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Nonsubject country comparisons:								
U.S. vs. Canada	0	0	1	7	2	0	2	2
U.S. vs. all other countries	0	0	1	7	3	3	3	2
Belarus vs. Canada	0	0	1	7	1	0	0	2
Belarus vs. all other countries	0	0	1	7	2	1	0	1
Italy vs. Canada	0	0	1	7	1	1	0	2
Italy vs. all other countries	0	0	1	7	2	0	0	1
Korea vs. Canada	0	0	1	7	1	0	1	2
Korea vs. all other countries	0	0	1	7	2	0	1	1
Russia vs. Canada	0	0	1	7	1	0	0	2
Russia vs. all other countries	0	0	1	7	2	0	0	1
South Africa vs. Canada	0	0	1	7	1	1	0	2
South Africa vs. all other countries	0	0	1	7	2	0	0	1
Spain vs. Canada	0	0	1	7	1	0	0	2
Spain vs. all other countries	0	0	1	7	2	0	0	1
Turkey vs. Canada	0	0	1	7	1	1	0	2
Turkey vs. all other countries	0	0	1	7	2	1	0	1
UAE vs. Canada	0	0	1	7	1	1	0	1
UAE vs. all other countries	0	0	1	7	2	0	0	1
Ukraine vs. Canada	0	0	1	7	1	0	0	2
Ukraine vs. all other countries	0	0	1	7	2	1	0	1
UK vs. Canada	0	0	1	7	1	0	0	2
UK vs. all other countries	0	0	1	7	2	0	0	1

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

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

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of *** firms that accounted for virtually all U.S. production of wire rod during 2014-16.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to ten firms based on information contained in the petition. *** firms provided usable data on their productive operations.[1] Staff believes that these responses represent virtually all U.S. production of wire rod.

Table III-1 lists U.S. producers of wire rod, their production locations, positions on the petition, and shares of total production.

As indicated in the notes to table III-1, ***, through its parent company ***, is related to foreign producers of the subject merchandise and to a U.S. importer of subject merchandise, ***. Related party analysis is provided below. No U.S. producer directly imports the subject merchandise and none purchase the subject merchandise from U.S. importers.

[1] ***.

Table III-1
Wire rod: U.S. producers of wire rod, their positions on the petition, production locations, and shares of reported production, 2016

Firm	Position on petition	Production location(s)	Share of production (percent)
ArcelorMittal[1]	***	Georgetown, SC	***
Cascade[2]	***	McMinnville, OR City of Industry, CA	***
Charter[3]	Support	Saukville, WI Cuyahoga Heights, OH Fostoria, OH	***
Evraz[4]	***	Pueblo, Colorado	***
Gerdau[5]	Support	Baldwin, FL West Vidor, TX	***
Keystone[6]	Support	Peoria, Illinois	***
Mid American	***	Madill, OK	***
Nucor	Support	Charlotte, NC Wallingford, CT Norfolk, NE Kingman, AZ Darlington, SC	***
Republic[7]	***	Canton, OH Lorain, OH	***
Sterling[8]	***	Sterling, Illinois	***
Total			100.0

Footnotes 1 through 8 have been redacted.

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

Table III-2 presents U.S. producers' reported changes in operations since January 1, 2014.

Table III-2
Wire rod: Selected U.S. industry events since January 1, 2014

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-3 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Total annual capacity to produce wire rod in the United States decreased by 5.2 percent from 2014 to 2016. ***.

Total production of wire rod was 3.4 percent lower in 2016 compared to 2014. *** U.S. producers had lower production volumes in 2016 compared to 2014; *** experienced collectively a decrease in production of *** short tons. *** U.S. producers (***) reported greater production volumes in 2016 compared to 2014. Combined, their production increased by *** short tons from 2014 to 2016.

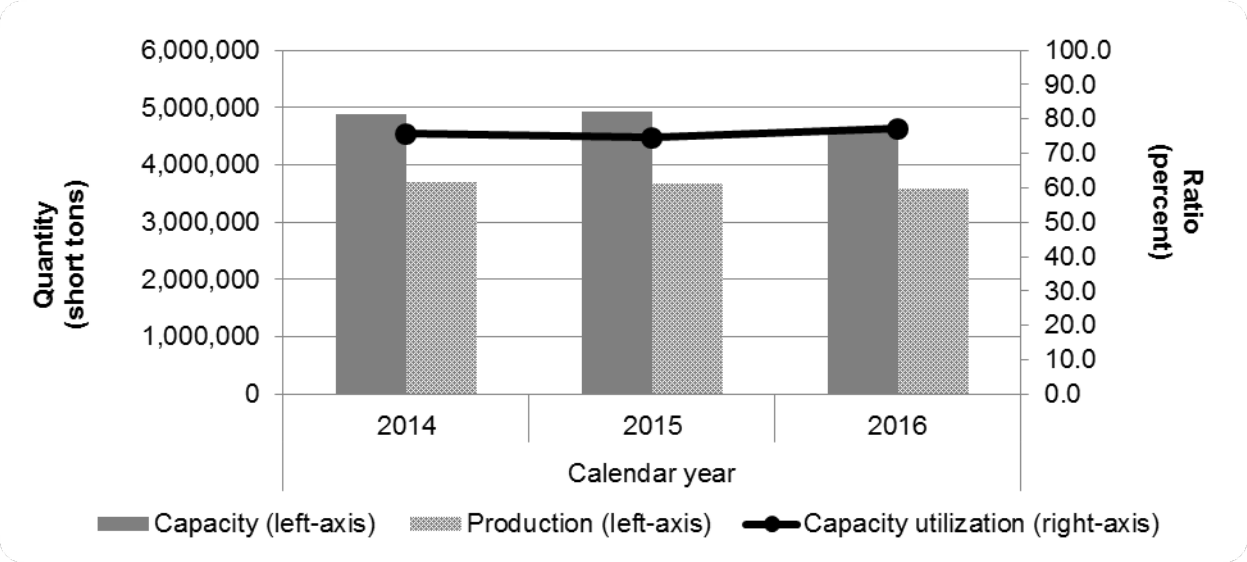
After decreasing by 1.2 percentage points from 2014 to 2015, capacity utilization increased by 2.7 percentage points from 2015 to 2016 for an overall increase of 1.5 percentage points from 2014 to 2016. ***. *** capacity utilization rates in *** were amongst the lowest of any U.S. producer.

Table III-3
Wire rod: U.S. producers' production, capacity, and capacity utilization, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Capacity	4,890,994	4,928,590	4,635,509
Production	3,706,939	3,675,269	3,580,955
	Ration (percent)		
Capacity utilization	75.8	74.6	77.3

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

Figure III-1
Wire rod: U.S. producers' production, capacity, and capacity utilization, 2014-16



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

Overall capacity and production

Seven firms reported producing products other than wire rod on the same equipment and machinery used to make wire rod. As shown in table III-4, during 2014-16, wire round accounted for between 60.3 and 63.0 percent of U.S. producers' production on this shared equipment. Combined, concrete reinforcing bar and rods and the "other products"[2] category accounted for the bulk of the non-wire production.

[2] Other products include free machining steel, coiled bar, SBQ bar, merchant bar, rounds, and flats.

Table III-4
Wire rod: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Overall capacity	8,105,700	7,851,700	7,539,697
Production:			
Wire rod	3,706,939	3,675,269	3,580,955
Stainless steel bars and rods	***	***	***
Tool steel and high-nickel steel	***	***	***
Ball bearing steel	***	***	***
Concrete reinforcing bars and rods	***	***	***
Other products	***	***	***
Out-of-scope production	2,437,832	2,251,259	2,100,573
Total production on same machinery	6,144,771	5,926,528	5,681,528
	Ratios and shares (percent)		
Overall capacity utilization	75.8	75.5	75.4
Share of production:			
Wire rod	60.3	62.0	63.0
Stainless steel bars and rods	***	***	***
Tool steel and high-nickel steel	***	***	***
Ball bearing steel	***	***	***
Concrete reinforcing bars and rods	***	***	***
Other products	***	***	***
Out-of-scope production	39.7	38.0	37.0
Total production on same machinery	100.0	100.0	100.0

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

Producers were asked to describe the constraint(s) that set the limit(s) of their production capacity. Reported constraints include underutilization due to allegedly unfairly traded imports, market demand and considerations, operating hours in a week and equipment speed, rod rolling mill production and customer demand, melting capacity (affected by environmental air permits and certain products requiring more time to produce), balance of market demand between coiled reinforcing bar and wire rod, and financial considerations.

Producers were also asked about their ability to switch production capacity between products. ***. ***. ***. ***. ***.

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

Table III-5 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. producers' U.S. shipments accounted for no less than 98.8 percent of their total shipments during any year from 2014 to 2016. Based on quantity, commercial U.S. shipments accounted for the largest share of U.S. producers' U.S. shipments, but internal consumption and transfers combined accounted for no less than 27.6 percent of U.S. producers' total

shipments in any year for which data were collected. U.S. producers' commercial U.S. shipments decreased by 6.0 percent from 2014 to 2016, while their average unit values decreased by 26.1 percent. The quantity of U.S. producers' internal consumption increased by 17.3 percent from 2014 to 2016, whereas its unit values decreased by 28.1 percent. Likewise, the quantity of transfers to related firms increased by 2.4 percent from 2014 to 2016, while their unit values decreased by 21.4 percent.

Table III-5
Wire rod: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Commercial U.S. shipments	2,627,361	2,592,543	2,469,373
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Subtotal, U.S. shipments	3,646,379	3,640,823	3,542,689
Export shipments	42,744	33,585	38,667
Total shipments	3,689,123	3,674,408	3,581,356
	Value (1,000 dollars)		
Commercial U.S. shipments	1,878,975	1,512,393	1,305,732
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Subtotal, U.S. shipments	2,535,270	2,072,137	1,838,683
Export shipments	34,544	22,977	23,452
Total shipments	2,569,814	2,095,114	1,862,135
	Unit value (dollars per short ton)		
Commercial U.S. shipments	715	583	529
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Subtotal, U.S. shipments	695	569	519
Export shipments	808	684	607
Total shipments	697	570	520
	Share of quantity (percent)		
Commercial U.S. shipments	71.2	70.6	69.0
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Subtotal, U.S. shipments	98.8	99.1	98.9
Export shipments	1.2	0.9	1.1
Total shipments	100.0	100.0	100.0
	Share of value (percent)		
Commercial U.S. shipments	73.1	72.2	70.1
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Subtotal, U.S. shipments	98.7	98.9	98.7
Export shipments	1.3	1.1	1.3
Total shipments	100.0	100.0	100.0

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

Table III-6 presents U.S. producers' U.S. shipments by type of wire rod and type of U.S. shipment in 2016. Low quality standard wire rod and high quality standard wire rod combined accounted for 86.1 percent of U.S. producers' total U.S. shipments. CHQ wire rod accounted for *** percent, and none of the other four remaining types of wire rod for which data were collected accounted for more than *** percent of U.S. producers' total shipments.

*** firms that reported 2016 shipment data by product type shipped both low/medium-low carbon industrial/standard quality wire rod and high/medium-high carbon industrial/standard quality wire rod. Tire cord and tire bead quality wire rod was the only type of wire rod shipped exclusively as a commercial U.S. shipment; all other wire rod types were either also internally consumed or transferred to related firms. ***. *** reported shipments of CHQ wire rod but *** accounted for *** percent of the shipments of this type of wire rod in 2016.

Table III-6
Wire rod: U.S. producers' U.S. shipments, by product type and shipment type, 2016

Item	Product type							
	Low quality standard	High quality standard	Tire cord and tire bead quality	Welding quality	Cold heading quality	Specialty alloy	Other	Total
	Quantity (short tons)							
U.S. producers: Commercial U.S. shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	1,989,229	1,060,945	***	***	***	***	***	3,542,689
	Share of quantity across (percent)							
U.S. producers: Commercial U.S. shipments	***	***	***	***	***	***	***	100.0
Internal consumption	***	***	***	***	***	***	***	100.0
Transfers to related firms	***	***	***	***	***	***	***	100.0
U.S. shipments	56.2	29.9	***	***	***	***	***	100.0
	Share of quantity down (percent)							
U.S. producers: Commercial U.S. shipments	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

CAPTIVE CONSUMPTION

Section 771(7)(C)(iv) of the Act states that–[3]

> *If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that–*
>
> *(I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,*
>
> *(II) the domestic like product is the predominant material input in the production of that downstream article, and*
>
> *then the Commission, in determining market share and the factors affecting financial performance . . ., shall focus primarily on the merchant market for the domestic like product.*

Transfers and sales

As reported in table III-5 above, from 2014 to 2016, internal consumption accounted for between *** and *** percent of U.S. producers' U.S. shipments of wire rod; transfers to related firms accounted for between *** and *** percent. Seven firms, ***[4] reported internally consuming or transferring wire rod to a related firm to produce downstream products. Petitioners argue that the captive consumption provisions are met and that accordingly the Commission should focus its analysis on the merchant market.[5]

First statutory criterion in captive consumption

The first requirement for application of the captive consumption provision is that the domestic like product that is internally transferred for processing into that downstream article not enter the merchant market for the domestic like product. U.S. producers reported that all internally consumed and transferred wired rod was processed into other products; none of it was sold as wire rod. U.S. producers reported internal consumption of wire rod for the production of drawn and galvanized wire and agricultural fencing products, barbed wire, field fence, wire panels, wire, wire mesh, fasteners, concrete reinforcing wire (wire mesh), mine mesh, wire reinforcement sheets, wire reinforcement mesh, display racks, floor grating, mesh,

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[3] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[4] ***.
[5] Petitioning three-firms' postconference brief, pp. 21-23.

PC strand, welded wire reinforcement rolls, welded wire reinforcement sheets, and cold rolled profiles.

Second statutory criterion in captive consumption

The second criterion of the captive consumption provision concerns whether the domestic like product is the predominant material input in the production of the downstream article that is captively produced. With respect to the downstream articles resulting from captive production, wire rod reportedly comprises 60-87 percent of the finished cost of cold rolled shapes, industrial wire, welded wire reinforcement, wire mesh, reinforced concrete construction, display racks, fencing products, wire, floor grating, fabricated wire products, staples/fasteners/nails, and wire panels.

U.S. PRODUCERS' INVENTORIES

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' inventories of wire rod increased by 0.2 percent from 2014 to 2016. The ratios of inventories to production, inventories to U.S. shipments, and inventories to total shipments each increased from 2014 to 2016 but by no more than 0.3 percentage points.

Table III-7
Wire rod: U.S. producers' inventories, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. producers' end-of-period inventories	261,268	262,130	261,730
	Ratio (percent)		
Ratio of inventories to.--			
U.S. Production	7.0	7.1	7.3
U.S. shipments	7.2	7.2	7.4
Total shipments	7.1	7.1	7.3

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

No U.S. producer reported directly importing wire rod from any subject country. ***, however, is related through common ownership by *** to ***. ***. Table III-8 presents U.S. production data for *** along with *** data for imports from subject countries.

Table III-8
Wire rod: * U.S. production and *** imports, 2014-16**

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-9 shows U.S. producers' employment-related data. The level of production and related workers ("PRWs"), their hours worked and wages all decreased from 2014 to 2016. Annual hours worked per PRW increased slightly, by 1.7 percent, from 2014 to 2016 while productivity, measured by short tons per 1,000 hours worked, decreased 1.8 percent. Unit labor costs increased by 2.1 percent from 2014 to 2016. *** U.S. producers reported more PRWs in 2016 compared to 2014. *** reported the largest increase in PRWs (a gain of ***), which coincided with ***. *** U.S. producers reported fewer PRWs in 2016 compared to 2014, with *** accounting for the bulk of the decrease after ***.

Table III-9
Wire rod: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2014-16

Item	Calendar year		
	2014	2015	2016
Production and related workers (PRWs) (number)	2,269	2,411	2,222
Total hours worked (1,000 hours)	4,835	4,945	4,754
Hours worked per PRW (hours)	2,131	2,051	2,140
Wages paid ($1,000)	170,593	172,268	168,288
Hourly wages (dollars per hour)	$35.28	$34.84	$35.40
Productivity (short tons per 1,000 hours)	766.7	743.2	753.3
Unit labor costs (dollars per short ton)	$46.02	$46.87	$47.00

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

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 53 firms believed to be importers of subject wire rod, as well as to all U.S. producers of wire rod.[1] Usable questionnaire responses were received from 28 companies, representing all imports from Belarus, all imports from Italy, all imports from Korea, 88.5 percent of imports from Russia, 96.2 percent of imports from South Africa, 69.9 percent of imports from Spain, 45.1 percent of imports from Turkey, 95.8 percent of imports from Ukraine, all imports from United Arab Emirates, all imports from the United Kingdom, and for imports from nonsubject sources, 49.1 percent from Canada and 49.6 percent from all other import sources, under relevant HTS statistical reporting numbers, as adjusted.[2] Table IV-1 lists all responding U.S. importers of wire rod from the ten subject countries and other sources, their locations, and their shares of U.S. imports from subject sources, nonsubject sources, and total imports in 2016.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 in 2016.

[2] The relevant statistical reporting numbers appear in Part I of this report. Official Commerce statistics were adjusted using questionnaire response data to include imports of wire rod under HTS statistical reporting numbers other than those listed in Part I.

Table IV-1
Wire rod: U.S. importers by source, 2014-16

Firm	Headquarters	Share of imports by source (percent)		
		Subject	Nonsubject	All import sources
ArcelorMittal	Chicago, IL	***	***	***
Braeburn	Sudbury, MA	***	***	***
British Steel	North Lincolnshire, United Kingdom	***	***	***
Byram	Pompton Plains, NJ	***	***	***
C&F International	Houston, TX	***	***	***
Duferco	Matawan, NJ	***	***	***
Global Steel	Santander, Spain	***	***	***
Heico	L'Orignal, ON	***	***	***
Kanematsu	Arlington Heights, IL	***	***	***
Krueger	Elmhurst, IL	***	***	***
Kurt Orban	Burlingame, CA	***	***	***
Macsteel	White Plains, NY	***	***	***
Marubeni-Itochu	New York, NY	***	***	***
Metal One	Rosemont, IL	***	***	***
Mitsui	New York, NY	***	***	***
O&K American	Chicago, IL	***	***	***
Okaya USA	Arlington Heights, IL	***	***	***
POSCO America	Johns Creek, GA	***	***	***
POSCO Daewoo	Teaneck, NJ	***	***	***
SEBA International Inc	Houston, TX	***	***	***
Shinsho	Novi, MI	***	***	***
Stemcor	New York, NY	***	***	***
Stena	Southport, CT	***	***	***
Tata	Schaumburg, IL	***	***	***
Tata Steel	Schaumburg, IL	***	***	***
Ternium	Houston, TX	***	***	***
Toyota Tsusho	Georgetown, KY	***	***	***
Uniwire	New York, NY	***	***	***
Total		***	***	***

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

U.S. IMPORTS

Table IV-2 presents data for U.S. imports of wire rod from subject sources, Canada, and all other sources, and the ratio of U.S. imports of wire rod to U.S. production of wire rod.

Table IV-2
Wire rod: U.S. imports by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. imports from--			
Belarus	0	9,059	38,267
Italy	346	246	33,163
Korea	109,026	128,862	101,970
Russia	12,329	6,857	103,322
South Africa	0	45,451	22,049
Spain	31,778	79,976	78,665
Turkey	210,901	264,469	98,497
Ukraine	14,625	79,053	161,451
United Arab Emirates	28	17,673	22,159
United Kingdom	71,379	45,609	52,736
Subject sources	450,414	677,254	712,279
Canada	524,324	561,752	552,362
All other sources	833,059	562,237	524,687
Nonsubject sources	1,357,383	1,123,989	1,077,050
All import sources	1,807,797	1,801,243	1,789,328
	Value (1,000 dollars)		
U.S. imports from--			
Belarus	0	3,131	12,434
Italy	543	291	12,697
Korea	69,377	67,290	51,873
Russia	7,552	2,230	35,215
South Africa	0	18,830	8,000
Spain	22,392	52,358	47,007
Turkey	125,108	128,556	44,005
Ukraine	8,684	35,022	59,507
United Arab Emirates	18	6,952	7,631
United Kingdom	46,428	24,859	25,035
Subject sources	280,103	339,520	303,403
Canada	405,564	358,637	326,185
All other sources	566,556	426,591	381,719
Nonsubject sources	972,120	785,228	707,904
All import sources	1,252,223	1,124,748	1,011,307

Table continued on next page.

Table IV-2--Continued
Wire rod: U.S. imports by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
U.S. imports from--			
Belarus	---	346	325
Italy	1,569	1,183	383
Korea	636	522	509
Russia	613	325	341
South Africa	---	414	363
Spain	705	655	598
Turkey	593	486	447
Ukraine	594	443	369
United Arab Emirates	633	393	344
United Kingdom	650	545	475
Subject sources	622	501	426
Canada	774	638	591
All other sources	680	759	728
Nonsubject sources	716	699	657
All import sources	693	624	565
	Share of quantity (percent)		
U.S. imports from--			
Belarus	---	0.5	2.1
Italy	0.0	0.0	1.9
Korea	6.0	7.2	5.7
Russia	0.7	0.4	5.8
South Africa	---	2.5	1.2
Spain	1.8	4.4	4.4
Turkey	11.7	14.7	5.5
Ukraine	0.8	4.4	9.0
United Arab Emirates	0.0	1.0	1.2
United Kingdom	3.9	2.5	2.9
Subject sources	24.9	37.6	39.8
Canada	29.0	31.2	30.9
All other sources	46.1	31.2	29.3
Nonsubject sources	75.1	62.4	60.2
All import sources	100.0	100.0	100.0

Table continued on next page.

Table IV-2--Continued
Wire rod: U.S. imports by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Share of value (percent)		
U.S. imports from--			
Belarus	---	0.3	1.2
Italy	0.0	0.0	1.3
Korea	5.5	6.0	5.1
Russia	0.6	0.2	3.5
South Africa	---	1.7	0.8
Spain	1.8	4.7	4.6
Turkey	10.0	11.4	4.4
Ukraine	0.7	3.1	5.9
United Arab Emirates	0.0	0.6	0.8
United Kingdom	3.7	2.2	2.5
Subject sources	22.4	30.2	30.0
Canada	32.4	31.9	32.3
All other sources	45.2	37.9	37.7
Nonsubject sources	77.6	69.8	70.0
All import sources	100.0	100.0	100.0
	Ratio to U.S. production		
U.S. imports from--			
Belarus	---	0.2	1.1
Italy	0.0	0.0	0.9
Korea	2.9	3.5	2.8
Russia	0.3	0.2	2.9
South Africa	---	1.2	0.6
Spain	0.9	2.2	2.2
Turkey	5.7	7.2	2.8
Ukraine	0.4	2.2	4.5
United Arab Emirates	0.0	0.5	0.6
United Kingdom	1.9	1.2	1.5
Subject sources	12.2	18.4	19.9
Canada	14.1	15.3	15.4
All other sources	22.5	15.3	14.7
Nonsubject sources	36.6	30.6	30.1
All import sources	48.8	49.0	50.0

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed April 5, 2017.statistics.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[3] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[4] The statute further provides that, in the case of countervailing duty investigations involving developing countries, the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[5] Table IV-3 presents data for imports during March 2016-February 2017 for each subject country and its share of total imports. Data are presented using official Commerce data for U.S. imports of wire rod and the same Commerce data adjusted using questionnaire response data.[6] Based on official Commerce data, five sources of wire rod individually accounted for less than 3 percent of the volume of U.S. imports of wire rod in 2016. Imports from Belarus accounted for 2.6 percent, imports from Italy accounted for 2.5 percent, imports from South Africa accounted for 1.2 percent, imports from UAE accounted for 1.3 percent, and imports from United Kingdom accounted for 2.6 percent. Collectively, these five sources accounted for 10.2 percent of total imports. Table IV-4 presents data to address negligibility considerations for the CVD investigation on imports of wire rod from Italy.

