

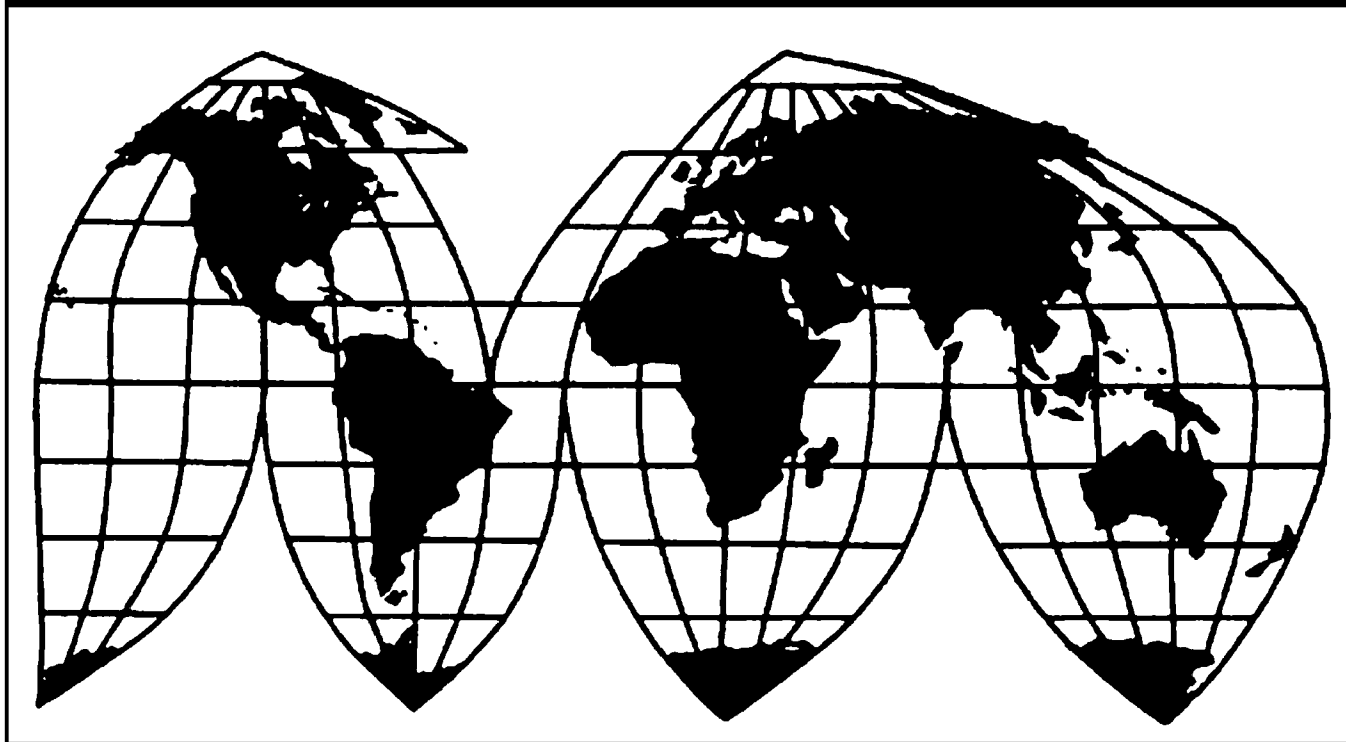
# **Certain Steel Grating from China**

Investigation Nos. 701-TA-465 and 731-TA-1161 (Second Review)

**Publication 5195**

**May 2021**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-465 and 731-TA-1161 (Second Review)

Certain Steel Grating from China

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty and antidumping duty orders on certain steel grating from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission instituted these reviews on October 1, 2020 (85 FR 61981) and determined on January 4, 2021 that it would conduct expedited reviews (86 FR 19286, April 13, 2021).

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





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on certain steel grating from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

*Original Investigations.* On May 29, 2009, Alabama Metal Industries Corp. (“AMICO”) and Fisher & Ludlow, Inc. (now known as Nucor Grating) filed antidumping and countervailing duty petitions on steel grating from China. In July 2010, the Commission determined that an industry in the United States was materially injured by reason of dumped and subsidized imports of steel grating from China.<sup>1</sup> On July 23, 2010, the U.S. Department of Commerce (“Commerce”) issued antidumping and countervailing duty orders on these imports.<sup>2</sup>

*First reviews.* The Commission instituted its first reviews of the antidumping and countervailing duty orders on steel grating from China on June 1, 2015.<sup>3</sup> After conducting expedited reviews, the Commission reached affirmative determinations on October 29, 2015.<sup>4</sup> Commerce issued continuations of the antidumping and countervailing duty orders on November 12, 2015.<sup>5</sup>

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<sup>1</sup> *Certain Steel Grating from China*, Inv. Nos. 701-TA-465 and 731-TA-1161 (Final), USITC Pub. 4168 (July 2010) (“*Original Determination*, USITC Pub. 4168”).

<sup>2</sup> *Certain Steel Grating from China: Antidumping Order*, 75 Fed. Reg. 43143 (July 23, 2010); *Certain Steel Grating from China: Countervailing Duty Order*, 75 Fed. Reg. 43144 (July 23, 2010). Commerce subsequently issued a notice correcting the antidumping duty order, and a notice amending the dumping margins for two exporter/manufacturers pursuant to a decision of the U.S. Court of International Trade. *Certain Steel Grating from China: Corrected Antidumping Order*, 75 Fed. Reg. 69626 (Nov. 15, 2010); *Certain Steel Grating from China: Notice of Amended Final Determination*, 79 Fed. Reg. 47617 (Aug. 14, 2014).

<sup>3</sup> *Certain Steel Grating from China: Notice of Institution*, 80 Fed. Reg. 31071 (June 1, 2015); *Certain Steel Grating from China*, Inv. Nos. 701-TA-465 and 731-TA-1161 (Review), USITC Pub. 4578 (Oct. 2015) (“*First Review Determination*, USITC Pub. 4578”).

<sup>4</sup> *Certain Steel Grating from China, First Sunset Determination*, 80 Fed. Reg. 68334 (Nov. 4, 2015); *First Review Determination*, USITC Pub. 4578 at 3.

<sup>5</sup> *Certain Steel Grating from China, Continuation of Antidumping and Countervailing Duty Orders*, 80 Fed. Reg. 69938 (Nov. 4, 2015).