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

[4] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

[5] Section 771 (24)(B) of the Act (19 U.S.C § 1677(24)(B)).

[6] The importers' questionnaire identified the thirteen HTS statistical reporting numbers under which wire rod imports typically enter the United States as "primary HTS numbers". Importers were asked to report data for imports of wire rod under these HTS statistical reporting numbers and to report separately imports of wire rod entered under other HTS statistical reporting numbers. Data reported for entries under the other HTS statistical reporting numbers were added to official import statistics. A small volume of imports were reported under the "other" HTS numbers, which only had a small effect on imports from individual subject country's shares of total imports. Accordingly the negligibility discussion references only official Commerce statistics.

Table IV-3
Wire rod: U.S. imports by source and share of imports, March 2016 through February 2017

Item	March 2016 through February 2017			
	Straight official statistics		Adjusted official statistics	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from--				
Belarus	46,145	2.6	49,031	2.8
Italy	44,558	2.5	44,558	2.5
Korea	86,737	4.9	86,737	4.9
Russia	106,227	6.0	106,227	6.0
South Africa	20,511	1.2	20,511	1.2
Spain	78,836	4.5	78,836	4.4
Turkey	79,775	4.5	79,775	4.5
Ukraine	164,775	9.3	164,775	9.3
United Arab Emirates	22,159	1.3	22,159	1.2
United Kingdom	46,601	2.6	47,715	2.7
Subject sources	696,324	39.5	700,324	39.5
Individually negligible subject sources	179,973	10.2	183,973	10.4
Canada	545,853	31.0	545,853	30.8
All other sources	520,588	29.5	527,178	29.7
Nonsubject sources	1,066,441	60.5	1,073,031	60.5
All import sources	1,762,765	100.0	1,773,355	100.0

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

Table IV-4
Wire rod: U.S. imports from Italy and all sources, January 2014 through February 2017

12 month period ending	Source					
	Italy	All import sources	Italy	All import sources	Italy	All import sources
	Quantity (short tons)		Share of total imports (percent)		Percent change over comparable period one year earlier (percent)	
2014: December	346	1,800,307	0.0	100.0		
2015: January	346	1,786,519	0.0	100.0		
February	521	1,846,262	0.0	100.0		
March	521	1,850,331	0.0	100.0		
April	438	1,737,444	0.0	100.0		
May	438	1,671,176	0.0	100.0		
June	178	1,650,836	0.0	100.0		
July	178	1,666,178	0.0	100.0		
August	174	1,709,781	0.0	100.0		
September	174	1,705,569	0.0	100.0		
October	220	1,725,524	0.0	100.0		
November	246	1,731,680	0.0	100.0		
December	246	1,789,080	0.0	100.0	(29.0)	(0.6)
2016: January	246	1,789,878	0.0	100.0	(29.0)	0.2
February	72	1,774,130	0.0	100.0	(86.2)	(3.9)
March	72	1,778,103	0.0	100.0	(86.2)	(3.9)
April	81	1,797,622	0.0	100.0	(81.6)	3.5
May	81	1,838,049	0.0	100.0	(81.6)	10.0
June	81	1,847,540	0.0	100.0	(54.7)	11.9
July	81	1,870,770	0.0	100.0	(54.7)	12.3
August	12,079	1,878,615	0.6	100.0	6,824.7	9.9
September	12,079	1,866,000	0.6	100.0	6,824.7	9.4
October	21,228	1,842,990	1.2	100.0	9,528.3	6.8
November	33,108	1,854,474	1.8	100.0	13,351.0	7.1
December	33,163	1,779,156	1.9	100.0	13,373.4	(0.6)
2017: January	44,558	1,761,179	2.5	100.0	18,003.0	(1.6)
February	44,558	1,762,765	2.5	100.0	62,040.3	(0.6)

Note.—U.S. imports of wire rod from Italy accounted for 4.4 percent of total U.S. imports of wire rod from August 2016 to February 2017.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

CUMULATION CONSIDERATIONS

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

Fungibility

Table IV-5 presents data for U.S. shipments of imported wire rod by type of wire rod. Low/medium-low carbon industrial/standard wire rod accounted for 76.7 percent of total U.S. shipments of imported subject wire rod from subject countries. Each subject source shipped some volume of low/medium-low carbon industrial/standard wire rod. For five of the subject sources (Italy, Russia, Turkey, Ukraine, and United Arab Emirates), it accounted for *** U.S. shipments of imports, and for imports from Belarus, *** percent of U.S. shipments. High/medium-high carbon industrial/standard wire rod accounted for 9.0 percent of U.S. shipments of imported wire rod and tire cord quality or tire bead quality wire rod accounted for 8.6 percent from subject countries. Korea, Spain, and the United Kingdom were the sources for tire cord quality or tire bead quality wire rod. These three countries were also the subject import suppliers of CHQ wire rod. Spain, and to a lesser extent the United Kingdom, were the only two subject import sources of specialty alloy wire rod.

Table IV-5
Wire rod: U.S. importers' U.S. shipments by product type, 2016

Item	Product type							
	Low quality standard	High quality standard	Tire cord and tire bead quality	Welding quality	Cold heading quality	Specialty alloy	Other	Total
	Quantity (short tons)							
U.S. importers' U.S. shipments: Belarus	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***
Russia	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***
United Arab Emirates	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***
Subject sources	548,204	64,016	61,580	0	4,704	36,567	0	715,071
Canada	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject sources	28,768	76,536	101,158	13,276	273,453	13,352	44	506,587
All import sources	576,972	140,552	162,738	13,276	278,157	49,919	44	1,221,658

Table continued on next page.

Table IV-5--Continued
Wire rod: U.S. importers' U.S. shipments by product type, 2016

Item	Product type							
	Low quality standard	High quality standard	Tire cord and tire bead quality	Welding quality	Cold heading quality	Specialty alloy	Other	Total
	Share of quantity across (percent)							
U.S. importers' U.S. shipments: Belarus	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***
Russia	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***
United Arab Emirates	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***
Subject sources	76.7	9.0	8.6	0.0	0.7	5.1	0.0	100.0
Canada	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject sources	5.7	15.1	20.0	2.6	54.0	2.6	0.0	100.0
All import sources	47.2	11.5	13.3	1.1	22.8	4.1	0.0	100.0
	Share of quantity down (percent)							
U.S. importers' U.S. shipments: Belarus	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***
Russia	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***
United Arab Emirates	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***
Subject sources	95.0	45.5	37.8	0.0	1.7	73.3	0.0	58.5
Canada	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject sources	5.0	54.5	62.2	100.0	98.3	26.7	100.0	41.5
All import sources	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Presence in the market

Table IV-6 presents data for monthly U.S. imports of wire rod. Imports from Korea, Spain, and the United Kingdom were present in each month during January 2014-December 2016. There were imports from Turkey in each month of 2015 and 2016 and in eight months of 2014. Imports of wire rod from Belarus largely entered during the twelve-month period of September 2015 - August 2016. Small quantities of wire rod were imported from Italy in two months of 2014 and three months of 2015; the bulk of wire rod imports from Italy entered after July 2016. In 2014, there were three months of import entries from Russia, then starting in December 2015 there were 12 consecutive months of imports from Russia. Imports of wire rod

from South Africa entered during 9 of the 11 months from August 2015 through June 2016. Imports of wire rod from Ukraine were present in two months of the last quarter of 2014, eight months of 2015, and twelve months of 2016. Imports of wire rod from UAE were present in one month of 2014, two months in 2015, and seven months of 2016.

Table IV-6

Wire rod: Monthly U.S. imports by source, January 2014-February 2017

Items	Source							
	Belarus	Italy	Korea	Russia	South Africa	Spain	Turkey	Ukraine
	Quantity (short tons)							
2014:								
January	0	0	6,031	0	0	838	0	0
February	0	0	2,645	0	0	557	0	0
March	0	0	4,599	2,843	0	1,590	0	0
April	0	83	6,166	3,136	0	1,702	895	0
May	0	0	12,253	6,350	0	539	3,391	0
June	0	260	28,328	0	0	1,051	48,628	0
July	0	0	4,821	0	0	209	0	0
August	0	3	6,515	0	0	7,709	19,589	0
September	0	0	9,905	0	0	4,880	33,597	0
October	0	0	9,580	0	0	921	66,639	2,089
November	0	0	10,121	0	0	8,377	9,181	12,537
December	0	0	8,062	0	0	3,405	28,176	0
2015:								
January	0	0	14,499	0	0	13,082	18,310	0
February	0	174	11,886	0	0	4,007	63,060	5,438
March	0	0	9,811	0	0	8,823	31,432	18,588
April	0	0	6,987	0	0	908	9,677	7,131
May	0	0	2,823	0	0	11,268	11,425	0
June	0	0	8,134	0	0	5,969	12,949	10,896
July	0	0	15,496	0	0	22	18,720	0
August	0	0	32,129	0	11,025	3,246	8,720	0
September	3,377	0	317	0	11,128	11,093	35,173	12,470
October	0	46	15,816	0	7,665	7,899	29,475	9,882
November	0	26	2,344	0	0	1,994	845	6,265
December	5,682	0	8,620	6,857	15,634	11,665	19,396	8,382
2016:								
January	4,622	0	7,692	1,968	0	9,454	22,769	14,947
February	1,376	0	11,122	14,594	4,769	1,063	9,252	20,259
March	4,649	0	12,608	13,808	124	1,001	12,521	13,707
April	6,941	9	14,504	3,619	9,286	2,581	568	16,953
May	2,644	0	4,084	17,145	4,528	7,507	3,756	14,996
June	0	0	11,721	1,902	3,342	9,891	9,967	9,674
July	0	0	6,390	7,411	0	4,810	7,019	6,700
August	15,127	11,998	12,147	17,207	0	1,838	4,089	19,759
September	0	0	6,214	12,500	0	16,987	547	13,930
October	22	9,195	13,704	4,578	0	10,286	16,789	18,190
November	0	11,906	929	8,590	0	8,751	6,317	4,276
December	0	55	853	0	0	4,496	4,902	8,060
2017:								
January	0	11,395	3,382	1,979	0	9,267	10,143	7,705
February	16,762	0	201	17,489	3,231	1,422	3,156	30,825

Table continued on next page.

Table IV-6--Continued
Wire rod: Monthly U.S. imports by source, January 2014-February 2017

Items	Source						
	United Arab Emirates	United Kingdom	Subject sources	Canada	All other sources	Nonsubject sources	All import sources
	Quantity (short tons)						
2014:							
January	0	7,217	14,085	43,176	101,314	144,490	158,576
February	0	4,999	8,201	33,548	66,638	100,186	108,386
March	0	6,272	15,304	40,548	91,490	132,038	147,342
April	0	10,300	22,283	46,234	171,339	217,573	239,856
May	0	5,010	27,543	44,023	116,822	160,845	188,388
June	0	7,380	85,647	47,138	32,164	79,302	164,949
July	0	351	5,381	47,947	48,053	95,999	101,380
August	0	4,585	38,400	43,082	39,665	82,747	121,148
September	28	625	49,036	55,326	58,626	113,952	162,989
October	0	13,722	92,951	42,106	35,709	77,815	170,766
November	0	817	41,032	35,554	23,834	59,388	100,420
December	0	10,104	49,747	45,641	40,722	86,363	136,110
2015:							
January	0	264	46,156	41,035	57,597	98,632	144,787
February	0	94	84,659	47,314	36,156	83,471	168,130
March	0	777	69,430	46,372	35,607	81,980	151,410
April	1,101	6,849	32,653	48,282	46,035	94,317	126,969
May	0	1,230	26,747	45,377	49,996	95,373	122,120
June	0	610	38,558	52,975	53,075	106,050	144,608
July	0	3,875	38,113	46,490	32,119	78,608	116,722
August	0	10,062	65,182	45,668	53,901	99,569	164,751
September	0	176	73,734	47,935	37,107	85,042	158,776
October	0	389	71,172	53,448	66,101	119,549	190,721
November	0	3,751	15,225	48,337	43,014	91,351	106,576
December	16,572	17,429	110,238	38,518	44,754	83,272	193,509
2016:							
January	0	360	61,812	42,726	41,047	83,773	145,585
February	0	7,789	70,224	47,374	34,784	82,158	152,382
March	27	4,368	62,813	51,547	41,023	92,570	155,383
April	3,349	7,359	65,170	49,016	32,302	81,318	146,488
May	54	7,773	62,488	52,744	47,316	100,060	162,548
June	8,065	9,121	63,682	45,283	45,133	90,416	154,099
July	5,189	4,346	41,865	39,603	58,485	98,087	139,952
August	0	3,989	86,154	46,212	40,231	86,443	172,596
September	5,447	388	56,014	47,361	42,786	90,147	146,161
October	0	5,117	77,881	43,395	46,436	89,831	167,711
November	27	747	41,545	47,874	28,641	76,515	118,060
December	0	263	18,629	39,228	60,335	99,563	118,192
2017:							
January	0	2,902	46,773	38,939	41,896	80,835	127,608
February	0	226	73,311	44,652	36,005	80,657	153,968

Source: Official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

Geographical markets

Table IV-7 presents data for U.S. imports of wire rod by border of entry. U.S. imports from all ten subject sources entered through the South in 2016. Imports from eight subject sources entered through the East, from three in the North, and from one in the West.

Table IV-7
Wire rod: U.S. imports by border of entry, 2016

Item	Border of entry				
	East	North	South	West	Total
	Quantity (short tons)				
U.S. imports:					
Belarus	22	0	35,359	0	35,381
Italy	0	4	33,159	0	33,163
Korea	24,391	0	64,183	13,393	101,968
Russia	11,667	0	91,655	0	103,322
South Africa	0	0	22,049	0	22,049
Spain	9,161	142	69,362	0	78,665
Turkey	8,989	0	89,508	0	98,497
Ukraine	31,059	0	130,391	0	161,451
United Arab Emirates	670	0	21,489	0	22,159
United Kingdom	20,620	14,499	16,502	0	51,622
Subject sources	106,580	14,645	573,658	13,393	708,277
Canada	160,342	392,020	0	0	552,362
All other sources	154,467	28,079	329,343	6,628	518,517
Nonsubject sources	314,810	420,099	329,343	6,628	1,070,880
All import sources	421,390	434,744	903,001	20,021	1,779,156
	Share of quantity across (percent)				
U.S. imports:					
Belarus	0.1	---	99.9	---	100.0
Italy	---	0.0	100.0	---	100.0
Korea	23.9	---	62.9	13.1	100.0
Russia	11.3	---	88.7	---	100.0
South Africa	---	---	100.0	---	100.0
Spain	11.6	0.2	88.2	---	100.0
Turkey	9.1	---	90.9	---	100.0
Ukraine	19.2	---	80.8	---	100.0
United Arab Emirates	3.0	---	97.0	---	100.0
United Kingdom	39.9	28.1	32.0	---	100.0
Subject sources	15.0	2.1	81.0	1.9	100.0
Canada	29.0	71.0	---	---	100.0
All other sources	29.8	5.4	63.5	1.3	100.0
Nonsubject sources	29.4	39.2	30.8	0.6	100.0
All import sources	23.7	24.4	50.8	1.1	100.0

Table continued on next page.

Table IV-7--Continued
Wire rod: U.S. imports by border of entry, 2016

Item	Border of entry				
	East	North	South	West	Total
	Share of quantity down (percent)				
U.S. imports:					
Belarus	0.0	---	3.9	---	2.0
Italy	---	0.0	3.7	---	1.9
Korea	5.8	---	7.1	66.9	5.7
Russia	2.8	---	10.2	---	5.8
South Africa	---	---	2.4	---	1.2
Spain	2.2	0.0	7.7	---	4.4
Turkey	2.1	---	9.9	---	5.5
Ukraine	7.4	---	14.4	---	9.1
United Arab Emirates	0.2	---	2.4	---	1.2
United Kingdom	4.9	3.3	1.8	---	2.9
Subject sources	25.3	3.4	63.5	66.9	39.8
Canada	38.1	90.2	---	---	31.0
All other sources	36.7	6.5	36.5	33.1	29.1
Nonsubject sources	74.7	96.6	36.5	33.1	60.2
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

APPARENT U.S. CONSUMPTION

Table IV-8 presents data on apparent U.S. consumption and U.S. market shares for wire rod; data are presented both for total market apparent U.S. consumption and merchant market apparent U.S. consumption. These data show that total market apparent U.S. consumption, based on quantity, decreased by 2.2 percent from 2014 to 2016. U.S. producers' total U.S. shipments decreased by 2.8 percent and total imports decreased during this period by 1.0 percent. Total subject imports increased from 2014 to 2016 by 58.1 percent, but imports from individual subject sources showed different trends. From 2014 to 2016, imports from Belarus, Italy , Russia, Spain, South Africa, Ukraine, and United Arab Emirates increased, whereas imports from Korea, Turkey, and the United Kingdom decreased. Nonsubject imports from Canada, which had a sizable presence in each year during 2014-16, increased by 5.3 percent, whereas imports from all other sources decreased by almost 308 thousand short tons (37.0 percent). Apparent consumption, based on value, decreased by 24.8 percent from 2014 to 2016.

Merchant market apparent U.S. consumption of wire rod, based on quantity, decreased by 4.0 percent from 2014 to 2016. The quantity of U.S. producers' commercial U.S. shipments of wire rod decreased by 2.8 percent during this period. Merchant market apparent U.S. consumption of wire rod, based on value, decreased by 26.0 percent. The quantity of U.S. producers' commercial U.S. shipments of wire rod decreased by 6.0 percent from 2014 to 2016 and their value decreased by 30.5 percent.

Table IV-8
Wire rod: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Quantity (short tons)			Quantity (short tons)		
U.S. producers	3,646,379	3,640,823	3,542,689	2,627,361	2,592,543	2,469,373
U.S. imports from--						
Belarus	0	9,059	38,267	0	9,059	38,267
Italy	346	246	33,163	346	246	33,163
Korea	109,026	128,862	101,970	109,026	128,862	101,970
Russia	12,329	6,857	103,322	12,329	6,857	103,322
South Africa	0	45,451	22,049	0	45,451	22,049
Spain	31,778	79,976	78,665	31,778	79,976	78,665
Turkey	210,901	264,469	98,497	210,901	264,469	98,497
Ukraine	14,625	79,053	161,451	14,625	79,053	161,451
United Arab Emirates	28	17,673	22,159	28	17,673	22,159
United Kingdom	71,379	45,609	52,736	71,379	45,609	52,736
Subject sources	450,414	677,254	712,279	450,414	677,254	712,279
Canada	524,324	561,752	552,362	524,324	561,752	552,362
All other sources	833,059	562,237	524,687	833,059	562,237	524,687
Nonsubject sources	1,357,383	1,123,989	1,077,050	1,357,383	1,123,989	1,077,050
All import sources	1,807,797	1,801,243	1,789,328	1,807,797	1,801,243	1,789,328
Apparent U.S. consumption	5,454,176	5,442,066	5,332,017	4,435,158	4,393,786	4,258,701
	Value (1,000 dollars)			Value (1,000 dollars		
U.S. producers	2,535,270	2,072,137	1,838,683	1,878,975	1,512,393	1,305,732
U.S. imports from--						
Belarus	0	3,131	12,434	0	3,131	12,434
Italy	543	291	12,697	543	291	12,697
Korea	69,377	67,290	51,873	69,377	67,290	51,873
Russia	7,552	2,230	35,215	7,552	2,230	35,215
South Africa	0	18,830	8,000	0	18,830	8,000
Spain	22,392	52,358	47,007	22,392	52,358	47,007
Turkey	125,108	128,556	44,005	125,108	128,556	44,005
Ukraine	8,684	35,022	59,507	8,684	35,022	59,507
United Arab Emirates	18	6,952	7,631	18	6,952	7,631
United Kingdom	46,428	24,859	25,035	46,428	24,859	25,035
Subject sources	280,103	339,520	303,403	280,103	339,520	303,403
Canada	405,564	358,637	326,185	405,564	358,637	326,185
All other sources	566,556	426,591	381,719	566,556	426,591	381,719
Nonsubject sources	972,120	785,228	707,904	972,120	785,228	707,904
All import sources	1,252,223	1,124,748	1,011,307	1,252,223	1,124,748	1,011,307
Apparent U.S. consumption	3,787,493	3,196,885	2,849,990	3,131,198	2,637,141	2,317,039

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

U.S. MARKET SHARES

U.S. market share data are presented in table IV-9, showing separately market share total for total apparent consumption of wire rod and merchant market consumption of wire rod. U.S. producers' share of total market apparent U.S. consumption of wire rod, based on quantity, decreased by 0.4 percentage points from 2014 to 2016 and, based on value, decreased by 2.4 percentage points. From 2014 to 2016, U.S. producers' share of merchant market apparent U.S. consumption of wire rod, based on quantity, decreased by 1.3 percentage points and, based on value, decreased by 3.7 percentage points.

Table IV-9
Wire rod: U.S. market shares, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Quantity (short tons)			Quantity (short tons)		
Apparent U.S. consumption	5,454,176	5,442,066	5,332,017	4,435,158	4,393,786	4,258,701
	Share of quantity (percent)			Share of quantity (percent)		
U.S. producers' U.S. shipments	66.9	66.9	66.4	59.2	59.0	58.0
U.S. imports from--						
Belarus	---	0.2	0.7	---	0.2	0.9
Italy	0.0	0.0	0.6	0.0	0.0	0.8
Korea	2.0	2.4	1.9	2.5	2.9	2.4
Russia	0.2	0.1	1.9	0.3	0.2	2.4
South Africa	---	0.8	0.4	---	1.0	0.5
Spain	0.6	1.5	1.5	0.7	1.8	1.8
Turkey	3.9	4.9	1.8	4.8	6.0	2.3
Ukraine	0.3	1.5	3.0	0.3	1.8	3.8
United Arab Emirates	0.0	0.3	0.4	0.0	0.4	0.5
United Kingdom	1.3	0.8	1.0	1.6	1.0	1.2
Subject sources	8.3	12.4	13.4	10.2	15.4	16.7
Canada	9.6	10.3	10.4	11.8	12.8	13.0
All other sources	15.3	10.3	9.8	18.8	12.8	12.3
Nonsubject sources	24.9	20.7	20.2	30.6	25.6	25.3
All import sources	33.1	33.1	33.6	40.8	41.0	42.0

Table continued on next page.

Table IV-9--Continued
Wire rod: U.S. market shares, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Value (1,000 dollars)			Value (1,000 dollars)		
Apparent U.S. consumption	3,787,493	3,196,885	2,849,990	3,131,198	2,637,141	2,317,039
	Share of value (percent)			Share of value (percent)		
U.S. producers' U.S. shipments	66.9	64.8	64.5	60.0	57.3	56.4
U.S. imports from.--						
Belarus	---	0.1	0.4	---	0.1	0.5
Italy	0.0	0.0	0.4	0.0	0.0	0.5
Korea	1.8	2.1	1.8	2.2	2.6	2.2
Russia	0.2	0.1	1.2	0.2	0.1	1.5
South Africa	---	0.6	0.3	---	0.7	0.3
Spain	0.6	1.6	1.6	0.7	2.0	2.0
Turkey	3.3	4.0	1.5	4.0	4.9	1.9
Ukraine	0.2	1.1	2.1	0.3	1.3	2.6
United Arab Emirates	0.0	0.2	0.3	0.0	0.3	0.3
United Kingdom	1.2	0.8	0.9	1.5	0.9	1.1
Subject sources	7.4	10.6	10.6	8.9	12.9	13.1
Canada	10.7	11.2	11.4	13.0	13.6	14.1
All other sources	15.0	13.3	13.4	18.1	16.2	16.5
Nonsubject sources	25.7	24.6	24.8	31.0	29.8	30.6
All import sources	33.1	35.2	35.5	40.0	42.7	43.6

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics (see table IV-2 source note for the list of relevant HTS statistical reporting numbers).

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

The primary raw material input used to produce wire rod using the electric arc furnace ("EAF") production method is steel scrap. Different types of steel scrap are used in differing amounts depending on the type and quality of wire rod being produced; a larger amount of heavy melt scrap is used to produce industrial grade wire rod, while more busheling scrap is used to produce higher-end grades of wire rod.[1] [2] The primary raw materials used in the basic oxygen (or blast oxygen) furnace ("BOF") production method are coking coal and iron ore.[3] Electricity and natural gas costs are also a factor, with electricity being consumed in substantially larger quantities by electric arc furnaces than basic oxygen furnaces.[4] Between 2014 and 2016, U.S. producers' raw material costs as a share of the cost of goods sold decreased from *** percent to *** percent.

Overall, steel scrap prices decreased between January 2014 and December 2016 (figure V-1). The average prices of no. 1 busheling scrap, no. 1 heavy melt scrap, and shredded auto scrap decreased by 39.3 percent, 43.3 percent, and 39.8 percent, respectively.[5]

Figure V-1
Ferrous scrap: Indexed monthly consumer prices, No. 1 busheling scrap, No. 1 heavy melt scrap, and shredded auto scrap, January 2014-December 2016

* * * * * * *

[1] Heavy melt scrap is defined as recyclable wrought iron or steel scrap. Busheling scrap is defined as clean steel scrap. Most busheling scrap comes from factory sheet clippings, drops, and stampings. See *Scrap Definitions*, https://www.steelmarketupdate.com/resources/terminology/scrap-definitions, accessed April 27, 2017.

[2] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008, p. V-1.

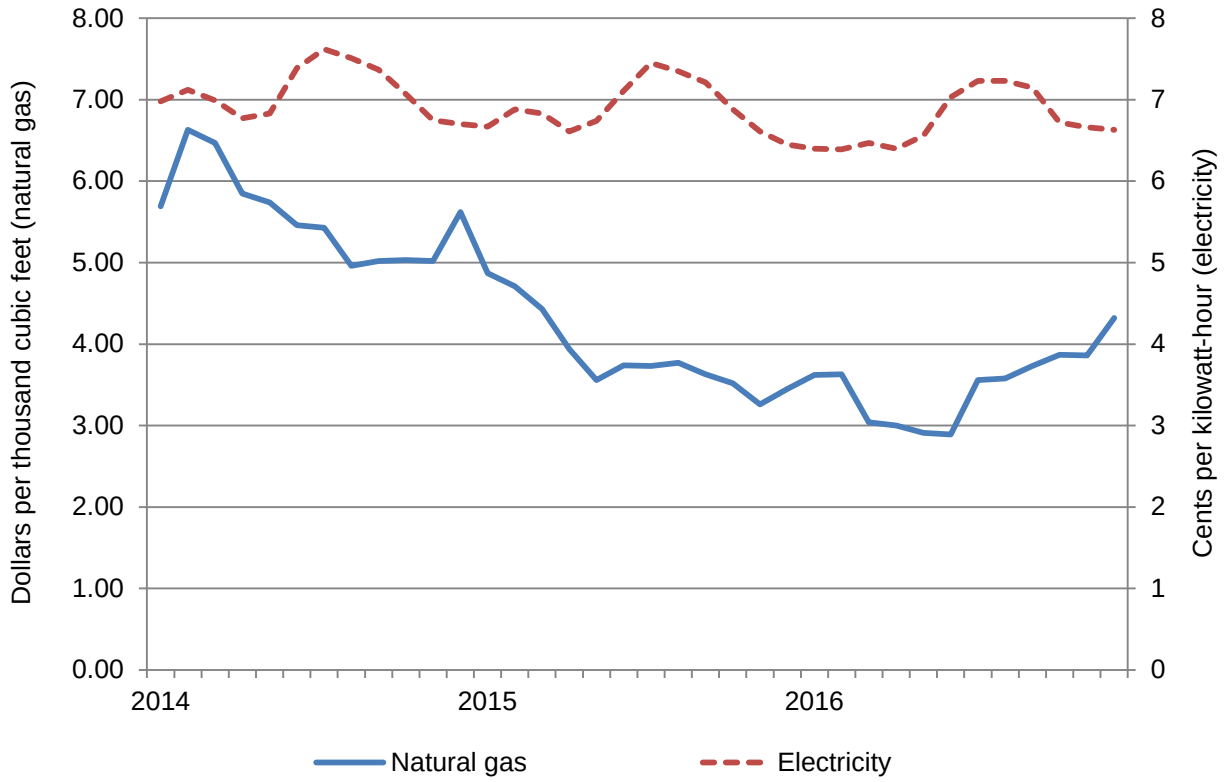
[3] Conference transcript, p. 45 (Ryoo); 102 (Cameron), 156 (Nystrom); Kiswire's postconference brief, exhibit 1 p. 9.

[4] Conference transcript, p. 188 (Nystrom). U.S. producer Nucor provided data showing that its electricity costs accounted for *** percent of all other factory costs during 2014-16. Petitioner Nucor's postconference brief, exhibit 1-4.

[5] During this time, the prices for all three types of scrap were lowest toward the end of 2015, and then increased with some fluctuation during 2016.

Between January 2014 and December 2016, the price of natural gas decreased by 24.1 percent, while the price of electricity decreased by 5.0 percent (figure V-2).

Figure V-2
Natural gas and electricity: Industrial prices, monthly, January 2014-December 2016



Source: Energy Information Administration, *Short Term Energy Outlook*, www.eia.gov, retrieved March 30, 2017.

Most responding U.S. producers (5 of 8) and importers (13 of 22) reported that raw material prices had fluctuated since January 2014. Two U.S. producers and six importers reported that they had decreased, one U.S. producer and one importer reported that they had increased, and two importers reported that they had not changed. In general, firms reported that scrap prices play a large role in the pricing of wire rod. *** added that while wire rod pricing generally move up and down with scrap prices, low-priced imports can put a ceiling on wire rod prices even when scrap prices continue to rise.

U.S. producers and importers were also asked whether scrap costs are included in their wire rod prices, and if they are added as a separate raw material surcharge. Seven of 8 U.S. producers and 21 of 25 importers reported that raw material costs were included, while 1 U.S. producer (***) and 5 importers reported adding a separate surcharge.[6] Two importers reported using American Metal Market ("AMM") as an index for their scrap prices and one reported

[6] Four importers reported using both methods, depending on the product.

using Platt's as an index for alloy prices. Two importers of wire rod from ***, ***, reported adding a surcharge only for their cold heading quality steel. U.S. producer *** reported that it had previously implemented surcharges to account for fluctuations in the price of scrap, but had not recently due to low-priced subject imports.

Transportation costs to the U.S. market

Transportation costs for wire rod shipped from subject countries to the United States during 2016 averaged the following: Belarus, 10.9 percent; Italy, 4.1 percent; Korea, 13.8 percent; Russia, 8.9 percent; South Africa, 13.4 percent; Spain, 15.4 percent; Turkey, 6.2 percent; Ukraine, 8.2 percent; the United Arab Emirates, 9.1 percent; and the United Kingdom, 18.6 percent. These estimates were derived from official import data and represent the transportation and other charges on imports.[7]

U.S. inland transportation costs

All 8 responding U.S. producers and 9 of 17 importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 4 to 6 percent; *** reported inland transportation costs of 10 percent, and *** reported transportation costs of 12 percent. Among responding importers, more than half (7 of 12) reported a cost of 5 percent or less; the remaining five responding firms reported costs ranging from 7 to 11 percent.

PRICING PRACTICES

Pricing methods

The majority of U.S. producers and importers reported using transaction-by-transaction negotiations to set prices (table V-1). Two responding U.S. producers reported that their prices are based on an index, one reported basing prices on market conditions, and two reported that their prices are individualized based on a number of factors, including raw material costs, import levels, and sales volume.

[7] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2016 and then dividing by the customs value based on the following HTS subheadings: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035. Accessed April 7, 2017.

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

Method	U.S. producers	Importers
Transaction-by-transaction	8	22
Contract	2	8
Set price list	1	1
Other	4	1
Responding firms	8	25

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

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

U.S. producers and importers were asked to report their 2016 U.S. commercial shipments of wire rod by type of sale. As shown in table V-2, both U.S. producers and importers reported selling the majority of their product in the spot market. U.S. producers reported selling ***. Importers reported selling ***.

Table V-2
Wire rod: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2016

Type of sale	U.S. producers	Importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

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

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

A number of U.S. producers indicated that their contract agreements were less reliable when spot prices were lower. Keystone stated that in August 2016 one of its contract customers indicated that it would not continue to purchase from Keystone unless Keystone gave it spot pricing.[8] Nucor stated that its contracts were more akin to program pricing, and that its contract agreements do not hold up when spot prices are very low.[9] Gerdau stated that it sold less product via contract compared to spot sales over the course of 2014-16 due to low spot prices, noting that its contract prices are negotiated either monthly or quarterly.[10]

[8] Conference transcript, p. 187 (Ashby).
[9] Conference transcript, p. 186 (Nystrom).
[10] Conference transcript, pp. 185-186 (Canosa).

Sales terms and discounts

Most U.S. producers (5 of 8) reported typically quoting prices on an f.o.b. basis, while most importers (11 of 17) typically quote prices on a delivered basis. Six U.S. producers reported offering sales terms of net 30 days, two offer 1 percent 10 net 30 days, and two offer ½ percent 10 net 30 days. Fifteen importers reported offering sales terms of net 30 days, 9 of net 60 days, and one of net 45 days. Two importers of ***, ***, reported offering sales terms of 30, 60, or 90 days depending on the customer and net 30 days for their cold-heading quality products.

Most U.S. producers (5 of 8) and importers (22 of 25) reported that they do not have specific discount policies, though a number reported offering discounts. Two U.S. producers reported offering quantity discounts, one reported offering total volume discounts, one reported offering monthly/quarterly volume discounts and cash discounts, one reported offering a net 10 day ½ percent discount for quick payment, and another reported offering "foreign fighter pricing" to compete with lower-cost imports.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following products shipped to unrelated U.S. customers during 2014-16.

Product 1.--Industrial quality wire rod, grade C1006, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) in diameter, for hangers, chain link fencing, collated nails and staples, grates, and other formed products (in green condition, e.g., NOT cleaned, coated, etc.).

Product 2.--Industrial quality wire rod, grade C1008 through C1010, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) in diameter, for hangers, chain link fencing, collated nails and staples, grates, and other formed products (in green condition, e.g., NOT cleaned, coated, etc.).

Product 3.--Mesh quality wire rod, grades C1006 through C1015, 5.5 mm (7/32 inch) through 14 mm (9/16 inch) in diameter, for the manufacturing of concrete reinforcement products such as wire for A-82 applications (in green condition, e.g., NOT cleaned, coated, etc.).

Product 4.--Grades C1050 through C1070, 5.5 mm (7/32 inch) through 6.5 mm (1/4 inch) in diameter, for spring applications excluding valve spring (in green condition, e.g., NOT cleaned, coated, etc.).

Product 5.--Industrial quality wire, grades C1060 through 1065, 5.5mm (7/32 inch) through 17.5 mm (11/16 inch) in diameter, for spring wire rod used in upholstery and mechanical applications, as well as oil-tempered spring applications.

Eight U.S. producers and 13 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[11] [12] Pricing data reported by these firms accounted for approximately 42.9 percent of U.S. producers' shipments of wire rod and the following percentages of U.S. shipments of subject imports from subject countries in 2016: Belarus, *** percent; Italy, *** percent; Korea, *** percent; Russia, *** percent; South Africa, *** percent; Spain, *** percent; Turkey, *** percent; Ukraine, *** percent; the United Arab Emirates, *** percent; and the United Kingdom, *** percent.

Price data for products 1-5 are presented in tables V-3 to V-7 and figures V-3 to V-7. Price data for nonsubject country Canada are presented in Appendix E.

Table V-3
Wire Rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2014-December 2016

* * * * * * *

Table V-4
Wire Rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2014-December 2016

* * * * * * *

Table V-5
Wire Rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 2014-December 2016

* * * * * * *

Table V-6
Wire Rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2014-December 2016

* * * * * * *

[11] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[12] Importer *** initially reported anomalous average unit values for its imports from ***, stating that it was "probably due to the ocean freight." Commission staff requested revised price data with all transport costs removed, but did not receive a response. Accordingly, this firm's pricing data – *** – have not been included in this pricing analysis.

Table V-7
Wire Rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarters, January 2014-December 2016

* * * * * * *

Figure V-3
Wire rod: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2014-December 2016

* * * * * * *

Figure V-4
Wire rod: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2014-December 2016

* * * * * * *

Figure V-5
Wire rod: Weighted-average prices and quantities of domestic and imported product 3,[1] by quarters, January 2014-December 2016

* * * * * * *

Figure V-6
Wire rod: Weighted-average prices and quantities of domestic and imported product 4,[1] by quarters, January 2014-December 2016

* * * * * * *

Figure V-7
Wire rod: Weighted-average prices and quantities of domestic and imported product 5,[1] by quarters, January 2014-December 2016

* * * * * * *

Price trends

In general, prices decreased during 2014-16. Table V-8 summarizes the price trends, by product and by country. As shown in the table, domestic price decreases from January 2014 to December 2016 ranged from 30.8 percent (for product 5) to 32.7 percent (for product 4). The Commission did not receive enough quarterly instances of price data to show price trends from January 2014-December 2016 for all countries for all products. For the instances in which price data was received for all 12 quarters, however, import prices also decreased; prices for product

1 from Turkey decreased by *** percent, and prices for product 3 from Spain decreased by *** percent. No price data were reported for product 1 from Belarus and Spain; product 2 from Spain and the United Kingdom; product 3 from the United Kingdom; product 4 from Italy, Russia, and the United Arab Emirates; and product 5 from all subject countries except Korea, Spain, and the United Kingdom.

Table V-8
Wire rod: Summary of weighted-average f.o.b. prices for products 1-5 from the United States and subject countries

* * * * * * *

Price comparisons

Tables V-9a and V-9b show underselling/overselling by subject country (table V-9a) and by pricing product (table V-9b). As shown in table V-9a, prices for wire rod imported from all subject countries combined were below those for U.S.-produced product in 132 of 175 instances (892,749 short tons); margins of underselling ranged from 0.1 percent to 44.5 percent. In the remaining 43 instances (251,716 short tons), prices for wire rod from subject countries were between 0.5 and 51.4 percent above prices for the domestic wire rod. Each of the ten subject countries showed larger volumes of underselling than overselling.

Table V-9a
Wire rod: Instances of underselling/overselling and the range and average of margins, by country, January 2014-December 2016

Country Source	Underselling				
	Number of quarters	Quantity[1] (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Belarus	9	***	***	***	***
Italy	5	***	***	***	***
Korea	20	***	***	***	***
Russia	13	***	***	***	***
South Africa	9	***	***	***	***
Spain	16	***	***	***	***
Turkey	25	***	***	***	***
Ukraine	22	***	***	***	***
United Arab Emirates	3	***	***	***	***
United Kingdom	10	***	***	***	***
Total, underselling	132	892,749	11.0	0.1	44.5
Country Source	**(Overselling)**				
	Number of quarters	**Quantity[1] (short tons)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
Belarus	1	***	***	***	***
Italy	2	***	***	***	***
Korea	13	***	***	***	***
Russia	0	***	***	***	***
South Africa	3	***	***	***	***
Spain	4	***	***	***	***
Turkey	10	***	***	***	***
Ukraine	4	***	***	***	***
United Arab Emirates	3	***	***	***	***
United Kingdom	3	***	***	***	***
Total, overselling	43	251,716	(6.7)	(0.5)	(51.4)

[1] These data include only quarters in which there is a comparison between the U.S. and subject product.

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

As show in table V-9b, the average margins of underselling ranged from *** percent (for product ***) to *** percent (for product ***). The average margins of overselling ranged from *** percent (for product ***) to *** percent (for product ***). Each of the five pricing products had larger volumes and a great number of instances of underselling than overselling.

Table V-9b
Wire rod: Instances of underselling/overselling and the range and average of margins, by pricing product, January 2014-December 2016

Product	Underselling				
	Number of quarters	Quantity[1] (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	23	***	***	***	***
Product 2	42	***	***	***	***
Product 3	43	***	***	***	***
Product 4	16	***	***	***	***
Product 5	8	***	***	***	***
Total, underselling	132	892,749	11.0	0.1	44.5
Product	(Overselling)				
	Number of quarters	Quantity[1] (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	18	***	***	***	***
Product 2	6	***	***	***	***
Product 3	9	***	***	***	***
Product 4	5	***	***	***	***
Product 5	5	***	***	***	***
Total, overselling	43	251,716	(6.7)	(0.5)	(51.4)

[1] These data include only quarters in which there is a comparison between the U.S. and subject product.

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

LOST SALES AND LOST REVENUE

Of the 10 responding U.S. producers, 7 reported that they had to either reduce prices or roll back announced price increases, and 8 firms reported that they had lost sales. Four U.S. producers submitted lost sales and lost revenue allegations. These U.S. producers identified 29 firms where they lost sales or revenue (8 consisting of lost sales allegations, two consisting of lost revenue allegations, and 18 consisting of both types of allegations). These allegations covered all 10 subject countries during 2016 and 2017.

Staff contacted 28 purchasers and received responses from 22 purchasers. Responding purchasers reported purchasing approximately 1.9 million short tons of wire rod in 2016 (tables V-10 and V-11). During 2016, these purchasers reported buying 59.8 percent of their wire rod from U.S. producers, 1.5 percent from Belarus, 1.4 percent from Italy, 4.4 percent from Korea, 4.3 percent from Russia, 1.8 percent from South Africa, 1.6 percent from Spain, 2.6 percent from Turkey, 6.4 percent from Ukraine, 1.5 percent from the United Arab Emirates, 1.5 percent from the United Kingdom, 13.1 percent from nonsubject countries, and less than 0.1 percent from "unknown sources." As a share of all purchases, the reported estimated share of wire rod that responding purchasers purchased from subject sources increased 11.0 percentage points between 2014 and 2016, from 16.0 percent to 27.0 percent (table V-11).

Of the responding purchasers, 4 reported decreasing purchases from domestic producers, 9 reported increasing purchases, 3 reported no change, and 6 reported fluctuating purchases.[13] Explanations for increasing purchases of domestic product included increasing demand for domestic product after the application of new duties on China and Mexico (***), increasing demand for product that only domestic mills can make (***), increasing competitiveness of domestic mills in 2016 (***) via the offering of "foreign fighter" prices (***), new product growth and the ability to produce to specification (***), and increasing domestic purchases due to an acquisition (***). Explanations for decreasing purchases of domestic product included increased competition from imported wire and wire products (***), the shutdown of one major domestic plant (***), domestic mills being too full to produce long runs (***), and increased demand for higher carbon grade product which requires blast furnace technology not available in the United States (***). Four purchasers (***) stated that domestic producers had a limited capacity to meet orders, particularly following domestic mill closings.

Of the 22 responding purchasers, 17 reported that they had purchased imported wire rod from subject countries instead of U.S.-produced wire rod since 2014; five purchasers reported purchasing imports of wire rod from Belarus instead of domestic product, 3 from Italy, 8 from Korea, 3 from Russia, 7 from South Africa, 4 from Spain, 12 from Turkey, 6 from Ukraine, 4 from the United Arab Emirates, and 1 from the United Kingdom. Fourteen of these purchasers reported that subject import prices were lower than U.S.-produced product, and 11 of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. The reported estimated quantity purchased from subject import sources rather than domestic sources since January 2014 was 361,204 short tons (tables V-12 and V-13). Purchasers identified the following as non-price reasons for purchasing imported rather than U.S.-produced wire rod: a lack of capacity at domestic mills (***); a lack of higher grade product available from domestic sources (***); a lack of qualified domestic mills with the ability to meet higher grade product requests (***); and the ability of foreign producers to fill large volume product orders when U.S. producers could not (***) (table V-12). In additional comments, *** elaborated that it did not buy imported wire rod "instead" of domestic wire rod, but rather its purchases from both from domestic and foreign sources grew to meet the firm's various product demands.

Of the 22 responding purchasers, 7 reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries (tables V-14 and V-15); 12 reported that they did not know. The reported estimated price reduction ranged from 6.0 to 15.0 percent (averaging 9.2 percent) in response to competition from Belarus, Russia, South Africa, Spain, Turkey, and Ukraine. In describing the price reductions, one purchaser (***) indicated that its domestic supplier provided discounts 15 percent lower than AMM Low Carbon Wire Rod index price in an effort to compete with foreign producers. Another purchaser (***) indicated that although the prices of imported wire rod might be lower than domestic

[13] Of the 22 responding purchasers, two reported purchasing wire rod from "unknown source" countries.

prices at the time of booking, the lag between the time of order and delivery could result in import prices being the same or higher at the time of product arrival.

Responding U.S. purchasers identified various methods they use in purchasing wire rod, including a mix of contract and spot purchases. Several purchasers (***) reported buying wire rod on a monthly basis, while one (***) reported buying on a weekly basis, and another (***) on a quarterly basis.

Table V-10
Wire rod: Purchasers' responses regarding purchasing patterns, by firm

	Purchases in 2016 (*short tons*)			Change in shares, 2014-16 (*percentage points*)[3]	
Purchaser	Domestic	Subject[1]	All other[2]	Domestic	Subject
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	1,136,847	514,474	251,313	(1.0)	11.1

[1] Includes all subject countries.
[2] Includes all other sources and unknown sources.
[3] Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

Table V-11
Wire rod: Purchasers' responses regarding purchasing patterns, by subject country

Source	Number of firms reporting	Calendar year			Comparison years
		2014	2015	2016	2014-16
		Quantity (*short tons*)			Changes (*percent*)
United States	22	1,198,118	1,170,037	1,136,847	(5.1)
Belarus	9	---	4,839	28,688	---
Italy	5	---	26	27,473	---
Korea	13	100,020	97,708	84,262	(15.8)
Russia	8	---	3,559	80,981	---
South Africa	10	---	33,453	34,250	---
Spain	7	25,019	51,609	30,609	22.3
Turkey	16	121,885	119,332	50,407	(58.6)
Ukraine	7	30,933	46,576	122,165	294.9
United Arab Emirates	9	1,677	241	27,808	1,558.2
United Kingdom	3	***	***	***	(21.7)
All subject sources	21	315,072	371,007	514,474	63.3
Canada	7	35,999	60,155	46,580	29.4
All other countries	16	416,934	187,725	204,014	(51.1)
Unknown sources	***	***	***	***	(90.2)
All sources	22	1,973,451	1,792,606	1,902,634	(3.6)

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

Table V-12
Wire rod: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Purchaser	Purchased imports instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity purchased instead of domestic (short tons)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes-17 / No-5	Yes-14 / No-3	Yes-11 / No-6	361,204	

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

Table V-13

Wire rod: Purchasers' responses to purchasing imported product instead of domestic product, by subject country

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reporting that imports were priced lower	Count of purchasers reporting that price was a primary reason for subject instead of domestic	Quantity (*short tons*)	Other reported reasons for purchasing subject instead of domestic
Belarus	5	5	3	5,847	3
Italy	3	3	1	23,532	4
Korea	8	5	3	62,286	7
Russia	3	3	3	19,085	2
South Africa	7	6	6	11,727	3
Spain	4	2	2	3,022	3
Turkey	12	11	9	112,931	4
Ukraine	6	6	3	111,245	5
United Arab Emirates	4	4	2	11,529	3
United Kingdom	1	0	0	0	3
Any subject source	17	14	11	361,204	6

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

Table V-14
Wire rod: Purchasers' responses to U.S. producer price reductions, by firm

Purchaser	U.S. producers reduced priced to compete with subject imports (Y/N)	If U.S. producers reduced prices	
		Estimated U.S. price reduction (percent)	Additional information, if available
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total / average	Yes-7 / No-3 / Don't Know-12	9.2	

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

Table V-15
Wire rod: Purchasers' responses to U.S. producer price reductions, by subject country

Source	Count of purchasers reporting U.S. producers reduced prices	Simple average of estimated U.S. price reduction (*percent*)	Range of estimated U.S. price reductions (*percent*)
Belarus	4	11.0	7.0 to 15.0
Italy	1	---	---
Korea	1	---	---
Russia	2	15.0	15.0 to 15.0
South Africa	2	6.0	6.0 to 6.0
Spain	1	6.0	6.0 to 6.0
Turkey	6	10.0	7.0 to 15.0
Ukraine	2	15.0	15.0 to 15.0
United Arab Emirates	1	---	---
United Kingdom	0	---	---
All subject sources	7	9.2	6.0 to 15.0

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

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

*** U.S. producers provided useable financial data for their total and merchant market operations on wire rod: ***.[1] [2] Each of the firms reported commercial sales (U.S. shipments and exports) that were the same as their merchant market sales. *** firms, ***, reported internal consumption of wire rod which was used in-house for the production of wire and wire products, and *** firms reported transfers of wire rod to affiliates for the production of wire and wire products. The reported data are believed to account for almost all known sales by U.S. producers of wire rod.[3]

With respect to their U.S. operations, five producers reported that they purchase inputs from related parties: ***.[4] [5] [6]

Three firms, *** accounted for approximately *** of merchant market sales value and *** of total market sales of wire rod by U.S. producers in 2016 (based on table VI-1). In same facilities that produced other products, wire rod accounted for an average 64 percent of U.S. producers' net sales in 2016. Individually, wire rod's share of net sales ranged from a low of *** percent (***) to a high of *** percent (***).