*Second reviews.* The Commission instituted the current reviews on October 1, 2020.<sup>6</sup> Subsequently, the Commission received a joint response to the notice of institution from the Metal Grating Coalition (“Coalition” or “Domestic Producers”), and its five individual members, which are domestic producers of steel grating.<sup>7</sup> It did not receive a response to the notice of institution from any respondent interested party.<sup>8</sup> On January 7, 2021, the Commission determined that the domestic interested party group response was adequate and that the respondent interested party group response was inadequate.<sup>9</sup> In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant full reviews, the Commission determined that it would conduct expedited reviews of the orders.<sup>10</sup> The Coalition submitted final comments pursuant to Commission rule 207.62(d)(1) on April 22, 2021.<sup>11</sup>

U.S. industry data for these reviews are based on the information that the Coalition, which estimated that its members collectively accounted for \*\*\* percent of domestic production of steel grating in 2019, furnished in its response to the notice of institution.<sup>12</sup> U.S. import data and related information are based on Commerce’s official import statistics.<sup>13</sup> Foreign industry data and related information are based on the information furnished by the Coalition, questionnaire responses from the original investigations, and publicly available information gathered by the Commission staff.<sup>14</sup> One U.S. purchaser responded to the Commission’s adequacy phase questionnaire.<sup>15</sup>

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<sup>6</sup> *Certain Steel Grating from China: Notice of Institution of Second Review*, 85 Fed. Reg. 61981 (Oct. 1, 2020).

<sup>7</sup> The five domestic producers that currently constitute the Metal Grating Coalition are: Nucor Grating; IKG USA, LLC; Ohio Gratings, Inc.; Interstate Gratings, LLC; and Lichtgitter USA Inc. Domestic Producers’ Confidential Response to the Notice of Institution, EDIS Doc. 724301 (Nov. 2, 2020) (“Coalition Response”) at 1. The Coalition also submitted several supplements to its response as a result of staff inquiries.

<sup>8</sup> Confidential Report (“CR”) and Public Report (“PR”) at I-2.

<sup>9</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 729820 (Jan. 7, 2021).

<sup>10</sup> *Scheduling of Expedited Five-Year Reviews; Certain Steel Grating from China*, 86 Fed. Reg. 19286 (Apr. 13, 2021).

<sup>11</sup> Coalition Final Comments, EDIS Doc. 746087 (Apr. 22, 2021) (“Comments”).

<sup>12</sup> CR/PR at Table I-1; Coalition Response at 3.

<sup>13</sup> See CR/PR at Tables I-3 and I-4.

<sup>14</sup> See CR/PR at I-14, Tables I-5 and I-6.

<sup>15</sup> CR/PR at D-3.

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>16</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>17</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>18</sup>

Commerce has defined the scope of the orders in these five-year reviews as follows:

certain steel grating, consisting of two or more pieces of steel, including load-bearing pieces and cross pieces, joined by any assembly process, regardless of: (1) size or shape; (2) method of manufacture; (3) metallurgy (carbon, alloy, or stainless); (4) the profile of the bars; and (5) whether or not they are galvanized, painted, coated, clad or plated. Steel grating is also commonly referred to as “bar grating,” although the components may consist of steel other than bars, such as hot-rolled sheet, plate, or wire rod.

The scope of the order excludes expanded metal grating, which is comprised of a single piece or coil of sheet or thin plate steel that has been slit and expanded and does not involve welding or joining of multiple pieces of steel. The scope of the order also excludes plank type safety grating which is comprised of a single piece or coil of sheet or thin plate steel, typically in thickness of 10 to 18 gauge, that has been pierced and cold formed, and does not involve welding or joining of multiple pieces of steel.

Certain steel grating that is the subject of the order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 308.90.7000. While the HTSUS subheading is provided for convenience and

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<sup>16</sup> 19 U.S.C. § 1677(4)(A).

<sup>17</sup> 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

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

customs purposes, the written description of the scope of the order is dispositive.<sup>19</sup>

The scope definition set out above is unchanged since the first reviews.<sup>20</sup>

Steel grating is a fabricated product distinguished by two sets of components – the “bearing bars” that extend across the length and the “crossbars” that cross (typically perpendicular to) the bearing bars to form a “panel.” The dimensions and spacing of both the bearing bars and crossbars can be designed for a wide variety of load bearing and load-distribution applications. Steel grating is available in various forms, including “standard welded bar grating” with crossbars welded across the tops of the bearing bars, “press-locked grating” with notched bearing bars and sometimes notched crossbars mechanically pressed together, “swage-locked grating” characterized by crossbars passing through and swaged (crimped) on each side of bearing bars, and “riveted grating” distinguished by reticulated (pre-bent) bars riveted between adjacent bearing bars to enhance load-carrying capacity. Upper edges of the bearing bars can be serrated for greater traction. Steel grating is commonly produced to American National Standards Institute (“ANSI”)/National Association of Architectural Metal Manufacturers (“NAAMM”) standards MBG 531-09 or MBG 532-09.<sup>21</sup>

Common end uses of steel grating include walkways, mezzanines, and catwalks; platforms for overhead signs, fire escapes, and railway rolling-stock stand platforms; and stairways and flooring. Decking and supports are heavier-duty applications for steel grating, for example, motor-vehicle bridges, railway rolling-stock flooring, drainage pit covers, boat landing ramps, truck beds, running boards, and mooring docks.<sup>22</sup>

In the original preliminary phase investigations, the Commission found that there was a clear dividing line between in-scope and out-of-scope products because only steel grating within the scope could be used in heavy load-bearing applications, while out of scope grating products were perceived as different products and were produced using different processes

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<sup>19</sup> *Certain Steel Grating from China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. 7356 (Jan. 28, 2021); *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Certain Steel Grating from the People’s Republic of China* (Jan. 22, 2021) at 2 (“Commerce AD I&D Memo”); *Certain Steel Grating from China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 80 Fed. Reg. 8765 (Feb. 9, 2021); and *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Countervailing Duty Order on Certain Steel Grating from the People’s Republic of China* (Jan. 29, 2021) at 2 (“Commerce CVD I&D Memo”).

<sup>20</sup> See *First Review Determination*, USITC Pub. 4578 at 4.

<sup>21</sup> CR/PR at I-6.

<sup>22</sup> CR/PR at I-6.

and employees.<sup>23</sup> Consequently, the Commission defined a single like product coextensive with the scope definition.<sup>24</sup> The Commission adopted the same domestic product definition in the final determinations without further analysis.<sup>25</sup>

In the first reviews, the domestic interested parties indicated that they agreed with the Commission's definition of the domestic like product in the original investigations and the Commission found that the record contained no new information that warranted revisiting the domestic like product definition. Accordingly, the Commission again defined a single domestic like product coextensive with the scope definition.<sup>26</sup>

The record in these reviews contains no new information suggesting that the characteristics and uses of domestically produced steel grating have changed since the prior proceedings.<sup>27</sup> The Coalition agrees with the domestic like product definition from the original investigations and first reviews.<sup>28</sup> We therefore again define a single domestic like product encompassing the types of steel grating described in Commerce's scope definition.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>29</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, domestic producers \*\*\* and \*\*\* were subject to the related parties provision because each imported subject merchandise during the period of investigation. Petitioners requested that \*\*\* be excluded from the industry.<sup>30</sup> The Commission

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<sup>23</sup> *Certain Steel Grating from China*, Inv. Nos. 701-TA-465 and 731-TA-1161 (Preliminary), USITC Pub. 4087 at 5 (July 2009) ("*Preliminary Determination*").