As noted previously, ArcelorMittal closed its Georgetown, South Carolina wire rod production plant in August 2015. As such, ArcelorMittal is largely excluded from narrative discussions on company-specific financial trends from 2014 to 2016; although ArcelorMittal's reported data for 2014 and 2015 are included throughout this report and in the aggregated discussions of the U.S. industry, unless otherwise specified.[7] Additionally, two U.S. producers, ***, did not report any internal consumption or transfers to related firms from 2014 to 2016; therefore, these two firms' total market operations were the same as their merchant market operations.

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[1] ***. ***'s U.S. producer questionnaire, II-15.

[2] Financial results were reported on the basis of generally accepted accounting principles (GAAP). U.S. producers reported their financial results for calendar-year periods ***.

[3] *** submitted an incomplete U.S. producer questionnaire and its responses are not included in the aggregated financial data. Republic reported in its partial response in these investigations that it ***. Total production of wire rod in 2016 was *** short tons, with $*** in net sales.

[4] ***'s U.S. producer questionnaires, III-7.

[5] ***. U.S. producers' questionnaires, III-7, ***, email response to USITC staff, April 28, 2017, and ***, email response to USITC staff, April 28, 2017.

[6] The Commission's current practice requires that relevant cost information associated with input purchases from related suppliers correspond to the manner in which this information is reported in the U.S. producer's own accounting books and records.

[7] ArcelorMittal's plant closure in August 2015 ***.

OPERATIONS ON WIRE ROD

Table VI-1 presents aggregated data on U.S. producers' total operations side-by-side with their merchant market operations on wire rod during 2014-16. In terms of profitability, the U.S. wire rod industry's experience diverged in their total market operations compared to their merchant market operations in absolute terms, with gross profit, operating income, and net income increasing for the total market but falling for the merchant market from 2014 to 2016. In both total market and merchant market, total net sales and cost of goods sold ("COGS") fell steadily during this time. In the total market, operating income and net income irregularly increased during this time; conversely, operating income and net income irregularly decreased in the merchant market. Cash flows irregularly increased in both markets from 2014 to 2016. As a ratio to net sales, COGS decreased while gross profit, selling, general and administrative ("SG&A") expenses, operating income, and net income increased from 2014 to 2016 in both total market and merchant market operations.[8] On a per-unit basis, total net sales and COGS declined in both types of operations from 2014 to 2016.

[8] Part of the increase in U.S. producers' profitability over the period ***.

Table VI-1
Wire Rod: Results of operations of U.S. producers, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Quantity (short tons)			Quantity (short tons)		
Commercial sales	2,669,611	2,625,619	2,507,226	2,669,611	2,625,619	2,507,226
Internal consumption[1]	***	***	***			
Transfers to related firms[2]	***	***	***			
Total net sales	3,689,123	3,674,408	3,581,356	2,669,611	2,625,619	2,507,226
	Value (1,000 dollars)			Value (1,000 dollars)		
Commercial sales	1,912,967	1,534,935	1,328,554	1,912,967	1,534,935	1,328,554
Internal consumption[1]	***	***	***			
Transfers to related firms[2]	***	***	***			
Total net sales	2,569,813	2,095,115	1,862,126	1,912,967	1,534,935	1,328,554
Cost of goods sold-- Raw materials	1,572,354	1,165,000	937,193	1,160,050	849,427	668,585
Direct labor	127,253	130,593	132,053	109,158	111,824	113,939
Other factory costs	733,626	685,172	645,650	540,595	507,212	452,384
Total COGS	2,433,233	1,980,765	1,714,896	1,809,803	1,468,463	1,234,908
Gross profit	136,580	114,350	147,230	103,164	66,472	93,646
SG&A expense	84,072	76,932	83,693	64,366	57,556	63,050
Operating income or (loss)	52,508	37,418	63,537	38,798	8,916	30,596
Interest expense	7,543	6,640	(96)	5,511	5,129	(990)
All other expenses	12,352	12,318	16,670	7,016	7,198	12,637
All other income	6,444	5,682	7,653	6,123	5,057	7,338
Net income or (loss)	39,057	24,142	54,616	32,394	1,646	26,287
Depreciation/amortization	51,449	60,755	65,965	41,430	48,245	52,797
Cash flow	90,506	84,897	120,581	73,824	49,891	79,084
	Ratio to net sales (percent)			Ratio to net sales (percent)		
Cost of goods sold-- Raw materials	61.2	55.6	50.3	60.6	55.3	50.3
Direct labor	5.0	6.2	7.1	5.7	7.3	8.6
Other factory costs	28.5	32.7	34.7	28.3	33.0	34.1
Average COGS	94.7	94.5	92.1	94.6	95.7	93.0
Gross profit	5.3	5.5	7.9	5.4	4.3	7.0
SG&A expense	3.3	3.7	4.5	3.4	3.7	4.7
Operating income or (loss)	2.0	1.8	3.4	2.0	0.6	2.3
Net income or (loss)	1.5	1.2	2.9	1.7	0.1	2.0

Table continued on next page.

Table VI-1--Continued
Wire Rod: Results of operations of U.S. producers, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Ratio to total COGS (percent)			Ratio to total COGS (percent)		
Cost of goods sold-- Raw materials	64.6	58.8	54.7	64.1	57.8	54.1
Direct labor	5.2	6.6	7.7	6.0	7.6	9.2
Other factory costs	30.2	34.6	37.6	29.9	34.5	36.6
Average COGS	100.0	100.0	100.0	100.0	100.0	100.0
	Unit value (dollars per short ton)			Unit value (dollars per short ton)		
Commercial sales	717	585	530	717	585	530
Internal consumption	640	519	461			
Transfers to related firms	645	539	507			
Total net sales	697	570	520	717	585	530
Cost of goods sold-- Raw materials	426	317	262	435	324	267
Direct labor	34	36	37	41	43	45
Other factory costs	199	186	180	202	193	180
Average COGS	660	539	479	678	559	493
Gross profit	37	31	41	39	25	37
SG&A expense	23	21	23	24	22	25
Operating income or (loss)	14	10	18	15	3	12
Net income or (loss)	11	7	15	12	1	10
	Number of firms reporting			Number of firms reporting		
Operating losses	6	4	5	5	5	6
Net losses	6	5	4	5	5	5
Data	9	9	8	9	9	8

[1] Internal consumption was reported by ***.
[2] Transfers to related firms were reported by ***.

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

Table VI-2 shows the change in average unit values for the total market and merchant market data presented in table VI-1 between yearly periods.

Table VI-2
Wire rod: Changes in AUVs, between calendar years

Item	Between Calendar years			Between Calendar years		
	2014-16	2014-15	2015-16	2014-16	2014-15	2015-16
	TOTAL MARKET			MERCHANT MARKET		
Commercial sales	(187)	(132)	(55)	(187)	(132)	(55)
Internal consumption	***	***	***			
Transfers to related firms	***	***	***			
Total net sales	(177)	(126)	(50)	(187)	(132)	(55)
Cost of goods sold-- Raw materials	(165)	(109)	(55)	(168)	(111)	(57)
Direct labor	2	1	1	5	2	3
Other factory costs	(19)	(12)	(6)	(22)	(9)	(13)
Average COGS	(181)	(120)	(60)	(185)	(119)	(67)
Gross profit	4	(6)	10	(1)	(13)	12
SG&A expense	1	(2)	2	1	(2)	3
Operating income or (loss)	4	(4)	8	(2)	(11)	9
Net income or (loss)	5	(4)	9	(2)	(12)	10

Source: Calculated from data in table VI-1.

Table VI-3 presents data for the wire rod operations of U.S. producers on a firm-by-firm basis, with results of total operations of U.S. producers presented side-by-side with their merchant market operations.

Table VI-3

Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Total net sales (short tons)			Commercial sales (short tons)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total quantity	3,689,123	3,674,408	3,581,356	2,669,611	2,625,619	2,507,226
	Total net sales (1,000 dollars)			Commercial sales (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total value	2,569,813	2,095,115	1,862,126	1,912,967	1,534,935	1,328,554
	Cost of goods sold (1,000 dollars)			Cost of goods sold (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total COGS	2,433,233	1,980,765	1,714,896	1,809,803	1,468,463	1,234,908

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Gross income or (loss) (1,000 dollars)			Gross income or (loss) (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total gross income or (loss)	136,580	114,350	147,230	103,164	66,472	93,646
	SG&A expenses (1,000 dollars)			SG&A expenses (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total SG&A expenses	84,072	76,932	83,693	64,366	57,556	63,050
	Operating income or (loss) (1,000 dollars)			Operating income or (loss) (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total operating income or (loss)	52,508	37,418	63,537	38,798	8,916	30,596

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Net income or (loss) (1,000 dollars)			Net income or (loss) (1,000 dollars)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Total net income or (loss)	39,057	24,142	54,616	32,394	1,646	26,287
	COGS to net sales ratio (percent)			COGS to net sales ratio (percent)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average COGS to net sales ratio	94.7	94.5	92.1	94.6	95.7	93.0
	Gross income or (loss) to net sales ratio (percent)			Gross income or (loss) to net sales ratio (percent)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average gross income or (loss) to net sales ratio	5.3	5.5	7.9	5.4	4.3	7.0

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	SG&A expense to net sales ratio (percent)			SG&A expense to net sales ratio (percent)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average SG&A expense to net sales ratio	3.3	3.7	4.5	3.4	3.7	4.7
	Operating income or (loss) to net sales ratio (percent)			Operating income or (loss) to net sales ratio (percent)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average operating income or (loss) to net sales ratio	2.0	1.8	3.4	2.0	0.6	2.3
	Net income or (loss) to net sales ratio (percent)			Net income or (loss) to net sales ratio (percent)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average net income or (loss) to net sales ratio	1.5	1.2	2.9	1.7	0.1	2.0

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Unit net sales value (dollars per short ton)			Unit commercial sales value (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit value	697	570	520	717	585	530
	Unit raw materials (dollars per short ton)			Unit raw materials (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit raw materials	426	317	262	435	324	267
	Unit direct labor (dollars per short ton)			Unit direct labor (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit direct labor	34	36	37	41	43	45

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Unit other factory costs (dollars per short ton)			Unit other factory costs (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit other factory costs	199	186	180	202	193	180
	Unit COGS (dollars per short ton)			Unit COGS (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit COGS	660	539	479	678	559	493
	Unit gross income or (loss) (dollars per short ton)			Unit gross income or (loss) (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit gross income or (loss)	37	31	41	39	25	37

Table continued on next page.

Table VI-3--Continued
Wire Rod: Results of operations of U.S. producers, by firm, 2014-16

Item	Calendar year			Calendar year		
	2014	2015	2016	2014	2015	2016
	TOTAL MARKET			MERCHANT MARKET		
	Unit SG&A expenses (dollars per short ton)			Unit SG&A expenses (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit SG&A expense	23	21	23	24	22	25
	Unit operating profit or (loss) (dollars per short ton)			Unit operating profit or (loss) (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit operating income or (loss)	14	10	18	15	3	12
	Unit net profit or (loss) (dollars per short ton)			Unit net profit or (loss) (dollars per short ton)		
ArcelorMittal	***	***	N/A	***	***	N/A
Cascade	***	***	***	***	***	***
Charter	***	***	***	***	***	***
Evraz	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Keystone	***	***	***	***	***	***
Mid American	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
Sterling	***	***	***	***	***	***
Average unit net income or (loss)	11	7	15	12	1	10

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

Total net sales quantity and value

As shown in table VI-1, total net sales include commercial sales (U.S. commercial shipments and exports), internal consumption, and transfers to related firms. Total net sales declined from 2014 to 2016 in terms of quantity, value, and average unit value. Unlike commercials sales, the quantity reported for internal consumption and transfers[9] increased from 2014 to 2016, but the sales values in both categories were lower in 2016 than in 2014 because of the lower average unit values. Total merchant market sales also fell on a quantity, value, and average unit value basis from 2014 to 2016.

Operating costs and expenses

As shown in table VI-1 for total operations, raw material costs represent the single largest component of overall COGS, at 64.6 percent in 2014, 58.8 percent in 2015, and 54.7 percent in 2016 with similar ratios in the merchant market. As shown in table VI-3, average raw material costs, direct labor, and other factory costs vary from company to company. These cost differences may reflect underlying differences in input costs such as types of scrap or conversion costs (labor and other factory costs). The sales mix may also account for some of the cost differences. Table VI-3 shows that all U.S. producers reported continuous declines in raw material costs per-unit from 2014 to 2016. In the merchant market, raw material costs paralleled the total market; declining as a share of overall COGS, net sales value, and on a per-unit basis from 2014 to 2016.[10]

For the merchant market, the trend for direct labor and other factory costs were the same as the total market, with direct labor costs rising and other factory costs declining from 2014 to 2016. On a per-unit basis, raw materials, direct labor, and other factory costs were all higher in the merchant market than in the total market for wire rod. Company-by-company reporting was slightly mixed, with several companies reporting the same per-unit costs for raw materials (***) and direct labor (***) in total market and merchant market operations.[11]

As shown in table VI-1, the industry's SG&A expense ratios (i.e., total SG&A expenses divided by total revenue) increased during 2014-16, from 3.3 percent in 2014 to 4.5 percent in

[9] All firms reported internal consumption and transfers to related firms at fair market value.

[10] One firm, ***, reported non-recurring charges that were included in raw material costs. These costs were $*** inventory write-off in 2015 and a $*** in inventory adjustments in 2016. ***'s U.S. producer questionnaire, III-11.

[11] Two firms, ***, reported non-recurring charges that were included in other factory costs. *** reported other factory costs related to shutdown expenses of $*** in 2014, $*** in 2015, and $*** in 2016. *** also reported accelerated depreciation expenses of $*** in 2014 and $*** in 2016. *** reported non-recurring charges for an environmental project as other factory costs of ***. ***'s U.S. producer questionnaires, III-11.

2016 for total market operations and 3.4 percent in 2014 to 4.7 percent in 2016 for merchant market operations.[12] [13]

Profitability

Table VI-1 shows that total market operations for wire rod reported higher operating profits in 2016 than in 2014 largely as a result of *** and ***'s improving financial performance. Individually, as shown in table VI-3, the majority of reporting firms experienced operating losses in 2014 and 2016. One firm, ***, reported the highest amount of operating losses in 2014 of $***, reduced its operating losses substantially in 2015 to $***, but still ended 2016 with operating losses of $***. On the other hand, *** led the industry in profitability in absolute dollars, with operating income ranging from $*** for *** and $*** for ***. Operating margins ranged from *** from 2014 to 2016. Net income showed a similar trend as operating income during 2014-16 for total market operations.

Contrary to total market operations, operating profit for the merchant market was lower in 2016 than in 2014. Individually, as show in table VI-3, the majority of firms also reported operating losses in 2016; although firms were split on those that reported operating income and those that reported operating losses in 2014 and 2015. *** also led the industry in profitability for the merchant market. Operating margins were lower for the merchant market than for the total market. Net income showed a similar trend as operating income during 2014-16 for merchant market operations.

VARIANCE ANALYSIS

A variance analysis for the operations of U.S. producers of wire rod is presented in table VI-4.[14] The information for this variance analysis is derived from table VI-1. This analysis illustrates that from 2014 to 2016, the increase in operating income for the total wire rod

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[12] Two firms, ***, reported non-recurring charges that were included in SG&A expenses. *** reported SG&A expenses related to doubtful accounts of $*** in 2014 and $*** in 2016; software write-off expenses of $*** in 2015; and management consulting fees of $*** in 2016. *** reported non-recurring charges for natural gas payments of $*** in 2014 and $***. ***'s U.S. producer questionnaires, III-11.

[13] One firm, ***, reported non-recurring charges that were included in depreciation e

[14] The Commission's variance analysis is calculated in three parts: sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

market is primarily attributable to a higher favorable net cost/expense variance despite an unfavorable price variance (i.e., costs and expenses decreased more than prices). With respect to the merchant market, operating income decreased primarily because the favorable net cost/expense variance was not large enough to offset unfavorable price variances (i.e. prices decreased more than costs and expenses).

Table VI-4
Wire Rod: Variance analysis on the operations of U.S. producers, 2014-16

Item	Between Calendar years			Between Calendar years		
	2014-16	2014-15	2015-16	2014-16	2014-15	2015-16
	TOTAL MARKET			MERCHANT MARKET		
Net sales // commercial sales:						
Price variance	(632,617)	(464,448)	(179,932)	(468,053)	(346,509)	(137,169)
Volume variance	(75,070)	(10,250)	(53,057)	(116,360)	(31,523)	(69,212)
Net sales variance	(707,687)	(474,698)	(232,989)	(584,413)	(378,032)	(206,381)
COGS:						
Cost variance	647,257	442,762	215,707	464,810	311,517	167,340
Volume variance	71,080	9,706	50,162	110,085	29,823	66,215
COGS variance	718,337	452,468	265,869	574,895	341,340	233,555
Gross profit variance	10,650	(22,230)	32,880	(9,518)	(36,692)	27,174
SG&A expenses:						
Cost/expense variance	(2,077)	6,805	(8,709)	(2,599)	5,749	(8,089)
Volume variance	2,456	335	1,948	3,915	1,061	2,595
Total SG&A expense variance	379	7,140	(6,761)	1,316	6,810	(5,494)
Operating income variance	11,029	(15,090)	26,119	(8,202)	(29,882)	21,680
Summarized (at the operating income level) as:						
Price variance	(632,617)	(464,448)	(179,932)	(468,053)	(346,509)	(137,169)
Net cost/expense variance	645,180	449,567	206,998	462,211	317,266	159,251
Net volume variance	(1,534)	(209)	(948)	(2,360)	(639)	(402)

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

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

Table VI-5 presents capital expenditures and research and development ("R&D") expenses by firm. In 2016, *** accounted for the largest share of total capital expenditures (*** percent),[15] followed by *** (*** percent),[16] and *** (*** percent).[17] The remaining U.S.

[15] ***. ***'s U.S. producer questionnaire, III-14 (note 1).

[16] ***. ***'s U.S. producer questionnaire, II-2. Keystone testified at the staff conference that "the investments we've already made do not achieve the return on capital employed, and that causes us to have to delay the projects because we simply do not have the cash to actually invest in them." Conference transcript, p. 158 (Armstrong).

[17] ***. ***'s U.S. producer questionnaire, III-14 (note 1).

producers accounted for the following shares: *** (*** percent),[18] *** (*** percent),[19] *** (*** percent), *** (*** percent),[20] and *** (*** percent). While the U.S. industry's total capital expenditures were at their highest level in 2014 and subsequently declined, table VI-5 shows that the directional pattern of company-specific capital expenditures were mixed; ***. ***.

Table VI-5
Wire Rod: Capital expenditures and R&D expenses of U.S. producers, 2014-16

Item	Calendar year		
	2014	2015	2016
	Capital expenditures (1,000 dollars)		
ArcelorMittal	***	***[1]	N/A
Cascade	***	***	***
Charter	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Keystone	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Sterling	***	***	***
Total capital expenditures	97,747	86,292	66,425
	R&D expenses (1,000 dollars)		
ArcelorMittal	***	***	N/A
Cascade	***	***	***
Charter	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Keystone	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Sterling	***	***	***
Total R&D expenses	6,846	6,206	6,737

[1] ***. ***, email response to USITC staff, April 20, 2017.

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

[18] ***. ***'s U.S. producer questionnaire, III-14 (note 1).
[19] ***. ***'s U.S. producer questionnaire, III-14 (note 1).
[20] ***. ***'s U.S. producer questionnaire, III-14 (note 1). ***. ***.

ASSETS AND RETURN ON ASSETS

Table VI-6 presents data on the U.S. producers' total assets and their return on assets ("ROA"). ROA is calculated as the ratio of operating income (or loss) to total assets. Without including ArcelorMittal's idle wire rod plant, ***. The remaining *** U.S. producers produced other products on the same equipment as wire rod. Aggregated for producers of wire rod, ROA fluctuated, falling from 2014 to 2015, but increasing in 2016 to the highest level for the period, reflecting the same trend as operating income.

Table VI-6
Wire Rod: U.S. producers' total assets and return on assets, 2014-16

Firm	Calendar years		
	2014	2015	2016
	Total net assets (1,000 dollars)		
ArcelorMittal[1]	***	***	***[1]
Cascade	***	***	***
Charter	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Keystone	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Sterling	***	***	***
Total net assets	1,478,658	1,337,844	1,434,971
	Operating return on assets (percent)		
ArcelorMittal[1]	***	***	N/A
Cascade	***	***	***
Charter	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Keystone	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Sterling	***	***	***
Average operating return on assets	3.6	2.8	4.4[2]

[1] ***. ***. ***, email responses to USITC staff, April 20, 2017 and April 28, 2017.
[2] Average operating return on assets for 2016 does not include ArcelorMittal's assets for its idle plant in Georgetown, South Carolina.

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

CAPITAL AND INVESTMENT

The Commission requested U.S. producers of wire rod to describe any actual or potential negative effects of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-7 tabulates the responses of *** current U.S. producers and table VI-8 presents the detailed narrative responses regarding actual and anticipated negative effects of subject imports.

Table VI-7

Wire rod: Actual and anticipated negative effects of imports on investment and growth and development

Item	No	Yes
Negative effects on investment	1	7
Cancellation, postponement, or rejection of expansion projects		3
Denial or rejection of investment proposal		1
Reduction in the size of capital investments		4
Return on specific investments negatively impacted		4
Other		2
Negative effects on investment differ by country	8	0
Negative effects on growth and development	2	6
Rejection of bank loans		0
Lowering of credit rating		1
Problem related to the issue of stocks or bonds		1
Ability to service debt		1
Other		3
Negative effects on growth differ by country	8	0
Anticipated negative effects	0	8
Anticipated negative effects differ by country	8	0

Note.--ArcelorMittal is not a current U.S. producer of wire rod ***.

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

Table VI-8

Wire rod: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2014

* * * * * * *

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

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

---

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

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

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

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

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

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

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

THE INDUSTRY IN BELARUS

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export wire rod from Belarus.[3] A useable response to the Commission's questionnaire was received from one firm: Byelorussian Steel Works. This firm's exports to the United States accounted for *** percent of U.S. imports of wire rod from Belarus over the period being examined. According to estimates requested of the responding Belarussian producer, the production of wire rod in Belarus reported in this Part of the report accounts for *** percent of overall production of wire rod in Belarus.