<sup>24</sup> *Preliminary Determination*, USITC Pub. 4097 at 7.

<sup>25</sup> *Original Determination*, USITC Pub. 4168 at 6.

<sup>26</sup> *See First Review Determination*, USITC Pub. 4578 at 6.

<sup>27</sup> *See generally* CR/PR at I-6-8.

<sup>28</sup> Coalition Response at 20.

<sup>29</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

<sup>30</sup> *Original Determination*, USITC Pub. 4168 at 7; *Confidential Original Determination*, EDIS Doc. 723682 at 9-10.

found appropriate circumstances did not exist to exclude \*\*\* from the domestic industry.<sup>31</sup> Three of the six Commissioners found that appropriate circumstances existed to exclude \*\*\* from the industry.<sup>32</sup> In the first reviews, the Commission indicated that there were no related parties. Accordingly, the Commission defined the domestic industry to include all domestic producers of steel grating.<sup>33</sup>

In the current reviews, the Coalition did not identify any producers that imported subject merchandise or were related to an exporter or importer of the subject merchandise.<sup>34</sup> The record does not indicate that there are any domestic industry issues or issues arising under the related parties provision in these reviews.<sup>35</sup> Therefore, we define the domestic industry to include all domestic producers of steel grating.

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

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

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>36</sup> The Uruguay Round Agreements Act Statement of Administrative Action (SAA) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining

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<sup>31</sup> *Original Determination*, USITC Pub. 4168 at 7-8; *Confidential Original Determination* at 11.

<sup>32</sup> *Original Determination*, USITC Pub. 4168 at 9; *Confidential Original Determination* at 14.

<sup>33</sup> *First Review Determination*, USITC Pub. 4578 at 7.

<sup>34</sup> Coalition Response at 19; *see also* First Supplement to Substantive Response to Notice of Institution, EDIS Doc. 724302 (November 6, 2020) (“First Supplemental Response”) at 2.

<sup>35</sup> The Coalition indicated that domestic producer \*\*\* is no longer affiliated with \*\*\*. First Supplemental Response at 2. Because \*\*\* did not export subject merchandise during the first period of review, the Commission found in the first reviews that \*\*\* was not subject to the related parties provision. *First Review Determination*, USITC Pub. 4578 at 7; *Confidential First Review Determination* at 8-9. The same finding is warranted here, as there is no information in the record of these reviews that \*\*\* exported subject merchandise prior to the termination of its affiliation with \*\*\*.

<sup>36</sup> 19 U.S.C. § 1675a(a).

effects on volumes and prices of imports.”<sup>37</sup> Thus, the likelihood standard is prospective in nature.<sup>38</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>39</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>40</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>41</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>42</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or

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<sup>37</sup> SAA, H.R. Rep. 103-316, vol. 1 at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>38</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>39</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>40</sup> 19 U.S.C. § 1675a(a)(5).

<sup>41</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>42</sup> 19 U.S.C. § 1675a(a)(1).

the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>43</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>44</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>45</sup> In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>46</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>47</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of

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<sup>43</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders under review. Commerce AD I&D Memo at 4; Commerce CVD I&D Memo at 3.

<sup>44</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>45</sup> 19 U.S.C. § 1675a(a)(2).

<sup>46</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>47</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.



capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>48</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>49</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the steel grating industry in China. There also is limited information regarding the steel grating market in the United States during the period of review.<sup>50</sup> Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and first reviews and the limited new information on the record in these reviews.

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

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>51</sup> The following conditions of competition inform our determinations.

### **1. Demand Conditions**

*Original Investigations.* In the original investigations, the Commission found that demand for steel grating was derived from non-residential construction and that the majority of steel grating was used in private industrial and commercial applications, including utility plants, offshore platforms, and manufacturing facilities.<sup>52</sup> During the period of investigation, apparent U.S. consumption increased from 176.8 million kilograms (“kg”) in 2007 to \*\*\* kg in

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<sup>48</sup> 19 U.S.C. § 1675a(a)(4).

<sup>49</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>50</sup> The period of review is calendar years 2015 through 2019.

<sup>51</sup> 19 U.S.C. § 1675a(a)(4).

<sup>52</sup> *Original Determination*, USITC Pub. 4168 at 14.

2008, and then decreased to \*\*\* kg in 2009.<sup>53</sup> The Commission, however, gave greater weight to the non-residential construction spending data that showed fairly strong demand for steel grating throughout the period and only a moderate decline in demand at the end of the period.<sup>54</sup>

*First Reviews.* In the first reviews, the Commission observed that the factors affecting purchasing patterns and demand for steel grating had not changed significantly since the original investigations.<sup>55</sup> The domestic interested parties asserted that U.S. demand, as reflected by non-residential construction, decreased at the end of the original period of investigation and immediately after imposition of the orders and remained sluggish through 2012 but gradually increased thereafter.<sup>56</sup> Apparent U.S. consumption of steel grating was 171.0 million kg in 2014.<sup>57</sup>

*Current Reviews.* In the current reviews, the record gives no indication that the factors affecting demand for steel grating have changed since the prior proceedings.<sup>58</sup> The Coalition asserts that there have not been any significant changes in demand for steel grating in the U.S. market since the imposition of the orders.<sup>59</sup> Apparent U.S. consumption in 2019 was 154.5 million kg, a figure less than 2014 but greater than 2009.<sup>60</sup>

## 2. Supply Conditions

*Original Investigations.* In the original investigations, the Commission stated that the domestic industry was the largest source of supply in the U.S. market, accounting for roughly \*\*\* of U.S. consumption over the period of investigation.<sup>61</sup> Domestic producers' capacity was greater than apparent U.S. consumption throughout the period and their capacity utilization rate declined steadily over the period. One domestic producer ceased operations during the period.<sup>62</sup>

Subject imports' market share was 8.2 percent in 2007, \*\*\* percent in 2008, and \*\*\* percent in 2009. The volume of nonsubject imports declined from 2007 to 2009 and

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<sup>53</sup> *Original Determination*, USITC Pub. 4168 at 14-15; *Confidential Original Determination* at 22.

<sup>54</sup> *Original Determination*, USITC Pub. 4168 at 15-16.

<sup>55</sup> *First Review Determination*, USITC Pub. 4578 at 10.

<sup>56</sup> *First Review Determination*, USITC Pub. 4578 at 10.

<sup>57</sup> *First Review Determination*, USITC Pub. 4578 at 10.

<sup>58</sup> Response at 20. The one responding U.S. purchaser \*\*\* significant changes to demand or supply conditions in the U.S. steel grating market since the first reviews. CR/PR at D-3.

<sup>59</sup> Coalition Response at 20; *see also* Comments at 5.

<sup>60</sup> CR/PR at Table I-4.

<sup>61</sup> *Original Determination*, USITC Pub. 4168 at 15-16; *Confidential Original Determination* at 24.

<sup>62</sup> *Original Determination*, USITC Pub. 4168 at 15-16.

nonsubject imports' market share declined from 10.7 percent in 2007 to \*\*\* percent in 2008 and then increased to \*\*\* percent in 2009. The principal sources of nonsubject imports in 2009 were Canada, Taiwan, Mexico, and India.<sup>63</sup>

*First Reviews.* In the first reviews, the Commission found that the domestic industry was the largest supplier of steel grating in 2014.<sup>64</sup> Its share of apparent U.S. consumption that year was 88.4 percent, which exceeded its share in 2009.<sup>65</sup> Nonsubject imports accounted for the next-largest share of apparent U.S. consumption in 2014, with a 10.7 percent share, which was higher than their share in 2009.<sup>66</sup> Subject imports accounted for 0.9 percent of apparent U.S. consumption in 2014, which was substantially below both their \*\*\* percent share in 2009 and their peak \*\*\* percent share in 2008.<sup>67</sup>

*Current Reviews.* The domestic industry was the largest source of supply to the U.S. market in 2019, accounting for 84.7 percent of apparent U.S. consumption by quantity.<sup>68</sup> There was some consolidation in the domestic industry during the current period of review. In February 2017, Nucor Grating, the successor to petitioner Fisher & Ludlow, Inc., acquired several assets of AMICO's bar grating facilities. The acquisition included bar grating equipment and inventory. In March 2017, Nucor Grating also hired 65-70 employees formerly employed by AMICO.<sup>69</sup>

Subject imports accounted for 0.2 percent of apparent U.S. consumption based on quantity in 2019.<sup>70</sup> Nonsubject imports were the second-largest source of supply in the U.S. market in 2019, accounting for 15.1 percent of apparent U.S. consumption based on quantity.<sup>71</sup> Canada and India were the largest sources of nonsubject imports during the period of review.<sup>72</sup>

### 3. Substitutability and Other Conditions

*Original Investigations.* In the original investigations, the Commission found that there was a high degree of interchangeability between steel grating from domestic producers and

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<sup>63</sup> *Original Determination*, USITC Pub. 4168 at 16; *Confidential Original Determination* at 25.

<sup>64</sup> *First Review Determination*, USITC Pub. 4578 at 11.

<sup>65</sup> *First Review Determination*, USITC Pub. 4578 at 11.

<sup>66</sup> *First Review Determination*, USITC Pub. 4578 at 11.

<sup>67</sup> *First Review Determination*, USITC Pub. 4578 at 11; *Confidential First Review Determination* at

16.

<sup>68</sup> CR/PR at Table I-4.

<sup>69</sup> CR/PR at I-9.

<sup>70</sup> CR/PR at Table I-4.

<sup>71</sup> CR/PR at Table I-4.

<sup>72</sup> CR/PR at Table I-3.

other sources, and that price was an important consideration in purchasing decisions.<sup>73</sup> It explained that most steel grating was produced to ANSI standards and most producers, importers, and purchasers reported that subject imports, nonsubject imports, and the domestic like product were always or frequently interchangeable.<sup>74</sup> Most producers reported that differences other than price were sometimes or never significant in purchasing decisions, whereas most importers reported that such differences were frequently or sometimes significant.<sup>75</sup>

The Commission also observed that nearly all U.S. producers and importers reported that they sold steel grating on a spot basis and determined prices on a transaction-by-transaction basis.<sup>76</sup> Raw material costs constituted 60 to 70 percent of the total cost of production; prices for the principal raw materials fluctuated over the period of investigation. Those raw materials were coils of hot-rolled steel sheet and thin-gauge plate, or flat bars (merchant bars) and wire rods.<sup>77</sup>

*First Reviews.* In the first reviews, the Commission found that absent any new or contrary information in the record, the subject imports and domestic like product were still highly interchangeable and that price continued to be an important factor in purchasing decisions.<sup>78</sup> There was also no indication that the other relevant conditions found in the original investigations had changed.<sup>79</sup>

*Current Reviews.* The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price in purchasing decisions, has changed since the prior proceedings.<sup>80</sup> Accordingly, we find that domestically produced steel grating and subject imports are highly substitutable, and that price continues to be an important factor in purchasing decisions for steel grating in the U.S. market.

We observe that effective August 23, 2018, subject merchandise has been subject to an additional 25 percent *ad valorem* duty under Section 301 of the Trade Act of 1974<sup>81</sup> (“section

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<sup>73</sup> *Original Determination*, USITC Pub. 4168 at 16-17.

<sup>74</sup> *Original Determination*, USITC Pub. 4168 at 16-17.

<sup>75</sup> *Original Determination*, USITC Pub. 4168 at 16-17.

<sup>76</sup> *Original Determination*, USITC Pub. 4168 at 17.

<sup>77</sup> *Original Determination*, USITC Pub. 4168 at 17.

<sup>78</sup> *First Review Determination*, USITC Pub. 4578 at 12.

<sup>79</sup> *First Review Determination*, USITC Pub. 4578 at 12.

<sup>80</sup> The Coalition asserts that these conditions have not changed. Coalition Response at 15; see also Comments at 13.

<sup>81</sup> 19 U.S.C. § 2411.