Byelorussian Steel Works began operations in 1984. In that year, production began at the company's electric steel melting facilities and rolling mill, and production began at the first of the company's three wire shops in 1987.[4] The company's production capabilities currently include steel melting, rolling, pipe-rolling, and the production of steel cord and wire.[5]

Changes in operations

Byelorussian Steel Works reported *** since January 1, 2014. Byelorussian Steel Works ***. The firm reported that ***.

Operations on Wire Rod

Table VII-1 presents information on the wire rod operations of the responding producer and exporter in Belarus. Capacity in Belarus increased by *** percent from 2014 to 2016 and is projected to increase by an additional *** percent from 2016 to 2018. Production in Belarus increased by *** percent from 2014-2016 and is projected to increase by an additional *** percent from 2016-2018. The capacity utilization rate decreased from *** percent in 2014 to *** percent in 2016, and is expected to rise to *** percent in 2017.

Home market shipments accounted for the largest, but a decreasing, share of total shipments from 2014 to 2016. Internal consumption and transfers decreased by *** percent from 2014 to 2016, whereas commercial shipments decreased by *** from 2014 to 2015 but were slightly greater in 2016 compared to 2014. While home market shipments decreased, export shipments increased in both absolute terms (from *** short tons in 2014 to *** short tons in 2016) and in relative terms (accounting for *** percent of total shipments in 2014 then increasing to *** percent in 2015 and *** percent in 2016). In 2016, *** percent of total shipments of wire rod from Belarus were exported to the United States, and *** percent were

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

[4] Byelorussian Steel Works, "About Us: History, 1999-1982," https://www.eng.belsteel.com/about/1999-1982.php, accessed on April 20, 2017.

[5] Byelorussian Steel Works, "About us: About BMZ," https://www.eng.belsteel.com/about/about-bmz.php, accessed April 20, 2017.

exported to other markets. Exports of wire rod from Belarus to the United States increased *** short tons from 2014 to 2016.

Table VII-1
Wire rod: Data for producers in Belarus, 2014-16 and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-2, the responding frim from Belarus, Byelorussian Steel Works, produced other products on the same equipment and machinery used to produce wire rod. These products included ***.

Wire rod accounted for *** of overall production of product made on the same equipment and machinery from 2014 to 2016. At the same time, overall capacity utilization decreased by *** percentage points. Byelorussian reported that ***.

Table VII-2
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Belarus, 2014-16

* * * * * * *

Exports

As reported in Table VII-3, Belarus exports of bar and rod (including wire rod) products increased from 9 thousand short tons in 2014 to 256 thousand short tons in 2016. Exports to the United States increased from zero short tons in 2014 to 49 thousand short tons in 2016. In 2016, the largest export destination of Belarus steel bar and rod products was the Netherlands which comprised of 44.1 percent of exports. The United States was the second largest export destination with 19.3 percent of exports.

Table VII-3
Bars and rod (including wire rod): Exports from Belarus, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Belarus exports to the United States	0	28,868	49,325
Belarus exports to other major destination markets.-- Netherlands	0	45,335	112,617
Lithuania	5,442	26,846	22,902
Canada	0	0	15,321
Belgium	0	10,357	14,417
Poland	0	27,213	8,953
Hungary	0	5,249	8,624
Germany	43	5,792	6,719
Russia	844	1,283	5,641
All other destination markets	2,319	49,238	11,078
Total Belarus exports	8,648	200,181	255,596
	Value (1,000 dollars)		
Belarus exports to the United States	0	7,916	13,239
Belarus exports to other major destination markets.-- Netherlands	0	12,290	29,181
Lithuania	2,815	9,496	6,096
Canada	0	0	4,172
Belgium	0	2,801	3,464
Poland	0	9,371	2,737
Hungary	0	1,590	2,506
Germany	25	1,748	1,954
Russia	522	487	2,093
All other destination markets	1,097	15,991	3,082
Total Belarus exports	4,459	61,689	68,523

Table continued on next page.

Table VII-3--Continued
Bars and rod (including wire rod): Exports from Belarus, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Belarus exports to the United States	---	274	268
Belarus exports to other major destination markets.--			
Netherlands	---	271	259
Lithuania	517	354	266
Canada	---	---	272
Belgium	---	270	240
Poland	---	344	306
Hungary	---	303	291
Germany	565	302	291
Russia	619	379	371
All other destination markets	473	325	278
Total Belarus exports	516	308	268
	Share of quantity (percent)		
Belarus exports to the United States	---	14.4	19.3
Belarus exports to other major destination markets.--			
Netherlands	---	22.6	44.1
Lithuania	62.9	13.4	9.0
Canada	---	---	6.0
Belgium	---	5.2	5.6
Poland	---	13.6	3.5
Hungary	---	2.6	3.4
Germany	0.5	2.9	2.6
Russia	9.8	0.6	2.2
All other destination markets	26.8	24.6	4.3
Total Belarus exports	100.0	100.0	100.0

Source: Export statistics of Belarus under HS subheading 7213.91, 7227.20, and 7227.90 as reported by UN Comtrade in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN ITALY

The Commission issued foreign producers' or exporters' questionnaires to thirteen firms believed to produce and/or export wire rod from Italy.[6] Useable responses to the Commission's questionnaire were received from four firms: Acciaierie Bertoli Safau S.p.A. ("ABS"), Acciaierie Di Verona S.p.A. ("ADV"), Ferriere Nord S.p.A. ("Ferriere Nord"), and Ori Martin S.p.A. ("Ori Martin"). These firms' exports to the United States accounted for all U.S. imports from Italy in 2016.[7] Responding firms estimate they accounted from 5 to 25 percent of all Italian production of wire rod in 2016. Table VII-4 presents summary data on wire rod producers in Italy.

Table VII-4
Wire rod: Summary data for producers in Italy, 2016

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Operations on wire rod

Table VII-5 presents information on the wire rod operations of the responding producers in Italy. Wire rod production capacity was relatively stable during 2014-16, increasing by 1.1 percent during this period. Capacity is projected to increase by *** percent from 2016 to 2017 and to not change from 2017 to 2018. Production of wire rod increased slightly from 2014 to 2015 but then decreased from 2015 to 2016, resulting in an overall decrease of ***percent from 2014 to 2016. Production is projected to increase from 2016 to 2017 by ***percent and remain at the same level in 2018. Capacity utilization decreased from ***percent to ***percent from 2014 to 2016 and is projected to be ***percent in 2017 and 2018.

Table VII-5
Wire rod: Data for producers in Italy, 2014-2016 and projections for calendar years 2017 and 2018

* * * * * * *

Total shipments of Italian wire rod decreased from 2014 to 2016 as the decreased volume in home market shipments was greater than the increased volume in export shipments. Total home market shipments accounted for between ***and ***percent of total shipments. Internal consumption held the largest share of shipments, followed by exports, and then home market commercial shipments. Exports of wire rod from Italy to the United States increased from *** short tons in 2014 to ***short tons in 2016.

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

[7] ***, accounted for all *** short tons of reported wire rod exports from Italy to the United States in 2016. According to official import statistics, U.S. imports of wire rod from Italy in 2016 were 33,163 short tons. The export quantities to the United States reported by *** reflects a timing issue of product having been exported from Italy but not yet imported into the United States. ***.

Alternative products

Table VII-6 presents data on Italian capacity and production of wire rod and other products made on the same equipment and machinery used to produce wire rod. Wire rod was the predominant product made on the shared equipment, accounting for over *** percent of total production in any year during 2014-16. Overall capacity utilization reached ***percent in 2015 and was at its lowest level, *** percent, in 2016.

Ori Martin reported that ***. ABS indicated that ***. ADV and Ferriere Nord indicated that ***.

Table VII-6
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Italy, 2014-16

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Exports

As reported in Table VII-7, Italian exports of bar and rod (including wire rod) increased from 797 thousand short tons in 2014 to 812 thousand short tons in 2016. Italian exports to the United States increased from 343 short tons in 2014 to 48 thousand short tons in 2016. In 2016, the largest export destination for Italian exports of bar and rod products was Austria, which comprised 15.7 percent of exports. The United States was the sixth largest export destination with 5.9 percent of exports.

Table VII-7
Bars and rod (including wire rod): Exports from Italy, 2014-2016

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Italy exports to the United States	343	370	47,865
Italy exports to other major destination markets.--			
Austria	113,759	116,894	127,042
Algeria	397,334	373,946	118,951
Germany	70,185	62,692	101,049
Slovenia	54,865	60,550	58,917
France	28,831	25,955	51,817
Mexico	0	0	43,994
Slovakia	8,230	12,776	29,573
Czech Republic	16,316	14,885	26,761
All other destination markets	107,081	105,774	205,592
Total Italy exports	796,943	773,843	811,560

Table continued on next page.

Table VII-7 --Continued
Bars and rod (including wire rod): Exports from Italy, 2014-2016

Destination market	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
Italy exports to the United States	530	380	17,268
Italy exports to other major destination markets.--			
Netherlands	64,615	47,658	48,206
Lithuania	217,589	152,639	41,467
Belgium	54,056	35,409	47,693
Poland	30,418	25,696	23,321
Canada	25,015	18,334	27,797
Germany	0	0	15,889
Hungary	4,843	5,131	11,310
France	9,470	6,483	10,390
All other destination markets	75,479	57,850	93,293
Total Italy exports	482,016	349,581	336,634
	Unit value (dollars per short ton)		
Italy exports to the United States	1,546	1,025	361
Italy exports to other major destination markets.--			
Netherlands	568	408	379
Lithuania	548	408	349
Belgium	770	565	472
Poland	554	424	396
Canada	868	706	536
Germany	---	---	361
Hungary	589	402	382
France	580	436	388
All other destination markets	705	547	454
Total Italy exports	605	452	415
	Share of quantity (percent)		
Italy exports to the United States	0.0	0.0	5.9
Italy exports to other major destination markets.--			
Netherlands	14.3	15.1	15.7
Lithuania	49.9	48.3	14.7
Belgium	8.8	8.1	12.5
Poland	6.9	7.8	7.3
Canada	3.6	3.4	6.4
Germany	---	---	5.4
Hungary	1.0	1.7	3.6
France	2.0	1.9	3.3
All other destination markets	13.4	13.7	25.3
Total Italy exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Eurostat in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN KOREA

The Commission issued foreign producers' or exporters' questionnaires to sixteen firms believed to produce and/or export wire rod from Korea.[8] A useable response to the Commission's questionnaire was received from one firm: POSCO. This firm's exports to the United States accounted for *** percent of U.S. imports of wire rod from Korea over the period being examined. According to estimates requested of the responding Korean producer, the production of wire rod in Korea reported in this Part of the report accounts for *** percent of overall production of wire rod in Korea.

POSCO, which was established on April 1, 1968, manufactures a variety of steel products predominantly for the domestic market. The company supplies product to customers in the automotive, engineering, home appliance, machinery, and shipbuilding industries.[9]

Changes in operations

POSCO, the sole producer in Korea reported *** since January 1, 2014. The firm indicated that ***.

Operations on wire rod

Table VII-8 presents information on the wire rod operations of the responding producer and exporter in Korea. Capacity in Korea decreased by *** percent from 2014 to 2015, and increased *** percent from 2015 to 2016. Capacity is projected to decrease *** percent from 2016 to 2017 and *** in 2018. Production in Korea increased by *** percent from 2014 to 2016, and is expected to decrease by *** percent from 2016 to 2017 and *** in 2018. The capacity utilization rate increased from *** percent in 2014 to *** percent in 2016, and is projected to be *** percent in both 2017 and 2018.

Korea's home market shipments of wire rod increased by *** percent in absolute terms from 2014 to 2016, and accounted for *** percent of that country's total wire rod shipments throughout the period. Korean home market shipments are projected to increase *** percent from 2016 to 2018. Commercial shipments were larger than internal consumption and transfers throughout 2014-16, with commercial shipments accounting for *** percent of home market shipments in 2016.

Export shipments increased by *** percent from 2014 to 2015, then decreased by *** percent from 2015 to 2016. In 2016, *** percent of total shipments of wire rod from Korea were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from Korea to the United States increased *** percent from 2014 to 2015, then decreased *** percent from 2015 to 2016.

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

[9] Reuters, "Profile: Posco (PKX.N)," http://in.reuters.com/finance/stocks/companyProfile?symbol=PKX.N, accessed April 25, 2017.

Table VII-8
Wire rod: Data for producers in Korea, 2014-16 and projections for calendar years 2017 and 2018

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Alternative products

As shown in table VII-9, the responding Korean firm *** produce other products on the same equipment and machinery used to produce wire rod. POSCO reports that ***.

Table VII-9
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Korea, 2014-16

* * * * * * *

Exports

As reported in Table VII-10, Korean exports of bar and rod (including wire rod) increased from 893 thousand short tons to 925 thousand short tons in 2016. Korean exports of steel bar and rod products to the United States decreased from 120 thousand short tons in 2014 to 2015 thousand short tons in 2016. In 2016, the largest export destination of Korean bar and rod exports was Vietnam which comprised 17.3 percent of exports. The United States was the third largest export destination with 11.3 percent of exports.

Table VII-10
Bars and rod (including wire rod): Exports from Korea, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Korea exports to the United States	119,885	133,202	104,903
Korea exports to other major destination markets.--			
Vietnam	115,059	124,903	159,658
Malaysia	173,292	129,537	129,570
China	103,828	74,684	103,790
Taiwan	100,545	87,912	92,505
Japan	83,832	98,116	90,692
Thailand	35,506	67,507	80,224
Turkey	20,994	18,937	33,536
Slovenia	12,782	15,864	23,344
All other destination markets	126,794	187,928	107,177
Total Korea exports	892,517	938,588	925,397

Table continued on next page.

Table VII-10--Continued
Bars and rod (including wire rod): Exports from Korea, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
Korea exports to the United States	66,819	56,448	41,166
Korea exports to other major destination markets.--			
Vietnam	70,984	64,262	72,010
Malaysia	100,089	62,411	52,965
China	75,925	53,688	69,017
Taiwan	52,952	36,761	35,479
Japan	51,720	47,114	43,046
Thailand	26,015	34,008	35,650
Turkey	12,831	9,024	15,225
Slovenia	9,402	8,951	12,473
All other destination markets	75,777	79,929	44,627
Total Korea exports	542,513	452,596	421,658
	Unit value (dollars per short ton)		
Korea exports to the United States	557	424	392
Korea exports to other major destination markets.--			
Vietnam	617	514	451
Malaysia	578	482	409
China	731	719	665
Taiwan	527	418	384
Japan	617	480	475
Thailand	733	504	444
Turkey	611	477	454
Slovenia	736	564	534
All other destination markets	598	425	416
Total Korea exports	608	482	456
	Share of quantity (percent)		
Korea exports to the United States	13.4	14.2	11.3
Korea exports to other major destination markets.--			
Vietnam	12.9	13.3	17.3
Malaysia	19.4	13.8	14.0
China	11.6	8.0	11.2
Taiwan	11.3	9.4	10.0
Japan	9.4	10.5	9.8
Thailand	4.0	7.2	8.7
Turkey	2.4	2.0	3.6
Slovenia	1.4	1.7	2.5
All other destination markets	14.2	20.0	11.6
Total Korea exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Korea Customs and Trade Development Institution in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN RUSSIA

The Commission issued foreign producers' or exporters' questionnaires to 21 firms believed to produce and/or export wire rod from Russia.[10] No firm provided a completed questionnaire response.[11] Based on ***, Abinsk Electric Steel Works Ltd. ("Abinsk") was the *** source of U.S. imports of wire rod from Russia during 2014-16.[12]

In 2014, Severstal commenced commercial production at its new wire rod and bar mill with a capacity of 771,618 short tons annually. Abinsk commissioned a 661,387 short ton wire rod and bar mill in 2015. The facility produces ***.[13]

Exports

As reported in Table VII-11, Russian exports of bar and rod (including wire rod) increased from 599 thousand short tons in 2014 to 1 million short tons in 2016. Russian exports of steel bar and rod products to the United States increased from 13 thousand short tons in 2014 to 95 thousand short tons in 2016. In 2016, the largest export destination for Russian steel bar and rod exports was Taiwan which comprised of 12.1 percent of total Russian bar and rod exports. The United States was the fifth largest export destination for Russian bar and rod.

Table VII-11
Bars and rod (including wire rod): Exports from Russia, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Russia exports to the United States	12,723	8,825	95,309
Russia exports to other major destination markets.--			
Taiwan	82,238	67,354	126,372
Belgium	47	5,417	105,155
Lithuania	85,136	100,233	102,409
Kazakhstan	109,150	112,906	98,853
Uzbekistan	67,160	65,879	58,822
Netherlands	0	0	55,708
Spain	0	13,399	34,386
Italy	20,326	39,008	33,261
All other destination markets	222,706	241,020	332,666
Total Russia exports	599,486	654,041	1,042,941

Table continued on next page.

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

[11] Severstal reported ***. Email correspondence from ***. Proprietary Customs records show that there ***. Severstal did not respond to staff's request for a completed questionnaire response.

[12] In 2016, AESW accounted for *** percent of total U.S. imports of wire rod from Russia.

[13] Petitioner Nucor's postconference brief, pp. 27-28.

Table VII-11--Continued
Bars and rod (including wire rod): Exports from Russia, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
Russia exports to the United States	6,085	2,520	28,663
Russia exports to other major destination markets.--			
Taiwan	37,312	21,474	35,627
Belgium	24	1,888	36,720
Lithuania	41,032	36,384	31,529
Kazakhstan	56,158	36,779	31,011
Uzbekistan	37,778	24,082	21,118
Netherlands	0	0	15,368
Spain	0	4,073	10,606
Italy	10,187	13,656	9,534
All other destination markets	115,394	85,533	103,250
Total Russia exports	303,968	226,390	323,425
	Unit value (dollars per short ton)		
Russia exports to the United States	478	286	301
Russia exports to other major destination markets.--			
Taiwan	454	319	282
Belgium	506	349	349
Lithuania	482	363	308
Kazakhstan	515	326	314
Uzbekistan	563	366	359
Netherlands	---	---	276
Spain	---	304	308
Italy	501	350	287
All other destination markets	518	355	310
Total Russia exports	507	346	310
	Share of quantity (percent)		
Russia exports to the United States	2.1	1.3	9.1
Russia exports to other major destination markets.--			
Taiwan	13.7	10.3	12.1
Belgium	0.0	0.8	10.1
Lithuania	14.2	15.3	9.8
Kazakhstan	18.2	17.3	9.5
Uzbekistan	11.2	10.1	5.6
Netherlands	---	---	5.3
Spain	---	2.0	3.3
Italy	3.4	6.0	3.2
All other destination markets	37.1	36.9	31.9
Total Russia exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Russia Customs and Trade Development Institution in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN SOUTH AFRICA

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export wire rod from South Africa.[14] A useable response to the Commission's questionnaire was received from one firm: ArcelorMittal South Africa. This firm's exports to the United States accounted for *** percent of U.S. imports of wire rod from South Africa over the period being examined, and for *** percent of overall production of wire rod in South Africa. Table VII-13 presents information on the wire rod operations of the responding producer and exporter in South Africa.

ArcelorMittal South Africa is the leading steel producer in Africa. The company supplies more than 60 percent of South Africa's steel and exports to countries both within and outside the Sub-Saharan African region.[15] ArcelorMittal South Africa—which is based in Vanderbijlpark, South Africa—is a subsidiary of Luxembourg-incorporated ArcelorMittal.[16]

Changes in operations

ArcelorMittal South Africa, the only reporting producer in South Africa, reported *** since January 1, 2014. The firm indicated that ***.

Operations on wire rod

Table VII-12 presents information on the wire rod operations of the responding producer and exporter in South Africa. Capacity in South Africa *** from 2014 to 2016, and is projected to ***. Production in South Africa increased *** percent from 2014 to 2015 and decreased *** percent from 2015 to 2016. Production is projected to decrease a further *** percent from 2016 to 2017 but increase *** percent from 2017 to 2018. The capacity utilization rate increased from *** percent in 2014 to *** percent in 2015, then decreased to *** percent in 2016.

Home market shipments increased by *** percent in absolute terms from 2014 to 2016, but decreased as a share of total shipments from *** percent to *** percent from 2014 to 2015 before increasing to *** percent in 2016. Commercial shipments accounted for *** home market shipments throughout 2014-16. Export shipments fluctuated during the period, increasing *** percent from 2014 to 2015, then decreasing *** percent in 2016. In 2016, *** percent of total shipments of wire rod from South Africa were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from South Africa to the

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

[15] ArcelorMittal, "South Africa," http://corporate.arcelormittal.com/sustainability/local-picture/south-africa, accessed April 21, 2017.

[16] ArcelorMittal, "Corporate Governance," http://corporate.arcelormittal.com/investors/corporate-governance, accessed April 21, 2017.

United States increased from *** short tons from 2014 to 2015, then decreased to *** short tons in 2016.

Table VII-12
Wire rod: Data for producers in South Africa, 2014-16, and projections for calendar years 2017 and 2018

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Alternative products

As shown in table VII-13, the responding South African firm produced *** on the same equipment and machinery used to produce wire rod. Wire rod accounted for the largest, but a decreasing, share of overall production of product on this equipment and machinery from 2014 to 2016. Overall capacity utilization increased by *** percentage points from 2014 to 2015, then decreased by *** percentage points from 2015 to 2016. ArcelorMittal South Africa reports that ***.

Table VII-13
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in South Africa, 2014-16

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Exports

According to GTA, the United States was the top export market for bar and rod (including wire rod) from South Africa, accounting for 51.4 percent of exports by quantity in 2016 (table VII-14). Other leading export markets include Kenya (accounting for 10.2 percent in 2016), Zambia (9.4 percent), and Zimbabwe (8.8 percent). In 2014, Uganda was the leading export market for wire rod from South Africa, accounting for 58.8 percent. By 2016, Uganda's share of wire rod exports from South Africa decreased to 1.5 percent.

Table VII-14
Bars and rod (including wire rod): Exports from South Africa, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
South Africa exports to the United States	0	17,324	24,578
South Africa exports to other major destination markets.--			
Kenya	7,180	16,609	4,890
Zambia	3,929	4,216	4,483
Zimbabwe	2,821	4,075	4,216
Swaziland	1,410	3,563	2,820
Namibia	640	663	2,041
Tanzania	239	8,608	1,324
Botswana	236	173	1,055
Uganda	26,094	11,490	729
All other destination markets	1,817	8,260	1,665
Total South Africa exports	44,366	74,981	47,800
	Value (1,000 dollars)		
South Africa exports to the United States	0	5,001	6,231
South Africa exports to other major destination markets.--			
Kenya	4,508	6,615	1,270
Zambia	2,408	2,326	1,927
Zimbabwe	2,001	1,964	1,960
Swaziland	1,361	2,003	1,473
Namibia	450	366	1,021
Tanzania	135	2,756	353
Botswana	164	115	589
Uganda	13,011	3,830	170
All other destination markets	1,488	2,759	668
Total South Africa exports	25,525	27,735	15,662
	Unit value (dollars per short ton)		
South Africa exports to the United States	---	289	254
South Africa exports to other major destination markets.--			
Kenya	628	398	260
Zambia	613	552	430
Zimbabwe	709	482	465
Swaziland	965	562	522
Namibia	703	552	500
Tanzania	563	320	267
Botswana	692	663	558
Uganda	499	333	233
All other destination markets	819	334	402
Total South Africa exports	575	370	328

Table continued on next page.

Table VII-14--Continued
Bars and rod (including wire rod): Exports from South Africa, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Share of quantity (percent)		
South Africa exports to the United States	---	23.1	51.4
South Africa exports to other major destination markets.--			
Kenya	16.2	22.2	10.2
Zambia	8.9	5.6	9.4
Zimbabwe	6.4	5.4	8.8
Swaziland	3.2	4.8	5.9
Namibia	1.4	0.9	4.3
Tanzania	0.5	11.5	2.8
Botswana	0.5	0.2	2.2
Uganda	58.8	15.3	1.5
All other destination markets	4.1	11.0	3.5
Total South Africa exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by the South African Revenue Service in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN SPAIN

The Commission issued foreign producers' or exporters' questionnaires to 11 firms believed to produce and/or export wire rod from Spain.[17] Useable responses to the Commission's questionnaire were received from four firms: ArcelorMittal Spain, Celsa Atlantic, Compañía Española de Laminación, and Global Steel Wire. These firms' exports to the United States accounted for all U.S. imports of wire rod from Spain over the period being examined. According to estimates requested of the responding Spanish producers, the production of wire rod in Spain reported in this Part of the report accounts for all production of wire rod in Spain. Table VII- 15 presents summary information on the wire rod operations of the responding producers and exporters in Spain.

ArcelorMittal Spain, part of Luxembourg-based ArcelorMittal, is Spain's largest producer of steel. The company produces both flat and long products, with its long products manufacturing primarily geared toward industry and construction markets.[18] Compañía Española de Laminación, Global Steel Wire, and Celsa Atlantic are all part of Celsa Group, based in Barcelona, Spain. Compañía Española de Laminación (or Celsa Barcelona), which was established in 1967, manufactures a number of steel products in addition to wire rod. Global

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

[18] ArcelorMittal, "Spain," http://corporate.arcelormittal.com/sustainability/local-picture/spain, accessed April 25, 2017; ArcelorMittal, "Luxembourg," http://corporate.arcelormittal.com/sustainability/local-picture/luxembourg, accessed April 25, 2017.

Steel Wire and Celsa Atlantic were acquired by Celsa Group in 1987 and 2007, respectively. Global Steel Wire focuses on wire rod production, while Celsa Atlantic produces wire rod and reinforcing steel bars and coil.[19]

Table VII-15
Wire rod: Summary data for producers in Spain, 2016

* * * * * * *

Changes in operations

One producer in Spain reported an operational and organizational change since January 1, 2014. Celsa Atlantic indicated that ***. Not one of the responding firms reported that it expected to make operational or organizational changes relating to its wire rod production in the future.

Operations on wire rod

Table VII-16 presents information on the wire rod operations of the responding producers and exporters in Spain. Capacity in Spain was *** from 2014 to 2016; it is projected to increase by *** percent from 2016 to 2017, then *** in 2018. Production in Spain decreased by *** percent from 2014 to 2015, then increased *** percent from 2015 to 2016. Production is also projected to fluctuate during 2016-18, increasing *** percent from 2016 to 2017 and decreasing *** percent from 2017 to 2018. The capacity utilization rate was *** percent or greater in each year during 2014-16, and is projected to be *** percent in 2017 and 2018.

Spain's home market shipments of wire rod increased in both absolute terms and as a share of that country's total wire rod shipments, accounting for *** percent of total shipments in 2016. While commercial shipments and internal consumption and transfers fluctuated in opposite directions during 2014-16, each one accounted for about *** percent of total shipments by 2016. Export shipments of wire rod from Spain decreased by *** percent from 2014 to 2015, then increased by *** percent from 2015 to 2016. In 2016, *** percent of total shipments of wire rod from Spain were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from Spain to the United States increased *** percent from 2014 to 2016. Such exports are projected to increase a further *** percent from 2016 to 2017 before decreasing *** percent from 2017 to 2018.

[19] Celsa Group, "Celsa Group: Who We Are," http://www.celsagroup.com/secciones/about/who.aspx, accessed April 25, 2017; Celsa Group, "Contact," http://www.celsagroup.com/secciones/contact/contact.aspx, accessed April 25, 2017.

Table VII-16
Wire rod: Data for producers in Spain, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-17, some responding firms in Spain produced other products on the same equipment and machinery used to produce wire rod. These products include ***. Wire rod represented the largest share of overall production of product on this equipment and machinery from 2014 to 2016, accounting for *** percent of such production in each year during the period. Overall utilization of this production capacity decreased by *** percentage points from 2014 to 2015, and was *** percentage points lower in 2016 compared to 2015.

ArcelorMittal Spain reports that ***, while Global Steel Wire indicates that ***. Both Celsa Atlantic and Compañía Española de Laminación report that ***.

Table VII-17
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Spain, 2014-16

* * * * * * *

Exports

As reported in Table VII-18, Spanish exports of bar and rod (including wire rod) decreased from 803 thousand short tons in 2014 to 777 thousand short tons in 2016. Spanish exports of steel bar and rod products to the United States increased from 58 thousand short tons in 2014 to 86 thousand short tons in 2016. In 2016, the largest export destination for Spanish steel bar and rod exports was France which comprised of 28.8 percent of total Spanish steel bar and rod exports. The United States was the third largest export destination with 11.1 percent of steel bar and rod exports.

Table VII-18
Bars and rod (including wire rod): Exports from Spain, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Spain exports to the United States	58,092	78,177	86,340
Spain exports to other major destination markets.--			
France	120,453	122,926	223,346
Turkey	199,040	211,928	204,682
Italy	90,058	101,474	84,014
Portugal	83,815	67,348	67,122
Germany	78,014	61,817	51,013
Algeria	83,478	43,141	12,576
Netherlands	1,404	11,538	8,555
United Kingdom	20,768	18,175	8,073
All other destination markets	68,176	45,488	31,066
Total Spain exports	803,297	762,012	776,787
	Value (1,000 dollars)		
Spain exports to the United States	36,737	42,638	41,450
Spain exports to other major destination markets.--			
France	88,674	68,819	105,929
Turkey	117,575	97,821	85,096
Italy	61,270	54,406	39,860
Portugal	50,882	29,869	27,733
Germany	68,360	46,406	33,419
Algeria	46,537	18,190	4,158
Netherlands	1,394	9,751	6,490
United Kingdom	14,139	8,935	4,502
All other destination markets	48,561	22,937	16,259
Total Spain exports	534,129	399,772	364,895

Table continued on next page.

Table VII-18--Continued
Bars and rod (including wire rod): Exports from Spain, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Spain exports to the United States	632	545	480
Spain exports to other major destination markets.--			
France	736	560	474
Turkey	591	462	416
Italy	680	536	474
Portugal	607	444	413
Germany	876	751	655
Algeria	557	422	331
Netherlands	993	845	759
United Kingdom	681	492	558
All other destination markets	712	504	523
Total Spain exports	665	525	470
	Share of quantity (percent)		
Spain exports to the United States	7.2	10.3	11.1
Spain exports to other major destination markets.--			
France	15.0	16.1	28.8
Turkey	24.8	27.8	26.3
Italy	11.2	13.3	10.8
Portugal	10.4	8.8	8.6
Germany	9.7	8.1	6.6
Algeria	10.4	5.7	1.6
Netherlands	0.2	1.5	1.1
United Kingdom	2.6	2.4	1.0
All other destination markets	8.5	6.0	4.0
Total Spain exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Eurostat in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN TURKEY

The Commission issued foreign producers' or exporters' questionnaires to 22 firms believed to produce and/or export wire rod from Turkey.[20] A usable response to the questionnaire was received from four firms: Icdas, Isdemir, Kroman, and Habas. These firms'

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

exports of wire rod to the United States accounted for *** percent of U.S. imports of wire rod from Turkey in 2016. Responding firms estimate that they accounted for between 10 to 19 percent of total production of wire rod in Turkey. Table VII-19 presents summary data on responding wire rod producers in Turkey.

Table VII-19
Wire rod: Summary data for producers in Turkey, 2016

* * * * * * *

Changes in operations

Only one producer, ***. *** anticipates that for 2017 and 2018, demand for its wire rod products in ***.

Operations on wire rod

Table VII-20 presents information on the wire rod operations of the responding producers in Turkey. Wire rod production capacity decreased by *** percent from 2014 to 2016 and is projected to decrease further from 2016 to 2017, albeit by less than *** percent. Wire rod production volume was higher in 2016 compared to 2014, but the increase was only 7,600 short tons. The slightly lower production capacity figure in 2016 compared to 2014 combined with the slightly larger production volume is reflected in an increase in capacity utilization from *** percent in 2014 to *** percent in 2016. Capacity utilization is projected to be *** percent in 2017 and *** percent in 2018.

Home market shipments – almost of which were commercial shipments - as a share of total shipments decreased from *** percent in 2014 to *** percent in 2016. From 2014 to 2015, exports to markets other than the United States decreased while exports to the United States increased. From 2015 to 2016, exports to other markets more than *** while exports to the United States decreased by *** percent. Responding producers project that in 2017 and 2018, export volume to the United States and export volume to all other markets will essentially remain at their 2016 levels.

Table VII-20
Wire rod: Data for producers in Turkey, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

Table VII-21 presents data on capacity and production of wire rod and other products made on the same equipment and machinery used to produce wire rod. Total production decreased from 2014 to 2015 but then increased from 2015 to 2016. Production of concrete reinforcing bars and rods increased throughout 2014-16 whereas wire rod and other products decreased from 2014 to 2015 but then increased from 2015 to 2016. Wire rod accounted for

approximately 30 percent of production of all products made on the shared equipment whereas concrete reinforcing bars and rods accounted for almost half. Overall capacity utilization was 4.1 percentage points greater in 2016 compared to 2014.

Each of the reporting firms indicates that ***.

Table VII-21
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Turkey, 2014-16

* * * * * * *

Exports

As reported in Table VII-22, Turkish exports of bar and rod (including wire rod) increased from 722 thousand short tons in 2014 to 735 thousand short tons in 2016. Turkish exports of steel bar and rod products to the United States decreased from 285 thousand short tons in 2014 to 85 thousand short tons in 2016. In 2016, the largest export destination for Turkish steel bar and rod exports was Egypt which comprised of 18.5 percent of total Turkish steel bar and rod exports. The United States was the second largest export destination with 11.6 percent of steel bar and rod exports.

Table VII-22
Bars and rod (including wire rod): Exports from Turkey, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Turkey exports to the United States	285,415	210,117	85,229
Turkey exports to other major destination markets.--			
Egypt	15,972	77,950	136,144
Netherlands	0	0	70,106
Libya	74,281	42,138	48,831
Morocco	61,996	18,596	47,958
Spain	25,884	33,974	45,624
Iraq	43,485	30,238	32,966
Portugal	99	103	29,590
Israel	3,065	12,850	28,753
All other destination markets	211,384	125,833	209,615
Total Turkey exports	721,580	551,798	734,816

Table continued on next page.

Table VII-22--*Continued*
Bars and rod (including wire rod): Exports from Turkey, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
Turkey exports to the United States	149,383	82,093	30,617
Turkey exports to other major destination markets.--			
Egypt	7,906	27,497	44,875
Netherlands	0	0	27,124
Libya	40,079	17,136	17,058
Morocco	32,736	7,345	16,960
Spain	13,435	12,055	17,120
Iraq	23,763	11,829	11,711
Portugal	60	44	11,039
Israel	1,678	5,007	10,247
All other destination markets	116,098	51,060	76,790
Total Turkey exports	385,138	214,066	263,540
	Unit value (dollars per short ton)		
Turkey exports to the United States	523	391	359
Turkey exports to other major destination markets.--			
Egypt	495	353	330
Netherlands	---	---	387
Libya	540	407	349
Morocco	528	395	354
Spain	519	355	375
Iraq	546	391	355
Portugal	611	429	373
Israel	547	390	356
All other destination markets	549	406	366
Total Turkey exports	534	388	359
	Share of quantity (percent)		
Turkey exports to the United States	39.6	38.1	11.6
Turkey exports to other major destination markets.--			
Egypt	2.2	14.1	18.5
Netherlands	---	---	9.5
Libya	10.3	7.6	6.6
Morocco	8.6	3.4	6.5
Spain	3.6	6.2	6.2
Iraq	6.0	5.5	4.5
Portugal	0.0	0.0	4.0
Israel	0.4	2.3	3.9
All other destination markets	29.3	22.8	28.5
Total Turkey exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Turkey's State Institute of Statistics in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN UKRAINE

The Commission issued foreign producers' or exporters' questionnaires to four firms believed to produce and/or export wire rod from the Ukraine.[21] Useable responses to the Commission's questionnaire were received from two firms: ArcelorMittal Kryvyi Rih and Yenakiieve Iron and Steel Works. These firms' exports to the United States accounted for *** percent of U.S. imports of wire rod from the Ukraine over the period being examined. According to estimates requested of the responding Ukrainian producers, the production of wire rod in the Ukraine reported in this Part of the report accounts for *** percent of overall production of wire rod in Ukraine. Table VII-23 presents information on the wire rod operations of the responding producers and exporters in Ukraine.

ArcelorMittal Kryvyi Rih is part of Luxembourg-based ArcelorMittal, which is among Ukraine's leading foreign investors. The company's operations in Ukraine range from the mining of iron ore to the manufacture of various steel products.[22] Until recently, Yenakiieve Iron and Steel Works (owned by the Metinvest Group) manufactured a number of metal products including angles, beams, billets, channels, rails, and reinforcing bars. In March 2017, Metinvest lost control of this enterprise due to political conflict, and no longer operates these facilities.[23]

Table VII-23
Wire rod: Summary data for producers in Ukraine, 2016

* * * * * * *

Changes in operations

One producer in Ukraine reported a change in its operations since January 1, 2014. Yenakiieve Iron and Steel Works reported that ***. The company indicates that ***. ArcelorMittal Kryvyi Rih reported ***.

Operations on wire rod

Table VII-24 presents information on the wire rod operations of the responding producers and exporters in Ukraine. Capacity in Ukraine decreased by *** percent from 2014 to

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

[22] ArcelorMittal, "ArcelorMittal Kryvyi Rih," http://ukraine.arcelormittal.com/index.php?id=8, accessed April 27, 2017.

[23] Metal Bulletin, "PJSC, Yenakiieve Iron & Steel Works/Yenakiieve Steel (Metinvest Group)," company database, http://www.mbdatabase.com/Basic-Information/PJSC-Yenakiieve-Iron-Steel-Works-Yenakiieve-Steel-Metinvest-Group/46767/1 , accessed April 27, 2017; Metinvest, "Metinvest Announces Loss of Control Over Operations in Temporarily Non-controlled Territory," https://emz.metinvestholding.com/en/press/news/show/7394, accessed April 27, 2017.

2016, and is projected to decrease a further *** percent from 2016 to 2017 and *** from 2017 to 2018. Production in Ukraine decreased *** percent from 2014 to 2015, then increased *** percent from 2015 to 2016. Production is projected to decrease *** percent from 2016 to 2017, and remain at the 2017 level in 2018. The capacity utilization rate increased from *** percent in 2014 to *** percent in 2016, and is projected decrease to *** percent in 2017 and remain at that level in 2018.

Ukraine's home market shipments of wire rod decreased *** percent from 2014 to 2015, then increased by *** percent from 2015 to 2016. Commercial shipments represented the larger share of Ukrainian home markets shipments of wire rod throughout 2014-16, accounting for *** percent of home market shipments in each year during the period.

Export shipments accounted for *** of Ukraine's total shipments of wire rod during 2014-16, with *** percent in 2016. In absolute terms, export shipments fluctuated, decreasing *** percent from 2014 to 2015, then increasing *** percent from 2015 to 2016. In 2016, *** percent of total shipments of wire rod from Ukraine were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from the Ukraine to the United States increased by *** percent during 2014-16, from *** short tons to *** short tons. Ukrainian exports of wire rod to the United States are projected to decrease *** percent from 2016 to 2017, and *** in 2018.

Table VII-24
Wire rod: Data for producers in Ukraine, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-25, responding Ukrainian firms produced *** on the same equipment and machinery used to produce wire rod. Wire rod accounted for *** percent of overall production of product made on this equipment in each year from 2014 to 2016. Overall capacity utilization increased from *** percent in 2014 to *** percent in 2016. Yenakiieve Iron and Steel Works reports that ***. ***.

Table VII-25
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in Ukraine, 2014-16

* * * * * * *

Exports

As reported in Table VII-26, Ukrainian exports of bar and rod (including wire rod) increased from 1.2 million short tons in 2014 to 1.3 million short tons in 2016. Ukrainian exports of steel bar and rod products to the United States increased from 21 thousand short tons in 2014 to 142 thousand short tons in 2016. In 2016, the largest export destination for Ukrainian steel bar and rod exports was Israel which comprised of 13.1 percent of total

Ukrainian steel bar and rod exports. The United States was the second largest export destination with 11.0 percent of steel bar and rod exports.

Table VII-26
Bars and rod (including wire rod): Exports from Ukraine, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Ukraine exports to the United States	21,153	99,218	141,598
Ukraine exports to other major destination markets.--			
Israel	178,470	143,081	169,713
Netherlands	71	35,053	128,872
Romania	90,840	83,433	126,898
Egypt	29,529	19,386	112,316
Poland	74,176	50,061	104,874
Bulgaria	59,271	82,356	75,739
Senegal	73,020	83,745	75,000
Colombia	136	21,661	58,909
All other destination markets	705,770	539,835	298,508
Total Ukraine exports	1,232,435	1,157,827	1,292,428
	Value (1,000 dollars)		
Ukraine exports to the United States	10,690	36,864	46,162
Ukraine exports to other major destination markets.--			
Israel	85,585	52,027	53,615
Netherlands	34	12,035	43,548
Romania	45,822	32,701	43,568
Egypt	14,434	6,309	35,577
Poland	38,350	17,427	35,529
Bulgaria	28,608	30,148	24,118
Senegal	36,314	30,912	24,461
Colombia	66	7,228	17,646
All other destination markets	344,637	192,495	91,407
Total Ukraine exports	604,540	418,146	415,631

Table continued on next page.

Table VII-26--Continued
Bars and rod (including wire rod): Exports from Ukraine, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Ukraine exports to the United States	505	372	326
Ukraine exports to other major destination markets.--			
Israel	480	364	316
Netherlands	476	343	338
Romania	504	392	343
Egypt	489	325	317
Poland	517	348	339
Bulgaria	483	366	318
Senegal	497	369	326
Colombia	485	334	300
All other destination markets	488	357	306
Total Ukraine exports	491	361	322
	Share of quantity (percent)		
Ukraine exports to the United States	1.7	8.6	11.0
Ukraine exports to other major destination markets.--			
Israel	14.5	12.4	13.1
Netherlands	0.0	3.0	10.0
Romania	7.4	7.2	9.8
Egypt	2.4	1.7	8.7
Poland	6.0	4.3	8.1
Bulgaria	4.8	7.1	5.9
Senegal	5.9	7.2	5.8
Colombia	0.0	1.9	4.6
All other destination markets	57.3	46.6	23.1
Total Ukraine exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by State Customs Committee of the Ukraine in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN THE UNITED ARAB EMIRATES

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export wire rod from the United Arab Emirates.[24] A useable response to the Commission's questionnaire was received from one firm: Emirates Steel. This firm's exports to the United States accounted for *** percent of U.S. imports of wire rod from the United Arab Emirates over the period being examined. According to estimates requested of the responding UAE producer, the production of wire rod in the United Arab Emirates reported in this Part of the report accounts for all production of wire rod in the United Arab Emirates.

Emirates Steel, which is located outside of Abu Dhabi, is a subsidiary of UAE-based holding company Senaat. Senaat established Emirates Steel in 1998, and the company has expanded twice since the commissioning of its first plant in October 2001.[25]

Changes in operations

Emirates Steel, the only reporting producer in the United Arab Emirates, reported no operational and organizational changes since January 1, 2014. The firm indicated that ***.

Operations on wire rod

Table VII-27 presents information on the wire rod operations of the responding producer and exporter in the United Arab Emirates. Capacity in the United Arab Emirates *** from 2014 to 2016, and is projected to *** in 2017 and 2018. Production in the United Arab Emirates increased by *** percent from 2014 to 2016. Production is projected to increase a further *** percent from 2016 to 2107, and decrease by *** percent from 2017 to 2018. The capacity utilization rate increased from *** percent in 2014 to *** percent in 2016, and is projected to remain above *** percent in 2017 and 2018.

Home market shipments fluctuated in both absolute terms and as a share of total shipments, and accounted for *** of total shipments from 2014 to 2016. While internal consumption and transfers increased by *** percent in absolute terms from 2014 to 2016, commercial shipments accounted for *** percent of total home market shipments throughout the period. Export shipments increased *** percent in absolute terms from 2014 to 2016 but fluctuated in relative terms, increasing from *** percent of total shipments in 2014 to *** percent in 2015, then decreasing to *** percent in 2016. In 2016, *** percent of total

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

[25] Emirates Steel, "Who We Are: About Emirates Steel," https://www.emiratessteel.com/index.php/en/who-we-are/about-emirates-steel, accessed April 21, 2017; Emirates Steel, "Who We Are; Milestones," https://www.emiratessteel.com/index.php/en/who-we-are/milestones, accessed April 21, 2017; Senaat, "About Senaat," http://www.senaat.co/about-senaat, accessed April 21, 2017.

shipments of wire rod from the United Arab Emirates were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from the United Arab Emirates to the United States increased from *** short tons from 2014 to 2016, and are projected to decrease to *** in 2017 and 2018.

Table VII-27
Wire rod: Data for producers in the United Arab Emirates, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-28, Emirates Steel produced *** on the same equipment and machinery used to produce wire rod. While the production of wire rod increased in absolute terms from 2014 to 2016, wire rod accounted for a smaller share of overall production of product made on this equipment and machinery in 2016 than in 2014. Throughout the period, wire rod accounted for *** percent of overall production of product made on this equipment and machinery. Overall capacity utilization increased steadily during 2014-16, reaching *** percent in 2016. Emirates Steel reports that ***.

Table VII-28
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in the United Arab Emirates, 2014-16

* * * * * * *

Exports

As shown in table VII-29, the leading export markets for bar and rod (including wire rod) from the United Arab Emirates are Saudi Arabia (accounting for 48.4 percent of exports by quantity in 2016), Oman (with 21.7 percent), and Qatar (with 11.3 percent) (table VII-29). During 2016, the United States accounted for 0.1 percent of wire rod exports from the United Arab Emirates.

Table VII-29
Bars and rod (including wire rod): Exports from the United Arab Emirates, 2014-16

Destination market	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
United Arab Emirates exports to the United States	0	80	217
United Arab Emirates exports to other major destination markets.--			
Saudi Arabia	15,702	41,192	124,664
Oman	18,486	33,478	55,822
Qatar	27,390	2,436	29,064
Jordan	4,939	9,401	18,034
India	0	1,001	10,527
Bahrain	591	1,421	5,119
Malaysia	25,766	17,513	3,951
Kuwait	0	2,614	3,799
All other destination markets	12,437	11,344	6,166
Total United Arab Emirates exports	105,311	120,480	257,362
	Value (1,000 dollars)		
United Arab Emirates exports to the United States	0	61	109
United Arab Emirates exports to other major destination markets.--			
Saudi Arabia	8,819	22,810	50,859
Oman	10,354	18,164	25,282
Qatar	18,840	1,380	8,742
Jordan	2,574	4,589	5,428
India	0	400	4,332
Bahrain	386	788	2,478
Malaysia	14,379	9,034	1,686
Kuwait	0	1,581	2,098
All other destination markets	7,407	6,230	2,560
Total United Arab Emirates exports	62,759	65,038	103,573

Table continued on next page.

Table VII-29--Continued
Bars and rod (including wire rod): Exports from the United Arab Emirates, 2014-16

Destination market	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
United Arab Emirates exports to the United States	---	764	502
United Arab Emirates exports to other major destination markets.--			
Saudi Arabia	562	554	408
Oman	560	543	453
Qatar	688	567	301
Jordan	521	488	301
India	680	399	412
Bahrain	653	554	484
Malaysia	558	516	427
Kuwait	---	605	552
All other destination markets	596	549	415
Total United Arab Emirates exports	596	540	402
	Share of quantity (percent)		
United Arab Emirates exports to the United States	---	0.1	0.1
United Arab Emirates exports to other major destination markets.--			
Saudi Arabia	14.9	34.2	48.4
Oman	17.6	27.8	21.7
Qatar	26.0	2.0	11.3
Jordan	4.7	7.8	7.0
India	0.0	0.8	4.1
Bahrain	0.6	1.2	2.0
Malaysia	24.5	14.5	1.5
Kuwait	---	2.2	1.5
All other destination markets	11.8	9.4	2.4
Total United Arab Emirates exports	100.0	100.0	100.0

Source: Export statistics of the United Arab Emirates under HS subheading 7213.91, 7227.20, and 7227.90 as reported by UN comtrade in the IHS/GTA database, accessed April 5, 2017.