301 tariffs”).<sup>82</sup> Steel grating imported from China is not subject to additional duties under Section 232 of the Trade Expansion Act of 1962, as amended.<sup>83</sup>

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

#### **1. The Prior Proceedings**

*Original Investigations.* In the original investigations, the Commission found that the volume of subject imports increased from 14.5 million kg in 2007 to \*\*\* kg in 2008, an increase of \*\*\* percent, far outpacing the increase in nonresidential construction activity for the same period.<sup>84</sup> From 2008 to 2009, the volume of subject imports declined by \*\*\* percent to \*\*\* kg.<sup>85</sup> Subject imports’ market share by quantity increased from 8.2 percent in 2007 to \*\*\* percent in 2008 and then fell to \*\*\* percent in 2009.<sup>86</sup>

The Commission found that, although the volume and market share of subject imports decreased \*\*\* in 2009, there had been a large build-up of U.S. importers’ inventories of subject imports from 2007 to 2008.<sup>87</sup> These substantial inventories of subject merchandise were depleted in 2009 and, together with subject imports that year, severely limited the domestic industry’s ability to gain sales in the market.<sup>88</sup> The Commission found that, as inventories of subject imports were used in 2009, domestic producers’ U.S. shipments declined by \*\*\* percent, far outpacing the \*\*\* percent decline in nonresidential construction spending that year.<sup>89</sup> Accordingly, the Commission concluded that subject import volume was significant, both in absolute terms and relative to consumption and production in the United States.<sup>90</sup>

*First Reviews.* In the first reviews, the Commission found that the volume of subject imports was substantially lower after the imposition of the orders.<sup>91</sup> Subject import volume fell to 718,000 kg in 2010 and then fluctuated until reaching a period peak of 1.6 million kg in

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<sup>82</sup> CR/PR at I-5-6; *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 40823 (Aug. 16, 2018). No exclusions from section 301 tariffs had been granted to subject merchandise as of November 18, 2020. CR/PR at I-6.

<sup>83</sup> CR/PR at I-6.

<sup>84</sup> *Original Determination*, USITC Pub. 4168 at 17; *Confidential Original Determination* at 27.

<sup>85</sup> *Original Determination*, USITC Pub. 4168 at 17; *Confidential Original Determination* at 27.

<sup>86</sup> *Original Determination*, USITC Pub. 4168 at 17; *Confidential Original Determination* at 27.

<sup>87</sup> *Original Determination*, USITC Pub. 4168 at 18; *Confidential Original Determination* at 28.

<sup>88</sup> *Original Determination*, USITC Pub. 4168 at 18.

<sup>89</sup> *Original Determination*, USITC Pub. 4168 at 18; *Confidential Original Determination* at 29.

<sup>90</sup> *Original Determination*, USITC Pub. 4168 at 18.

<sup>91</sup> *First Review Determination*, USITC Pub. 4578 at 12.

2014.<sup>92</sup> Subject imports accounted for 0.9 percent of apparent U.S. consumption in 2014, compared with \*\*\* percent in 2009 and a peak of \*\*\* percent in 2008.<sup>93</sup>

The Commission found that the steel grating industry in China continued to have substantial capacity and was export oriented. The record indicated that subject producers continued to manufacture and export substantial volumes of steel grating.<sup>94</sup> The information available showed that the industry in China was the largest exporter of structures or parts of iron and steel, a product category including steel grating.<sup>95</sup> China's exports in that category increased substantially overall from 2010 to 2014.<sup>96</sup> Consequently, the Commission found that the subject producers continued to have substantial capacity and were export oriented.<sup>97</sup>

The Commission also found that producers in China would likely continue to direct significant volumes of steel grating to the U.S. market duty if the orders were revoked based on the attractiveness of the U.S. market.<sup>98</sup> The record indicated that subject imports had remained present in the U.S. market and that subject producers had a continued interest in supplying North American markets, including the United States.<sup>99</sup>

Based on the forgoing, the Commission found that the volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.<sup>100</sup>

## 2. Current Reviews

The record in these five-year reviews indicates that the orders continued to have a disciplining effect on subject imports during the period of review. The volume of subject imports fluctuated downward from a period high of 4.0 million kg in 2015 to a period low of 360,000 kg in 2019.<sup>101</sup> By contrast, the peak annual volume of subject imports during the

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<sup>92</sup> *First Review Determination*, USITC Pub. 4578 at 12-13.

<sup>93</sup> *First Review Determination*, USITC Pub. 4578 at 13; *Confidential First Review Determination* at 18.

<sup>94</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>95</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>96</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>97</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>98</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>99</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>100</sup> *First Review Determination*, USITC Pub. 4578 at 13.

<sup>101</sup> CR/PR at Table I-3. The volume of subject imports was 4.0 million kg in 2015, 1.8 million kg in 2016, 455,000 kg in 2017, 903,000 kg in 2018, and 360,000 kg in 2019. *Id.*

original period of investigation was \*\*\* kg during 2008.<sup>102</sup> Subject imports accounted for 0.2 percent of apparent U.S. consumption in 2019.<sup>103</sup>

The facts available indicate that producers of steel grating in China have the means to significantly increase exports of the subject merchandise to the United States should the orders be revoked. As previously stated, no producer or exporter of subject merchandise participated in these expedited reviews. There is no information in the record calling into question our finding in the first reviews that the industry in China is large and export oriented. To the contrary, the Coalition asserts that the industry in China has continued to expand, and that one subject producer has doubled its capacity since the first reviews.<sup>104</sup> Additionally, the information available in these reviews indicates that the industry in China remains export oriented. Global Trade Atlas (“GTA”) data show that in each year between 2015 and 2019, China was by far the largest global exporter of the product category that includes steel grating.<sup>105</sup> Exports of this product category from China increased overall from 2015 to 2019.<sup>106</sup> Commerce has found that the subsidy programs likely to continue or recur include export subsidy programs within the meaning of Article 3.1 of the World Trade Organization Agreement on Subsidies and Countervailing Measures.<sup>107</sup> Such programs are likely to create incentives for export activity.

Additionally, steel grating producers in China are likely to direct additional exports to the United States upon revocation. As discussed above, subject imports maintained a presence in the U.S. market throughout the period of review, albeit at modest volumes. GTA data indicate that the United States was one of the top four destinations for exports of the product category that includes steel grating throughout the period of review.<sup>108</sup> In addition, the record indicates that Chinese producers continue to advertise the subject merchandise for export to the U.S. market.<sup>109</sup> Furthermore, antidumping and countervailing duty measures on imports of steel grating from China imposed by Canada and safeguard measures on such imports in effect

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<sup>102</sup> Compare CR/PR at Table I-4 and C-6.

<sup>103</sup> CR/PR at Table I-4.

<sup>104</sup> Coalition Response at 12, Ex. 4.

<sup>105</sup> CR/PR at Table I-6. Available GTA data concern a product category including both subject steel grating and other products that are out of scope.

<sup>106</sup> CR/PR at Table I-6.

<sup>107</sup> Commerce CVD I&D Memo at 6.

<sup>108</sup> CR/PR at Table I-5. As noted, the available GTA data includes out-of-scope merchandise.