THE INDUSTRY IN THE UNITED KINGDOM

The Commission issued foreign producers' or exporters' questionnaires to seven firms believed to produce and/or export wire rod from the United Kingdom.[26] Useable responses to the Commission's questionnaire were received from two firms: British Steel and Celsa UK. These firms' exports to the United States accounted for all U.S. imports of wire rod from the

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

United Kingdom over the period being examined. According to estimates requested of the responding UK producers, the production of wire rod in the United Kingdom reported in this Part of the report accounts for *** percent of overall production of wire rod in the United Kingdom. Table VII-30 presents information on the wire rod operations of the responding producers and exporters in the United Kingdom.

British Steel was formed when Tata Steel sold its Long Products Europe to Greybull Capital in 2016. Among other steel products, the company produces wire rod for several markets including construction and engineering, consumer goods, and the automotive industry.[27] Celsa Steel UK is a subsidiary of Spanish firm Celsa Group, which acquired the company in 2003.[28] Celsa Steel UK principally supplies product to markets in Ireland and the United Kingdom.[29]

Table VII-30
Wire rod: Summary data for producers in the United Kingdom, 2016

* * * * * * *

Changes in operations

British Steel reported that ***. British Steel also reported that ***. Celsa Steel UK reported no operational and organizational changes since January 1, 2014, and indicated that ***.

Operations on wire rod

Table VII-31 presents information on the wire rod operations of the responding producers and exporters in the United Kingdom. Capacity in the United Kingdom increased by *** percent from 2014 to 2016. Capacity is projected to increase a further *** percent from 2016 to 2017 and *** from 2017 to 2018. Production in the United Kingdom increased *** percent from 2014 to 2015, and decreased *** percent from 2015 to 2016. Production is projected to increase *** percent from 2016 to 2018. The capacity utilization rate increased from *** percent in 2014 to *** percent in 2015, then decreased to *** percent in 2016. The capacity utilization rate is projected to increase by *** percentage points from 2016 to 2018.

Home market shipments increased by *** percent as a share of total shipments from 2014 to 2016. Both internal consumption and transfers and commercial shipments increased in absolute terms and as shares on total shipments during the period. While home market

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[27] British Steel, "Proud of Our Heritage," http://britishsteel.co.uk/who-we-are/, accessed April 21, 2017; British Steel, "Our Markets," http://britishsteel.co.uk/who-we-are/our-markets/, accessed April 21, 2017.

[28] Celsa Group, "Celsa Group: Who We Are," http://www.celsagroup.com/secciones/about/who.aspx, accessed April 21, 2017

[29] Celsa Steel (UK) Ltd., "About Us: Celsa Steel UK," http://www.celsauk.com/Company.mvc/CelsaSteelUK, accessed April 21, 2017.

shipments increased, export shipments as a share of total shipments decreased from *** percent in 2014 to *** percent in 2016. In absolute terms, export shipments fluctuated, increasing *** percent from 2014 to 2015, then decreasing *** percent from 2015 to 2016. In 2016, *** percent of total shipments of wire rod from the United Kingdom were exported to the United States, and *** percent were exported to other markets. Exports of wire rod from the United Kingdom to the United States decreased *** percent from 2014 to 2015, then increased *** percent from 2015 to 2016. UK exports of wire rod to the United States are projected to increase *** percent from 2016 to 2017, and *** in 2018.

Table VII-31
Wire rod: Data for producers in the United Kingdom, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-32, responding United Kingdom firms produced other products on the same equipment and machinery used to produce wire rod. These products include ***. Wire rod accounted for the largest, but a decreasing, share of overall production of product made on this equipment and machinery from 2014 to 2016. Overall capacity utilization increased by *** percentage points from 2014 to 2016, and reached *** percent in 2016. Celsa Steel UK reports that ***. British Steel indicates that ***.

Table VII-32
Wire rod: Overall capacity and production on the same equipment as in-scope production by producers in the United Kingdom, 2014-16

* * * * * * *

Exports

As reported in Table VII-33, British exports of bar and rod (including wire rod) decreased from 605 thousand short tons in 2014 to 557 thousand short tons in 2016. British exports of steel bar and rod products to the United States decreased from 73 thousand short tons in 2014 to 50 thousand short tons in 2016. In 2016, the largest export destination for British steel bar and rod exports was Belgium which comprised of 18.2 percent of total British steel bar and rod exports. The United States was the fourth largest export destination with 8.9 percent of steel bar and rod exports.

Table VII-33
Bars and rod (including wire rod): Exports from the United Kingdom, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
United Kingdom exports to the United States	72,626	49,645	49,642
United Kingdom exports to other major destination markets.--			
Belgium	99,889	120,998	101,049
Germany	61,157	73,294	92,428
Italy	75,555	91,508	60,032
Sweden	45,875	44,291	37,929
Turkey	40,644	35,804	29,393
Poland	20,477	29,745	27,391
France	37,905	24,191	25,688
Taiwan	19,672	10,686	23,387
All other destination markets	130,922	127,628	109,756
Total United Kingdom exports	604,721	607,789	556,697
	Value (1,000 dollars)		
United Kingdom exports to the United States	44,416	29,083	23,900
United Kingdom exports to other major destination markets.--			
Belgium	61,777	53,559	41,980
Germany	42,866	38,926	41,774
Italy	51,324	48,926	27,414
Sweden	28,631	22,075	16,859
Turkey	27,469	18,109	13,526
Poland	14,064	14,951	12,523
France	24,759	12,267	11,014
Taiwan	11,121	4,827	8,604
All other destination markets	89,098	66,060	52,140
Total United Kingdom exports	395,524	308,783	249,734

Table continued on next page.

Table VII-33--Continued
Bars and rod (including wire rod): Exports from the United Kingdom, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
United Kingdom exports to the United States	612	586	481
United Kingdom exports to other major destination markets.--			
Belgium	618	443	415
Germany	701	531	452
Italy	679	535	457
Sweden	624	498	444
Turkey	676	506	460
Poland	687	503	457
France	653	507	429
Taiwan	565	452	368
All other destination markets	681	518	475
Total United Kingdom exports	654	508	449
	Share of quantity (percent)		
United Kingdom exports to the United States	12.0	8.2	8.9
United Kingdom exports to other major destination markets.--			
Belgium	16.5	19.9	18.2
Germany	10.1	12.1	16.6
Italy	12.5	15.1	10.8
Sweden	7.6	7.3	6.8
Turkey	6.7	5.9	5.3
Poland	3.4	4.9	4.9
France	6.3	4.0	4.6
Taiwan	3.3	1.8	4.2
All other destination markets	21.6	21.0	19.7
Total United Kingdom exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Eurostat in the IHS/GTA database, accessed April 5, 2017.

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SUBJECT COUNTRIES COMBINED

Table VII-34 presents information on wire rod operations of the reporting producers and exporters in the subject countries and table VII-35 presents data on overall capacity and production for responding firms from subject countries.

Table VII-34
Wire rod: Data for producers in subject countries combined, 2014-16, and projection for calendar years 2017 and 2018

Item	Actual experience			Projections	
	Calendar year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
Capacity	15,427,352	15,043,647	15,166,172	14,651,633	14,655,715
Production	12,804,223	12,697,775	12,922,258	12,998,030	13,276,310
End-of-period inventories	588,445	620,823	512,454	561,735	603,639
Shipments:					
Home market shipments:					
Internal consumption/ transfers	2,303,405	2,373,618	2,201,458	2,403,255	2,533,970
Commercial shipments	5,435,403	5,295,035	5,551,970	5,511,425	5,540,477
Subtotal, home market shipments	7,738,808	7,668,653	7,753,428	7,914,680	8,074,447
Export shipments to:					
United States	409,166	628,290	634,071	411,127	394,503
All other markets	4,463,480	4,343,952	4,631,598	4,619,931	4,764,362
Total exports	4,872,646	4,972,242	5,265,669	5,031,058	5,158,865
Total shipments	12,611,454	12,640,895	13,019,097	12,945,738	13,233,312
	Ratios and shares (percent)				
Capacity utilization	83.0	84.4	85.2	88.7	Error
Inventories/production	4.6	4.9	4.0	4.3	4.5
Inventories/total shipments	4.7	4.9	3.9	4.3	4.6
Share of shipments:					
Home market shipments:					
Internal consumption/ transfers	18.3	18.8	16.9	18.6	19.1
Home market shipments	43.1	41.9	42.6	42.6	41.9
Subtotal, home market shipments	61.4	60.7	59.6	61.1	61.0
Export shipments to:					
United States	3.2	5.0	4.9	3.2	3.0
All other markets	35.4	34.4	35.6	35.7	36.0
Total exports	38.6	39.3	40.4	38.9	39.0
Total shipments	100.0	100.0	100.0	100.0	100.0

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

Table VII-35
Wire rod: Subject countries combined producers' overall capacity and production on the same equipment as subject production, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Overall capacity	25,287,507	24,913,280	23,825,336
Production:			
Wire rod	12,804,223	12,697,775	12,922,258
Stainless steel bars and rods	0	0	0
Tool steel and high-nickel steel	657	807	807
Ball bearing steel	15,153	12,508	19,490
Concrete reinforcing bars and rods	5,379,021	5,560,533	5,651,041
Other products	2,896,296	2,717,508	2,600,063
Out-of-scope production	8,291,127	8,291,356	8,271,401
Total production on same machinery	21,095,350	20,989,131	21,193,659
	Ratios and shares (percent)		
Overall capacity utilization	83.4	84.2	85.4
Share of production:			
Wire rod	60.7	60.5	61.0
Stainless steel bars and rods	0.0	0.0	0.0
Tool steel and high-nickel steel	0.0	0.0	0.0
Ball bearing steel	0.1	0.1	0.1
Concrete reinforcing bars and rods	25.5	26.5	26.7
Other products	13.7	12.9	12.3
Out-of-scope production	39.3	39.5	39.0
Total production on same machinery	100.0	100.0	100.0

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

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-36 presents data on U.S. importers' reported inventories of wire rod.

Table VII-36
Wire rod: U.S. importers' inventories, 2014-16

* * * * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of wired rod from subject countries, Canada, and all other sources after December 31, 2016.

Table VII-37
Wire rod: U.S. importers' arranged imports, 2017

* * * * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Table VII-38 presents a list of countries with current remedies in effect as well as the type of trade remedy action and year in which the orders were issued.

Table VII-38
Wire rod: Trade remedies on wire rod from subject countries in third countries, by type of action and year of imposition of duties

Country imposing remedy	Subject coutry(ies) subject to trade remedy action	Type of remedy	Covered products	Year of duty imposition
Chile	Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, United Kingdom	Safeguard measure	Steel wire rod	April 2016
Eurasian Economic Commission (Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan)	Ukraine	Antidumping	Bars and rods	March 2016
Indonesia	Belarus, Italy, Spain, United Kingdom	Safeguard measure	Bars and rods	August 2015
Malaysia	Korea	Antidumping	Steel wire rod	February 2013
Malaysia	Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, United Kingdom	Provisional safeguard measure	Steel wire rod and deformed bar in coil	April 2017
Mexico	Ukraine	Antidumping/ ***	Bars and rods of iron or non-alloy steel/***	September 2000/***
Morocco	Belarus, Russia, Spain, Turkey, Ukraine, United Kingdom	Safeguard measure	Wire rods and reinforcing bars	March 2015
***	***	***	***	***
Vietnam	Italy, Korea, Russia, Spain, United Arab Emirates, United Kingdom	Safeguard measure	Certain semi-finished and finished products of ally and non-alloy steel, including rods of iron or non-alloy steel	August 2016

Note.—Petitioners noted that ***. Non-trade remedy barriers imposed by third countries in the form of increased import duties on imports from certain subject sources were identified for ***.

Source: Petitioner Nucor's postconference brief, exh. 9 and *Notice of Affirmative Final Determination of an Investigation with Regard to Steel Wire Rods and Deformed Bar in Coils Products Imported Into Malaysia*, Federal Government Gazette, April 11, 2017.

INFORMATION ON NONSUBJECT COUNTRIES

General information

The industries in China, Germany, and Japan are among the largest global producers and exporters of wire rod. The largest wire rod producers in China include ***. China exported approximately 11.9 million short tons in 2016. Imports of wire rod from China are currently subject to antidumping and countervailing duty orders. The largest wire rod producers in Germany include ArcelorMittal, Badische Stahlwerke, Riva Stahl, and Saarstahl AG. Germany exported approximately 1.9 million short tons in 2016. The largest wire rod producers in Japan include JFE, Kobe Steel, Nakayama Steel Works, and Nippon Steel & Sumitomo Metals Corp. Japan exported approximately 1.7 million short tons in 2016.

The industries in Czech Republic and Brazil are not the largest global producers of wire rod. Nonetheless, they have maintained a presence in the United States. The largest wire rod producers in the Czech Republic include Moravia Steel and ArcelorMittal. The Czech Republic exported approximately 927 thousand short tons in 2016. The largest wire rod producers in Brazil include ArcelorMittal and Gerdau. Brazil exported approximately 516 thousand short tons in 2016.

Table VII-39 presents exports of bar and rod (including wire rod) to the world from 2014 to 2016.

Table VII-39
Bars and rod (including wire rod): Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
United States	95,301	75,458	72,557
Subject exporters--			
Belarus	8,648	200,181	255,596
Italy	796,943	773,843	811,560
Korea	892,517	938,588	925,397
Russia	599,486	654,041	1,042,941
South Africa	44,366	74,981	47,800
Spain	803,297	762,012	776,787
Turkey	721,580	551,798	734,816
Ukraine	1,232,435	1,157,827	1,292,428
United Arab Emirates	120,480	257,362	0
United Kingdom	604,721	607,789	556,697
All subject exporters	5,824,474	5,978,423	6,444,024
All other major reporting exporters--			
China	12,433,992	13,378,324	11,886,041
Germany	2,108,013	2,109,334	1,861,844
Japan	1,676,861	1,668,732	1,700,278
Czech Republic	727,064	845,786	927,032
Brazil	294,048	415,000	515,901
Canada	500,374	519,169	512,789
Poland	450,450	458,016	421,594
Austria	308,103	304,368	386,660
France	460,871	459,372	368,803
Portugal	415,689	329,236	291,089
All other exporters	2,022,670	1,673,057	1,614,634
Total global exports	27,317,910	28,214,274	27,003,248

Table continued on next page.

Table VII-39--Continued
Bars and rod (including wire rod): Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
United States	99,541	75,612	66,777
Subject exporters--			
Belarus	4,459	61,689	68,523
Italy	482,016	349,581	336,634
Korea	542,513	452,596	421,658
Russia	303,968	226,390	323,425
South Africa	25,525	27,735	15,662
Spain	534,129	399,772	364,895
Turkey	385,138	214,066	263,540
Ukraine	604,540	418,146	415,631
United Arab Emirates	65,038	103,573	0
United Kingdom	395,524	308,783	249,734
All subject exporters	3,342,849	2,562,329	2,459,701
All other major reporting exporters--			
China	5,639,556	4,492,961	3,645,266
Germany	1,376,648	1,067,375	878,477
Japan	1,377,550	1,197,797	1,107,133
Czech Republic	446,358	387,654	385,566
Brazil	174,402	192,760	211,775
Canada	387,078	333,673	303,695
Poland	280,456	217,485	183,233
Austria	284,363	261,368	300,028
France	303,620	228,191	173,842
Portugal	221,142	133,972	101,806
All other exporters	1,213,592	799,018	699,159
Total global exports	15,147,153	11,950,195	10,516,459

Table continued on next page.

Table VII-39--Continued
Bars and rod (including wire rod): Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
United States	1,044	1,002	920
Subject exporters--			
Belarus	516	308	268
Italy	605	452	415
Korea	608	482	456
Russia	507	346	310
South Africa	575	370	328
Spain	665	525	470
Turkey	534	388	359
Ukraine	491	361	322
United Arab Emirates	540	402	---
United Kingdom	654	508	449
All subject exporters	574	429	382
All other major reporting exporters--			
China	454	336	307
Germany	653	506	472
Japan	822	718	651
Czech Republic	614	458	416
Brazil	593	464	410
Canada	774	643	592
Poland	623	475	435
Austria	923	859	776
France	659	497	471
Portugal	532	407	350
All other exporters	600	478	433
Total global exports	554	424	389

Table continued on next page.

Table VII-39--Continued
Bars and rod (including wire rod): Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Share of quantity (percent)		
United States	0.3	0.3	0.3
Subject exporters-- Belarus	0.0	0.7	0.9
Italy	2.9	2.7	3.0
Korea	3.3	3.3	3.4
Russia	2.2	2.3	3.9
South Africa	0.2	0.3	0.2
Spain	2.9	2.7	2.9
Turkey	2.6	2.0	2.7
Ukraine	4.5	4.1	4.8
United Arab Emirates	0.4	0.9	---
United Kingdom	2.2	2.2	2.1
All subject exporters	21.3	21.2	23.9
All other major reporting exporters-- China	45.5	47.4	44.0
Germany	7.7	7.5	6.9
Japan	6.1	5.9	6.3
Czech Republic	2.7	3.0	3.4
Brazil	1.1	1.5	1.9
Canada	1.8	1.8	1.9
Poland	1.6	1.6	1.6
Austria	1.1	1.1	1.4
France	1.7	1.6	1.4
Portugal	1.5	1.2	1.1
All other exporters	7.4	5.9	6.0
Total global exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by various national statistical authorities supplemented with UN comtrade data in the IHS/GTA database, accessed April 5, 2017.

Canada

The industry in Canada is not among the larger global producers and exporters of wire rod. Nonetheless, Canada is a leading source of U.S. wire rod imports. According to table VII-40, virtually all Canadian exports of bars and rods (including wire rod) are exported to the United States. The largest wire rod producers in Canada are Ivaco Inc. (Heico) and ArcelorMittal. Total Canadian production of wire rod was an estimated *** short tons in 2015.[30]

[30] ***. Capacity may be overstated due to shared production with out of scope products.

Table VII-40
Bars and rod (including wire rod): Exports by Canada, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Canada exports to the United States	498,029	518,169	512,090
Canada exports to other major destination markets--			
Spain	0	0	282
China	862	532	175
Pakistan	0	0	157
Vietnam	0	0	53
India	473	159	24
Singapore	0	0	5
Brazil	0	0	2
Italy	678	0	0
All other destination markets	331	309	0
Total Canada exports	500,374	519,169	512,789
	Value (1,000 dollars)		
Canada exports to the United States	385,664	333,140	303,320
Canada exports to other major destination markets--			
Spain	0	0	171
China	449	248	90
Pakistan	0	0	58
Vietnam	0	0	37
India	235	121	16
Singapore	0	0	3
Brazil	0	0	1
Italy	277	0	0
All other destination markets	453	163	0
Total Canada exports	387,078	333,673	303,695

Table continued on next page.

Table VII-40--Continued
Bars and rod (including wire rod): Exports by Canada, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Canada exports to the United States	774	643	592
Canada exports to other major destination markets--			
Spain	---	---	606
China	520	466	514
Pakistan	---	---	369
Vietnam	---	---	685
India	497	762	691
Singapore	---	---	457
Brazil	---	---	422
Italy	408	---	---
All other destination markets	1,369	529	---
Total Canada exports	774	643	592
	Share of quantity (percent)		
Canada exports to the United States	99.5	99.8	99.9
Canada exports to other major destination markets--			
Spain	---	---	0.1
China	0.2	0.1	0.0
Pakistan	---	---	0.0
Vietnam	---	---	0.0
India	0.1	0.0	0.0
Singapore	---	---	0.0
Brazil	---	---	0.0
Italy	0.1	---	---
All other destination markets	0.1	0.1	---
Total Canada exports	100.0	100.0	100.0

Source: Official export statistics under HS subheading 7213.91, 7227.20, and 7227.90 as reported by Statistics Canada in the IHS/GTA database, accessed April 5, 2017.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
82 FR 16232, April 3, 2017	*Carbon and Certain Alloy Steel Wire Rod From Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.federalregister.gov/documents/2017/04/03/2017-06457/carbon-and-certain-alloy-steel-wire-rod-from-belarus-italy-korea-russia-south-africa-spain-turkey
82 FR 19213, April 26, 2017	*Carbon and Alloy Steel Wire Rod From Italy and Turkey: Initiation of Countervailing Duty Investigations*	https://www.federalregister.gov/documents/2017/04/26/2017-08212/carbon-and-alloy-steel-wire-rod-from-italy-and-turkey-initiation-of-countervailing-duty
82 FR 19207, April 26, 2017	*Carbon and Alloy Steel Wire Rod From Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*	https://www.federalregister.gov/documents/2017/04/26/2017-08397/carbon-and-alloy-steel-wire-rod-from-belarus-italy-the-republic-of-korea-the-russian-federation

APPENDIX B

CALENDAR OF THE PUBLIC STAFF CONFERENCE

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

Subject: Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Inv. Nos.: 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)

Date and Time: April 18, 2017 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in Courtroom B (room 111), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

Respondents (**Matthew M. Nolan**, Arent Fox LLP)
Petitioner (**Alan H. Price**, WileyRein LLP)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

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

The American Wire Producers Association ("AWPA")

Kimberly A. Korbel, Executive Director, AWPA

John T. Johnson, Jr., President, Mid South Wire Company and President, AWPA

Christian Stauffer, Vice President for Sourcing and Logistics, Insteel Industries Inc.

Robert Moffitt, Vice President, Purchasing, Heico Wire Group

Terry Hughes, Director of Purchasing for North America, Bekaert Corporation

Andrea Ramirez, Regional Counsel – Americas, Group Legal U.S., Bekaert Corporation

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

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

Crowell & Moring LLP
Washington, DC
on behalf of

Ferriere Nord S.p.A.

Daniel Cannistra) – OF COUNSEL

White & Case LLP
Washington, DC
on behalf of

CELSA Group
Global Steel Wire S.A.
CELSA Atlantic SA
Compańia Espańola de Laminación

David E. Bond)
) – OF COUNSEL
Ting-Ting Kao)

Mowry & Grimson, PLLC
Washington, DC
on behalf of

ArcelorMittal South Africa

Kristin Mowry) – OF COUNSEL

Hogan Lovells US LLP
Washington, DC
on behalf of

Public Joint Stock Company Yenakiieve Iron and Steel Works
Metinvest International S.A.

Craig Lewis) – OF COUNSEL

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Trade Pacific PLLC
Washington, DC
on behalf of

POSCO

Young Keun Hwang, President, POSCO America
Alabama Processing Center

John Ryoo, Sales Manager, POSCO America Corporation

Jarrod M. Goldfeder) – OF COUNSEL

Morris Manning & Martin, LLP
Washington, DC
on behalf of

Kiswire America

David Minnick, CEO, Kiswire America

David Vanderkaay, Technical Service Manager,
Kiswire America

Wan Kim, Advisor for Kiswire America

Donald B. Cameron)
) – OF COUNSEL
Julie Mendoza)

Steptoe & Johnson LLP
Washington, DC
on behalf of

British Steel Limited

Richard O. Cunningham)
) – OF COUNSEL
Thomas J. Trendl)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Arent Fox LLP
Washington, DC
on behalf of

Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. ("Icdas")
The Istanbul Minerals and Metals Exports Association ("IMMIB")
and its members
The Turkish Steel Exporters' Association (Çelik Íhracatçilari Birliği ("ÇÍB")
and its members

Matthew M. Nolan) – OF COUNSEL

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

Kelley Drye & Warren LLP
Washington, DC
on behalf of

Gerdau Ameristeel US Inc.
Keystone Consolidated Industries, Inc.
Charter Steel

Chris Armstrong, Chief Executive Officer, Keystone Consolidated Industries, Inc.