<sup>109</sup> Coalition Response at 12-13. See also, Coalition Response at Exs. 4 and 5.

in Turkey provide further incentives for subject producers to direct exports to the U.S. market upon revocation.<sup>110</sup>

In light of the foregoing, we find that the volume of subject imports will likely increase to significant levels absent the discipline of the orders. We consequently conclude that the volume of subject imports, both in absolute terms and relative to consumption in the United States, would likely be significant if the orders were revoked.<sup>111</sup>

## **D. Likely Price Effects**

### **1. The Prior Proceedings**

*Original Investigations.* In the original investigations, the Commission found that the domestic like product and subject imports were highly interchangeable and that price was an important consideration in purchasing decisions.<sup>112</sup> Subject imports undersold domestic products in 42 of 51 (or 82.3 percent of) quarterly price comparisons and underselling margins ranged as high as 48.7 percent.<sup>113</sup> Most of the nine instances of overselling occurred in 2007, and underselling intensified in 2008 when the volume and market share of subject imports grew. Accordingly, the Commission found subject imports' underselling of the domestic like product to be significant.<sup>114</sup>

The Commission found that domestic producers' prices fluctuated but ended the period of investigation lower than at the beginning, as subject import prices remained well below domestic producers' prices.<sup>115</sup> The Commission found that, although the decline in domestic producers' prices in 2009 could be attributed, in part, to decreases in demand and raw material costs, subject imports contributed to this price depression.<sup>116</sup> Based on the foregoing, the Commission found that significant underselling by the subject imports led to lost sales throughout the period and depressed domestic prices in 2009 and, consequently, that subject imports had significant price effects.<sup>117</sup>

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<sup>110</sup> CR/PR at I-16. No responding U.S. purchaser reported that the current Section 301 tariffs had an effect on supply or demand for subject imports or anticipated such effects in the reasonably foreseeable future. CR/PR at D-3.

<sup>111</sup> We observe that the record in these expedited reviews contains no information concerning inventories of the subject merchandise or the potential for product shifting.

<sup>112</sup> *Original Determination*, USITC Pub. 4168 at 19.

<sup>113</sup> *Original Determination*, USITC Pub. 4168 at 19.

<sup>114</sup> *Original Determination*, USITC Pub. 4168 at 19.

<sup>115</sup> *Original Determination*, USITC Pub. 4168 at 19.

<sup>116</sup> *Original Determination*, USITC Pub. 4168 at 19-20.

<sup>117</sup> *Original Determination*, USITC Pub. 4168 at 20.



*First Reviews.* In the first reviews, the Commission reiterated its finding that subject imports were highly substitutable for steel grating manufactured in the United States and that price was an important factor in purchasing decisions.<sup>118</sup> There was no current pricing data in the record due to the expedited nature of the reviews. The Commission found that, based on the available information, if the orders were revoked, the underselling observed in the original investigations would likely recur and that the subject imports would likely have significant depressing and/or suppressing effects on the prices of the domestic like product. It consequently concluded that significant price effects were likely upon revocation.<sup>119</sup>

## **2. Current Reviews**

There is no new product-specific pricing information on the record of these expedited reviews. As previously discussed, we find that domestically produced steel grating and subject imports are highly substitutable, and that price is an important factor in purchasing decisions. Consequently, if the antidumping and countervailing duty orders were revoked, subject imports would likely compete in the U.S. market on the basis of price by underselling the domestic like product, as they did during the original investigations. This, in turn, would likely cause the domestic industry either to lose sales and market share or to reduce prices or forego price increases in order to compete with subject imports.

Accordingly, given their likely significant volume upon revocation, we conclude that subject imports would likely engage in significant underselling of the domestic like product. This underselling would likely result in subject imports gaining market share at the expense of the domestic industry and/or have significant depressing or suppressing effects on the price of the domestic like product if the antidumping and countervailing duty orders were revoked.

### **E. Likely Impact**

#### **1. The Prior Proceedings**

*Original Investigations.* In its original determinations, the Commission found that subject imports had a significant impact on the domestic industry.<sup>120</sup> It found that the domestic industry experienced declines in almost all indicators as a result of the substantial presence of subject imports throughout the period of investigation.<sup>121</sup> The domestic industry's production,

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<sup>118</sup> *First Review Determination*, USITC Pub. 4578 at 14.

<sup>119</sup> *First Review Determination*, USITC Pub. 4578 at 14.

<sup>120</sup> *Original Determination*, USITC Pub. 4168 at 21.

<sup>121</sup> *Original Determination*, USITC Pub. 4168 at 21.

shipments, and capacity utilization declined overall during the period.<sup>122</sup> The Commission additionally found that one producer was forced to \*\*\* as a result of subject imports.<sup>123</sup> The industry's financial indicators deteriorated, and by 2009, the domestic industry's operating income was barely at a break-even level.<sup>124</sup>

The Commission found that there was a causal nexus between the subject imports and the deteriorating condition of the domestic industry. It based this conclusion on the substantial presence of, and increase in, subject import volume and market share from 2007 to 2008, driven by pervasive subject import underselling. Adverse effects continued in 2009, notwithstanding declining subject import volumes, due to inventories of subject merchandise being depleted.<sup>125</sup>

The Commission considered whether there were other factors that may have had an impact on the domestic industry. It recognized that, while the decline in demand in 2009 played a role in the domestic industry's condition that year, the declines in the industry's trade and financial indicators were far more severe than the fairly moderate decline in demand.<sup>126</sup> The Commission also considered the role of nonsubject imports in the market and found that these imports were higher priced than the subject imports and consequently could not explain the adverse price effects attributed to the subject imports.<sup>127</sup>

*First Reviews.* In the first reviews, the Commission found that the available data indicated that the domestic industry's performance indicators, with the exception of capacity, were greater in 2014 than in 2009. The Commission stated that the information in the record was insufficient to make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.<sup>128</sup>

The Commission found that if the orders were revoked, the significant volume and price effects of the subject imports would likely have a significant adverse effect on the domestic

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<sup>122</sup> The Commission found that underselling had a direct effect on the domestic industry's level of production and sales, as the domestic industry sacrificed volume, particularly in the more common grating sizes, to maintain pricing. Thus, although nonresidential construction activity declined in 2009, both domestic production and U.S. shipments declined at a far greater rate. *Original Determination*, USITC Pub. 4168 at 19-20.

<sup>123</sup> *Original Determination*, USITC Pub. 4168 at 20-21; *Confidential Original Determination* at 33-34.

<sup>124</sup> *Original Determination*, USITC Pub. 4168 at 21.

<sup>125</sup> *Original Determination*, USITC Pub. 4168 at 22.

<sup>126</sup> *Original Determination*, USITC Pub. 4168 at 22.

<sup>127</sup> *Original Determination*, USITC Pub. 4168 at 22.

<sup>128</sup> *First Review Determination*, USITC Pub. 4578 at 16.

industry's market share, production, shipments, sales, and profitability, as well as its ability to raise capital and make and maintain necessary capital investments.<sup>129</sup>

The Commission also considered the role of nonsubject imports in the U.S. market.<sup>130</sup> While nonsubject imports increased their market share from 2009 to 2014, the Commission observed that the domestic industry was by far the largest source of supply of steel grating in the U.S. market.<sup>131</sup> In light of this and the high degree of substitutability of steel grating from subject and domestic sources, the Commission found that any increase in subject import market share would likely substantially come at the expense of the domestic industry.<sup>132</sup> Thus, subject imports would likely have adverse effects distinct from nonsubject imports. Accordingly, the Commission concluded that if the orders were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.<sup>133</sup>

## 2. The Current Reviews

Due to the expedited nature of these reviews, the record contains limited information on the domestic industry's condition aside from data provided by the Coalition in its response to the notice of institution.

The information on the record indicates that in 2019, the domestic industry's capacity was 250.6 million kg, its production was 126.0 million kg, and its capacity utilization was 50.3 percent.<sup>134</sup> U.S. shipments were 130.5 million kg, valued at \$288.7 million, with an average unit value ("AUV") of \$2.21.<sup>135</sup> In 2019, the domestic industry had net sales revenues of \$\*\*\*, cost of goods sold ("COGS") of \$\*\*\*, a gross profit of \$\*\*\*, and an operating income of \$\*\*\*; its operating income ratio was 3.6 percent.<sup>136</sup> Because of the expedited nature of these reviews, the information in the record is insufficient for us to make a finding as to whether the domestic

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<sup>129</sup> *First Review Determination*, USITC Pub. 4578 at 17.

<sup>130</sup> *First Review Determination*, USITC Pub. 4578 at 17.

<sup>131</sup> *First Review Determination*, USITC Pub. 4578 at 17.

<sup>132</sup> *First Review Determination*, USITC Pub. 4578 at 17.

<sup>133</sup> *First Review Determination*, USITC Pub. 4578 at 17.

<sup>134</sup> CR/PR at Table I-2. Capacity was lower in 2019 than in 2009 or 2014. Production and capacity utilization in 2019 were higher than in 2009 but lower than in 2014. *See id.*

<sup>135</sup> CR/PR at Table I-2. The quantity and value of U.S. shipments in 2019 were higher than in 2009, but lower than in 2014. The AUV of U.S. shipments was higher in 2019 than in 2009 or 2014. *See id.*

<sup>136</sup> CR/PR at Table I-2. The industry's net sales, COGS, and operating income ratio were all higher in 2019 than in 2009, but lower than in 2014. Gross profit was higher in 2019 than in 2009 or 2014. *See id.*

industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

Based on the information available in these reviews, we find that revocation of the orders would likely lead to a significant volume of subject imports that would likely significantly undersell the domestic like product, leading subject imports to gain market share and/or have price-depressing or suppressing effects on the domestic like product. Subject imports' significant volume and price effects would consequently likely have a significant adverse effect on the domestic industry's production, capacity utilization, shipments, employment, and profitability.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Although nonsubject imports have increased their presence in the U.S. market since the first reviews, and their market share was 15.1 percent in 2019,<sup>137</sup> the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities upon revocation of the orders. Given the high degree of substitutability of the domestic like product and subject imports, and the fact that the domestic industry is the largest source of supply to the U.S. market, any increase in subject import market share would likely come, at least in substantial proportion, at the expense of the domestic industry. In light of these considerations, we find that any likely effects of imports from nonsubject countries are distinguishable from the likely effects we have attributed to the subject imports.

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

#### **IV. Conclusion**

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on steel grating from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>137</sup> CR/PR at Table I-4.

# Information obtained in these reviews

## Background

On October 1, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on certain steel grating (“steel grating”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

<b>Effective date</b>	<b>Action</b>
October 1, 2020	Notice of initiation by Commerce (85 FR 61928)
October 1, 2020	Notice of institution by Commission (85 FR 61981)
January 4, 2021	Commission’s vote on adequacy
January 28, 2021	Commerce’s results of its expedited AD review
February 9, 2021	Commerce’s results of its expedited CVD review
May 19, 2021	Commission’s determinations and views

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 85 FR 61981, October 1, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 61928, October 1, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

## Responses to the Commission’s notice of institution

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of IKG USA LLC, Interstate Gratings, LLC, Lichtgitter USA Inc., Nucor Grating, and Ohio Gratings, Inc, also known as the Metal Grating Coalition (referred to herein as “domestic interested parties”).

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

**Table I-1**  
**Steel grating: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	5	***%

Note: The coverage is based on the domestic interested parties’ production as well as \*\*\*. Domestic interested parties’ response to the notice of institution, November 2, 2020, p. 3.

### Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the Metal Grating Coalition. The Metal Grating Coalition requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on steel grating.<sup>5</sup>

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<sup>5</sup> Domestic interested parties’ comments on adequacy of substantive response to the notice of institution, December 14, 2020, p. 1.

## The original investigations and subsequent reviews

### The original investigations

The original investigations resulted from petitions filed on May 29, 2009 with Commerce and the Commission by Alabama Metal Industries Corp. (“AMICO”), Birmingham, Alabama and Fisher & Ludlow, Inc., Wexford, Pennsylvania.<sup>6</sup> On June 8, 2010, Commerce determined that imports of steel grating from China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.<sup>7</sup> The Commission determined on July 13, 2010 that the domestic industry was materially injured by reason of LTFV and subsidized imports of steel grating from China.<sup>8</sup> On July 23, 2010, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 136.76 to 145.18 percent and a net subsidy rate of 62.46 percent.<sup>9</sup>

### The first five-year reviews

On September 4, 2015, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on steel grating from China.<sup>10</sup> On October 5, 2015, Commerce determined that revocation of the antidumping and countervailing duty orders on steel grating from China would be likely to lead to continuation or recurrence of dumping and subsidization.<sup>11</sup> On October 29, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>12</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission,

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<sup>6</sup> Certain Steel Grating from China, Inv. Nos. 701-TA-465 and 731-TA-1161 (Final), USITC Publication 4168, July 2010 (“Original publication”), p. I-1.

<sup>7</sup> 75 FR 32366 and 75 FR 32362, June 8, 2010.

<sup>8</sup> 75 FR 41889, July 19, 2010.

<sup>9</sup> 75 FR 43143 and 75 FR 43144, July 23, 2010. Pursuant to a remand order from the United States Court of International Trade, Commerce amended its final LTFV determination, effective April 19, 2014, with respect to Ningbo Haitian International Co., Ltd. (“Ningbo Haitian”), Ningbo Jiulong Machinery Manufacturing Co. Ltd (“Ningbo Jiulong”), and Yantai Xinke Steel Structure Co., Ltd (“Yantai Xinke”). Ningbo Haitian’s and Yanta Xinke’s weighted-average dumping margins were reduced from 136.76 percent to 38.16 percent. Ningbo Jiulong was assigned a weighted-dumping margin that is separate from the PRC-wide entity, which remained at 145.18 percent. 79 FR 43396, July 25, 2014.