Marcelo Canosa, Director of Marketing, Gerdau Long Steel North America

Stephen Ashby, Vice President, Sales, Keystone Steel & Wire

Roxanne Brown, Assistant Legislative Director, United Steelworkers

W. Bradley Hudgens, Economic Consultant, Georgetown Economic Services

Paul C. Rosenthal)
Kathleen W. Cannon) – OF COUNSEL
Brooke M. Ringel)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):

WileyRein LLP
Washington, DC
on behalf of

Nucor

Eric Nystrom Director, SBQ and Wire Rod, Nucor

Alan H. Price)
) – OF COUNSEL
Daniel B. Pickard)

REBUTTAL/CLOSING REMARKS:

Respondents (**Richard O. Cunningham**, Steptoe & Johnson LLP)
Petitioner (**Paul C. Rosenthal**, Kelley Drye & Warren LLP)

-END-

APPENDIX C

SUMMARY DATA

List of summary tables provided in appendix C

- **Table C-1 presents summary data for the total U.S. market**
- **Table C-2 presents summary data for the merchant market**

Table C-1

Total Market

Wire rod: Summary data concerning the total U.S. market, 2014-16

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. consumption quantity:						
Amount	5,454,176	5,442,066	5,332,017	(2.2)	(0.2)	(2.0)
Producers' share (fn1)	66.9	66.9	66.4	(0.4)	0.0	(0.5)
Importers' share (fn1):						
Belarus	---	0.2	0.7	0.7	0.2	0.6
Italy	0.0	0.0	0.6	0.6	(0.0)	0.6
Korea	2.0	2.4	1.9	(0.1)	0.4	(0.5)
Russia	0.2	0.1	1.9	1.7	(0.1)	1.8
South Africa	---	0.8	0.4	0.4	0.8	(0.4)
Spain	0.6	1.5	1.5	0.9	0.9	0.0
Turkey	3.9	4.9	1.8	(2.0)	1.0	(3.0)
Ukraine	0.3	1.5	3.0	2.8	1.2	1.6
United Arab Emirates	0.0	0.3	0.4	0.4	0.3	0.1
United Kingdom	1.3	0.8	1.0	(0.3)	(0.5)	0.2
Subject sources	8.3	12.4	13.4	5.1	4.2	0.9
Canada	9.6	10.3	10.4	0.7	0.7	0.0
All other sources	15.3	10.3	9.8	(5.4)	(4.9)	(0.5)
Nonsubject sources	24.9	20.7	20.2	(4.7)	(4.2)	(0.5)
All import sources	33.1	33.1	33.6	0.4	(0.0)	0.5
U.S. consumption value:						
Amount	3,787,493	3,196,885	2,849,990	(24.8)	(15.6)	(10.9)
Producers' share (fn1)	66.9	64.8	64.5	(2.4)	(2.1)	(0.3)
Importers' share (fn1):						
Belarus	---	0.1	0.4	0.4	0.1	0.3
Italy	0.0	0.0	0.4	0.4	(0.0)	0.4
Korea	1.8	2.1	1.8	(0.0)	0.3	(0.3)
Russia	0.2	0.1	1.2	1.0	(0.1)	1.2
South Africa	---	0.6	0.3	0.3	0.6	(0.3)
Spain	0.6	1.6	1.6	1.1	1.0	0.0
Turkey	3.3	4.0	1.5	(1.8)	0.7	(2.5)
Ukraine	0.2	1.1	2.1	1.9	0.9	1.0
United Arab Emirates	0.0	0.2	0.3	0.3	0.2	0.1
United Kingdom	1.2	0.8	0.9	(0.3)	(0.4)	0.1
Subject sources	7.4	10.6	10.6	3.3	3.2	0.0
Canada	10.7	11.2	11.4	0.7	0.5	0.2
All other sources	15.0	13.3	13.4	(1.6)	(1.6)	0.0
Nonsubject sources	25.7	24.6	24.8	(0.8)	(1.1)	0.3
All import sources	33.1	35.2	35.5	2.4	2.1	0.3
U.S. imports from:						
Belarus:						
Quantity	0	9,059	38,267	fn2	fn2	322.4
Value	0	3,131	12,434	fn2	fn2	297.1
Unit value	$0	$346	$325	fn2	fn2	(6.0)
Ending inventory quantity	***	***	***	***	***	***
Italy:						
Quantity	346	246	33,163	9,472.6	(29.0)	13,373.4
Value	543	291	12,697	2,236.6	(46.4)	4,259.7
Unit value	$1,569	$1,183	$383	(75.6)	(24.6)	(67.6)
Ending inventory quantity	***	***	***	***	***	***
Korea:						
Quantity	109,026	128,862	101,970	(6.5)	18.2	(20.9)
Value	69,377	67,290	51,873	(25.2)	(3.0)	(22.9)
Unit value	$636	$522	$509	(20.1)	(17.9)	(2.6)
Ending inventory quantity	***	***	***	***	***	***
Russia:						
Quantity	12,329	6,857	103,322	738.0	(44.4)	1,406.8
Value	7,552	2,230	35,215	366.3	(70.5)	1,479.1
Unit value	$613	$325	$341	(44.4)	(46.9)	4.8
Ending inventory quantity	***	***	***	***	***	***
South Africa:						
Quantity	0	45,451	22,049	fn2	fn2	(51.5)
Value	0	18,830	8,000	fn2	fn2	(57.5)
Unit value	$0	$414	$363	fn2	fn2	(12.4)
Ending inventory quantity	***	***	***	***	***	***
Spain:						
Quantity	31,778	79,976	78,665	147.5	151.7	(1.6)
Value	22,392	52,358	47,007	109.9	133.8	(10.2)
Unit value	$705	$655	$598	(15.2)	(7.1)	(8.7)
Ending inventory quantity	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Wire rod: Summary data concerning the total U.S. market, 2014-16
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. imports.--Continued						
Turkey:						
Quantity	210,901	264,469	98,497	(53.3)	25.4	(62.8)
Value	125,108	128,556	44,005	(64.8)	2.8	(65.8)
Unit value	$593	$486	$447	(24.7)	(18.1)	(8.1)
Ending inventory quantity	***	***	***	***	***	***
Ukraine:						
Quantity	14,625	79,053	161,451	1,003.9	440.5	104.2
Value	8,684	35,022	59,507	585.3	303.3	69.9
Unit value	$594	$443	$369	(37.9)	(25.4)	(16.8)
Ending inventory quantity	***	***	***	***	***	***
United Arab Emirates:						
Quantity	28	17,673	22,159	78,897.0	62,903.0	25.4
Value	18	6,952	7,631	42,847.1	39,026.8	9.8
Unit value	$633	$393	$344	(45.6)	(37.9)	(12.5)
Ending inventory quantity	***	***	***	***	***	***
United Kingdom:						
Quantity	71,379	45,609	52,736	(26.1)	(36.1)	15.6
Value	46,428	24,859	25,035	(46.1)	(46.5)	0.7
Unit value	$650	$545	$475	(27.0)	(16.2)	(12.9)
Ending inventory quantity	***	***	***	***	***	***
Subject sources:						
Quantity	450,414	677,254	712,279	58.1	50.4	5.2
Value	280,103	339,520	303,403	8.3	21.2	(10.6)
Unit value	$622	$501	$426	(31.5)	(19.4)	(15.0)
Ending inventory quantity	***	***	***	***	***	***
Canada:						
Quantity	524,324	561,752	552,362	5.3	7.1	(1.7)
Value	405,564	358,637	326,185	(19.6)	(11.6)	(9.0)
Unit value	$774	$638	$591	(23.7)	(17.5)	(7.5)
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	833,059	562,237	524,687	(37.0)	(32.5)	(6.7)
Value	566,556	426,591	381,719	(32.6)	(24.7)	(10.5)
Unit value	$680	$759	$728	7.0	11.6	(4.1)
Ending inventory quantity	***	***	***	***	***	***
Nonsubject sources:						
Quantity	1,357,383	1,123,989	1,077,050	(20.7)	(17.2)	(4.2)
Value	972,120	785,228	707,904	(27.2)	(19.2)	(9.8)
Unit value	$716	$699	$657	(8.2)	(2.5)	(5.9)
Ending inventory quantity	***	***	***	***	***	***
All imports sources:						
Quantity	1,807,797	1,801,243	1,789,328	(1.0)	(0.4)	(0.7)
Value	1,252,223	1,124,748	1,011,307	(19.2)	(10.2)	(10.1)
Unit value	$693	$624	$565	(18.4)	(9.9)	(9.5)
Ending inventory quantity	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Wire rod: Summary data concerning the total U.S. market, 2014-16
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. producers':						
Average capacity quantity	4,890,994	4,928,590	4,635,509	(5.2)	0.8	(5.9)
Production quantity	3,706,939	3,675,269	3,580,955	(3.4)	(0.9)	(2.6)
Capacity utilization (fn1)	75.8	74.6	77.3	1.5	(1.2)	2.7
U.S. shipments:						
Quantity	3,646,379	3,640,823	3,542,689	(2.8)	(0.2)	(2.7)
Value	2,535,270	2,072,137	1,838,683	(27.5)	(18.3)	(11.3)
Unit value	$695	$569	$519	(25.4)	(18.1)	(8.8)
Export shipments:						
Quantity	42,744	33,585	38,667	(9.5)	(21.4)	15.1
Value	34,544	22,977	23,452	(32.1)	(33.5)	2.1
Unit value	$808	$684	$607	(25.0)	(15.3)	(11.3)
Ending inventory quantity	261,268	262,130	261,730	0.2	0.3	(0.2)
Inventories/total shipments (fn1)	7.1	7.1	7.3	0.2	0.1	0.2
Production workers	2,269	2,411	2,222	(2.1)	6.3	(7.8)
Hours worked (1,000s)	4,835	4,945	4,754	(1.7)	2.3	(3.9)
Wages paid ($1,000)	170,593	172,268	168,288	(1.4)	1.0	(2.3)
Hourly wages (dollars)	$35.28	$34.84	$35.40	0.3	(1.3)	1.6
Productivity (short tons per 1,000 hours)	766.7	743.2	753.3	(1.8)	(3.1)	1.3
Unit labor costs	$46.02	$46.87	$47.00	2.1	1.9	0.3
Net sales:						
Quantity	3,689,123	3,674,408	3,581,356	(2.9)	(0.4)	(2.5)
Value	2,569,813	2,095,115	1,862,126	(27.5)	(18.5)	(11.1)
Unit value	$697	$570	$520	(25.4)	(18.1)	(8.8)
Cost of goods sold (COGS)	2,433,233	1,980,765	1,714,896	(29.5)	(18.6)	(13.4)
Gross profit or (loss)	136,580	114,350	147,230	7.8	(16.3)	28.8
SG&A expenses	84,072	76,932	83,693	(0.5)	(8.5)	8.8
Operating income or (loss)	52,508	37,418	63,537	21.0	(28.7)	69.8
Net income or (loss)	39,057	24,142	54,616	39.8	(38.2)	126.2
Capital expenditures	97,747	86,292	66,425	(32.0)	(11.7)	(23.0)
Unit COGS	$660	$539	$479	(27.4)	(18.3)	(11.2)
Unit SG&A expenses	$23	$21	$23	2.5	(8.1)	11.6
Unit operating income or (loss)	$14	$10	$18	24.6	(28.5)	74.2
Unit net income or (loss)	$11	$7	$15	44.0	(37.9)	132.1
COGS/sales (fn1)	94.7	94.5	92.1	(2.6)	(0.1)	(2.4)
Operating income or (loss)/sales (fn1)	2.0	1.8	3.4	1.4	(0.3)	1.6
Net income or (loss)/sales (fn1)	1.5	1.2	2.9	1.4	(0.4)	1.8

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed April 5, 2017.

Merchant Market

Table C-2
Wire rod: Summary data concerning the merchant U.S. market, 2014-16
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. consumption quantity:						
Amount	4,435,158	4,393,786	4,258,701	(4.0)	(0.9)	(3.1)
Producers' share (fn1)	59.2	59.0	58.0	(1.3)	(0.2)	(1.0)
Importers' share (fn1):						
Belarus	---	0.2	0.9	0.9	0.2	0.7
Italy	0.0	0.0	0.8	0.8	(0.0)	0.8
Korea	2.5	2.9	2.4	(0.1)	0.5	(0.5)
Russia	0.3	0.2	2.4	2.1	(0.1)	2.3
South Africa	---	1.0	0.5	0.5	1.0	(0.5)
Spain	0.7	1.8	1.8	1.1	1.1	0.0
Turkey	4.8	6.0	2.3	(2.4)	1.3	(3.7)
Ukraine	0.3	1.8	3.8	3.5	1.5	2.0
United Arab Emirates	0.0	0.4	0.5	0.5	0.4	0.1
United Kingdom	1.6	1.0	1.2	(0.4)	(0.6)	0.2
Subject sources	10.2	15.4	16.7	6.6	5.3	1.3
Canada	11.8	12.8	13.0	1.1	1.0	0.2
All other sources	18.8	12.8	12.3	(6.5)	(6.0)	(0.5)
Nonsubject sources	30.6	25.6	25.3	(5.3)	(5.0)	(0.3)
All import sources	40.8	41.0	42.0	1.3	0.2	1.0
U.S. consumption value:						
Amount	3,131,198	2,637,141	2,317,039	(26.0)	(15.8)	(12.1)
Producers' share (fn1)	60.0	57.3	56.4	(3.7)	(2.7)	(1.0)
Importers' share (fn1):						
Belarus	---	0.1	0.5	0.5	0.1	0.4
Italy	0.0	0.0	0.5	0.5	(0.0)	0.5
Korea	2.2	2.6	2.2	0.0	0.3	(0.3)
Russia	0.2	0.1	1.5	1.3	(0.2)	1.4
South Africa	---	0.7	0.3	0.3	0.7	(0.4)
Spain	0.7	2.0	2.0	1.3	1.3	0.0
Turkey	4.0	4.9	1.9	(2.1)	0.9	(3.0)
Ukraine	0.3	1.3	2.6	2.3	1.1	1.2
United Arab Emirates	0.0	0.3	0.3	0.3	0.3	0.1
United Kingdom	1.5	0.9	1.1	(0.4)	(0.5)	0.1
Subject sources	8.9	12.9	13.1	4.1	3.9	0.2
Canada	13.0	13.6	14.1	1.1	0.6	0.5
All other sources	18.1	16.2	16.5	(1.6)	(1.9)	0.3
Nonsubject sources	31.0	29.8	30.6	(0.5)	(1.3)	0.8
All import sources	40.0	42.7	43.6	3.7	2.7	1.0
U.S. producers':						
Commercial U.S. shipments:						
Quantity	2,627,361	2,592,543	2,469,373	(6.0)	(1.3)	(4.8)
Value	1,878,975	1,512,393	1,305,732	(30.5)	(19.5)	(13.7)
Unit value	$715	$583	$529	(26.1)	(18.4)	(9.4)
Commercial sales:						
Quantity	2,669,611	2,625,619	2,507,226	(6.1)	(1.6)	(4.5)
Value	1,912,967	1,534,935	1,328,554	(30.6)	(19.8)	(13.4)
Unit value	$717	$585	$530	(26.1)	(18.4)	(9.4)
Cost of goods sold (COGS)	1,809,803	1,468,463	1,234,908	(31.8)	(18.9)	(15.9)
Gross profit or (loss)	103,164	66,472	93,646	(9.2)	(35.6)	40.9
SG&A expenses	64,366	57,556	63,050	(2.0)	(10.6)	9.5
Operating income or (loss)	38,798	8,916	30,596	(21.1)	(77.0)	243.2
Net income or (loss)	32,394	1,646	26,287	(18.9)	(94.9)	1,497.0
Unit COGS	$678	$559	$493	(27.3)	(17.5)	(11.9)
Unit SG&A expenses	$24	$22	$25	4.3	(9.1)	14.7
Unit operating income or (loss)	$15	$3	$12	(16.0)	(76.6)	259.4
Unit net income or (loss)	$12	$1	$10	(13.6)	(94.8)	1,572.4
COGS/sales (fn1)	94.6	95.7	93.0	(1.7)	1.1	(2.7)
Operating income or (loss)/sales (fn1)	2.0	0.6	2.3	0.3	(1.4)	1.7
Net income or (loss)/sales (fn1)	1.7	0.1	2.0	0.3	(1.6)	1.9

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed April 5, 2017.

APPENDIX D

MONTHLY U.S. SHIPMENTS, IMPORTS, AND MARKET SHARES

Table D-1

Wire rod: Monthly apparent U.S. consumption, January 2014 through December 2016

Item	U.S. producers' U.S. shipments	U.S. imports from.--			Apparent U.S. consumption
		Subject sources	Nonsubject sources	All import sources	
	Quantity (short tons)				
2014.--					
January	285,886	14,085	144,490	158,576	444,462
February	274,721	8,201	100,186	108,386	383,107
March	328,273	15,304	132,038	147,342	475,615
April	316,692	22,283	217,573	239,856	556,548
May	295,632	27,543	160,845	188,388	484,020
June	331,861	85,647	79,302	164,949	496,810
July	307,210	5,381	95,999	101,380	408,590
August	306,244	38,400	82,747	121,148	427,392
September	343,171	49,036	113,952	162,989	506,160
October	293,709	92,951	77,815	170,766	464,475
November	263,238	41,032	59,388	100,420	363,658
December	299,739	49,747	86,363	136,110	435,849
2015.--					
January	309,119	46,156	98,632	144,787	453,906
February	285,921	84,659	83,471	168,130	454,051
March	331,821	69,430	81,980	151,410	483,231
April	319,548	32,653	94,317	126,969	446,517
May	290,034	26,747	95,373	122,120	412,154
June	344,059	38,558	106,050	144,608	488,667
July	330,617	38,113	78,608	116,722	447,339
August	317,245	65,182	99,569	164,751	481,996
September	313,433	73,734	85,042	158,776	472,209
October	273,295	71,172	119,549	190,721	464,016
November	258,191	15,225	91,351	106,576	364,767
December	267,539	110,238	83,272	193,509	461,048
2016.--					
January	325,015	61,812	83,773	145,585	470,600
February	292,325	70,224	82,158	152,382	444,707
March	330,803	62,813	92,570	155,383	486,186
April	324,456	65,170	81,318	146,488	470,944
May	288,289	62,488	100,060	162,548	450,837
June	309,609	63,682	90,416	154,099	463,708
July	257,280	41,865	98,087	139,952	397,232
August	300,387	86,154	86,443	172,596	472,983
September	291,635	56,014	90,147	146,161	437,796
October	257,439	77,881	89,831	167,711	425,150
November	253,001	41,545	76,515	118,060	371,061
December	312,447	18,629	99,563	118,192	430,639

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. imports based on General Imports using statistical reporting numbers 2804.69.1000 and 2804.69.5000, accessed on March 16, 2017.

Table D-2

Wire rod: Monthly market shares, January 2014 through December 2016

Item	U.S. producers' U.S. shipments	U.S. imports from.--			Apparent U.S. consumption
		Subject sources	Nonsubject sources	All import sources	
	Share of quantity (percent)				
2014.--					
January	64.3	3.2	32.5	35.7	100.0
February	71.7	2.1	26.2	28.3	100.0
March	69.0	3.2	27.8	31.0	100.0
April	56.9	4.0	39.1	43.1	100.0
May	61.1	5.7	33.2	38.9	100.0
June	66.8	17.2	16.0	33.2	100.0
July	75.2	1.3	23.5	24.8	100.0
August	71.7	9.0	19.4	28.3	100.0
September	67.8	9.7	22.5	32.2	100.0
October	63.2	20.0	16.8	36.8	100.0
November	72.4	11.3	16.3	27.6	100.0
December	68.8	11.4	19.8	31.2	100.0
2015.--					
January	68.1	10.2	21.7	31.9	100.0
February	63.0	18.6	18.4	37.0	100.0
March	68.7	14.4	17.0	31.3	100.0
April	71.6	7.3	21.1	28.4	100.0
May	70.4	6.5	23.1	29.6	100.0
June	70.4	7.9	21.7	29.6	100.0
July	73.9	8.5	17.6	26.1	100.0
August	65.8	13.5	20.7	34.2	100.0
September	66.4	15.6	18.0	33.6	100.0
October	58.9	15.3	25.8	41.1	100.0
November	70.8	4.2	25.0	29.2	100.0
December	58.0	23.9	18.1	42.0	100.0
2016.--					
January	69.1	13.1	17.8	30.9	100.0
February	65.7	15.8	18.5	34.3	100.0
March	68.0	12.9	19.0	32.0	100.0
April	68.9	13.8	17.3	31.1	100.0
May	63.9	13.9	22.2	36.1	100.0
June	66.8	13.7	19.5	33.2	100.0
July	64.8	10.5	24.7	35.2	100.0
August	63.5	18.2	18.3	36.5	100.0
September	66.6	12.8	20.6	33.4	100.0
October	60.6	18.3	21.1	39.4	100.0
November	68.2	11.2	20.6	31.8	100.0
December	72.6	4.3	23.1	27.4	100.0

Source: Derived from table D-2.

APPENDIX E

NONSUBJECT COUNTRY PRICE DATA

One importer reported price data for nonsubject country Canada for products 1, 2, and 4. Price data reported by this firm accounted for 5.3 percent of U.S. commercial shipments from Canada in 2016.[1] These price items and accompanying data are comparable to those presented in tables V-3, V-4, and V-6. Price and quantity data for Canada are shown in tables E-1 to E-3 and in figures E-1 to E-3 (with domestic and subject sources).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for wire rod imported from Canada were lower than prices for U.S.-produced wire rod in 15 instances and higher in 21 instances. In comparing nonsubject country pricing data with subject country pricing data, prices for wire rod imported from Canada were lower than prices for wire rod imported from subject countries (aggregated) in 9 instances and higher in 23 instances. On a country-by-country basis, prices for wire rod imported from Canada were lower in a majority of instances than prices for wire rod imported from Italy (in *** instances) and the United Arab Emirates (in *** instances). Prices for wire rod imported from Canada were higher in a majority of instances for the remaining eight subject countries. A summary of price differentials is presented in table E-4.

Table E-1

Wire rod: Weighted-average f.o.b. prices and quantities of imported product 1, by quarters, January 2014-December 2016

* * * * * * *

Table E-2

Wire rod: Weighted-average f.o.b. prices and quantities of imported product 2, by quarters, January 2014-December 2016

* * * * * * *

Table E-3

Wire rod: Weighted-average f.o.b. prices and quantities of imported product 4, by quarters, January 2014-December 2016

* * * * * * *

[1] ***.

Figure E-1

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2014-December 2016

* * * * * * *

Figure E-2

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarters, January 2014-December 2016

* * * * * * *

Figure E-3

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarters, January 2014-December 2016

* * * * * * *

Table E-4

Wire rod: Summary of underselling/(overselling), by country, January 2014-December 2016

Comparison	Total number of comparisons	Nonsubject lower than the comparison source		Nonsubject higher than the comparison source	
		Number of quarters	Quantity (*short tons*)	Number of quarters	Quantity (*short tons*)
Nonsubject vs United States:					
Canada vs. United States	36	15	***	21	***
Nonsubject vs subject countries:					
Canada vs. Belarus	5	***	***	***	***
Canada vs. Italy	5	***	***	***	***
Canada vs. Korea	25	***	***	***	***
Canada vs. Russia	9	***	***	***	***
Canada vs. South Africa	10	***	***	***	***
Canada vs. Spain	6	***	***	***	***
Canada vs. Turkey	24	***	***	***	***
Canada vs. United Arab Emirates	5	***	***	***	***
Canada vs. Ukraine	17	***	***	***	***
Canada vs. United Kingdom	4	***	***	***	***
Canada vs. Subject (aggregated)	32	9	***	23	***

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