<sup>10</sup> 80 FR 57387, September 23, 2015.

<sup>11</sup> 80 FR 60119 and 80 FR 60120, October 5, 2015.

<sup>12</sup> 80 FR 68334, November 4, 2015.

effective November 12, 2015, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of steel grating from China.<sup>13</sup>

## **Previous and related investigations**

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

## **Commerce's five-year reviews**

Commerce is conducting expedited reviews with respect to the orders on imports of steel grating from China and intends to issue the final results of these reviews based on the facts available not later than January 29, 2021.<sup>14</sup> Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping or countervailing duty orders on imports of steel gratings from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

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<sup>13</sup> 80 FR 69940, November 12, 2015.

<sup>14</sup> Letter from Melissa G. Skinner, Senior Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, November 20, 2020.



## The product

### Commerce's scope

Commerce has defined the scope as follows:

*The products covered by these orders are certain steel grating, consisting of two or more pieces of steel, including load-bearing pieces and cross pieces, joined by any assembly process, regardless of: (1) Size or shape; (2) method of manufacture; (3) metallurgy (carbon, alloy, or stainless); (4) the profile of the bars; and (5) whether or not they are galvanized, painted, coated, clad or plated. Steel grating is also commonly referred to as "bar grating," although the components may consist of steel other than bars, such as hot-rolled sheet, plate, or wire rod.*

*The scope of the orders excludes expanded metal grating, which is comprised of a single piece or coil of sheet or thin plate steel that has been slit and expanded, and does not involve welding or joining of multiple pieces of steel. The scope of the orders also excludes plank type safety grating which is comprised of a single piece or coil of sheet or thin plate steel, typically in thickness of 10 to 18 gauge, that has been pierced and cold formed, and does not involve welding or joining of multiple pieces of steel.<sup>15</sup>*

### U.S. tariff treatment

Steel grating is provided for in Harmonized Tariff Schedule of the United States ("HTSUS" or "HTS") subheading 7308.90.70 (a provision covering only steel grating). Steel grating produced in China enters the U.S. market at a column 1-general duty rate of "Free."<sup>16</sup> Effective August 23, 2018, steel grating imported into the United States under HTS subheading 7308.90.70 and produced in China is subject to an additional 25 percent ad valorem duty under

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<sup>15</sup> 80 FR 69940, November 12, 2015.

<sup>16</sup> HTSUS (2020), Revision 28, USITC Publication 5143, November 2020, p. 73-24.

Section 301 of the Trade Act of 1974 (“Trade Act”), as amended.<sup>17</sup> As of November 18, 2020, no exclusions from this additional duty under Section 301 have been granted for steel grating from China. Steel grating imported from China is not subject to additional duties under Section 232 of the Trade Expansion Act of 1962 (“Trade Expansion Act”), as amended. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

### **Description and uses<sup>18</sup>**

Steel grating is a fabricated product distinguished by two sets of components– the “bearing bars” that extend across the length and the “crossbars” that transverse (typically perpendicular to) the bearing bars to form a “panel.” The dimensions and spacing of both the bearing bars and crossbars are designed for a wide variety of load-bearing and load-distribution applications. Steel grating is available in various forms, including “standard welded bar grating” with crossbars welded across the tops of the bearing bars, “press-locked grating” with notched bearing bars and sometimes notched crossbars mechanically pressed together, “swage-locked grating” characterized by crossbars passing through and swaged (crimped) on each side of bearing bars, and “riveted grating” distinguished by reticulated (pre-bent) bars riveted between adjacent bearing bars to enhance load-carrying capacity. Upper edges of the bearing bars can be serrated for greater traction. Steel grating is commonly produced to American National Standards Institute (“ANSI”)/National Association of Architectural Metal Manufacturers (“NAAMM”) standards MBG 531-09 or MBG 532-09.

Common end uses include walkways, mezzanines, and catwalks; platforms for overhead signs, fire escapes, and railway rolling-stock stand platforms; and stairways and flooring. Decking and supports are heavier-duty applications for steel grating, for example, motor-vehicle bridges, railway rolling-stock flooring, drainage pit covers, boat landing ramps, truck beds, running boards, and mooring docks.

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<sup>17</sup> HTS subheading 7308.90.70 was included in USTR’s second enumeration (“Tranche 2”) of products originating in China subject to the Section 301 duty, effective August 23, 2018 (Annex A to 83 FR 40823, August 16, 2018).

USTR proposed raising this additional duty from 25 percent to 30 percent on such products imported from China, on or after October 1, 2019 (Annex B – (List 2 - \$16 Billion Action) of 84 FR 46212, September 3, 2019).

<sup>18</sup> Unless otherwise noted, this information is based on Certain Steel Grating from China, Investigation Nos. 701-TA-465 and 731-TA-1161 (Review), USITC Publication 4578, October 2015 (“First review publication”), p. I-4.

## Manufacturing process<sup>19</sup>

Production of steel grating typically involves the following processing phases: (1) slitting and cutting of steel wound in coils, (2) forming of the bearing and crossbars into a panel, and (3) finishing of the assembled panel. First, in the slitting and cutting phase, flat-rolled steel coils<sup>20</sup> are unrolled and then slit to width and cut to length for the bearing bars. Likewise, steel wire rod<sup>21</sup> for the crossbars is uncoiled, straightened, cut to length, and then mechanically twisted. For the steel grating to provide greater tread surface traction, the upper edges of the individual bearing bars can be serrated in preparation for the forming phase.<sup>22</sup>

Next, in the forming phase, steel grating is assembled by either welding or cold pressing the pre-cut bearing and crossbars into a panel. To form a panel by welding, a high-voltage electric welder heats the same spot across the top of each bearing bar, and a separate press machine forces the crossbars onto the heated bearing bars to complete the steel grating panel.

Alternatively, steel grating panels can be formed by various processes that do not require welding. For press-locked grating products, the bearing bars and sometimes the crossbars are notched or slotted before being hydraulically pressed together. Swage-locked grating products are formed by the crossbars being driven through the bearing bars and swaged along each side of the bearing bars to lock them in place. To assemble riveted grating products, reticulated bars are riveted between the bearing bars.

The assembled panels are inspected and tested for weld integrity, tensile strength, bearing-bar alignment, and load tolerance. Finally, some steel grating panels may be subject to various processes in the finishing phase, including dip-coat (rather than spray) painting or electrolytic galvanizing for corrosion resistance. Fabrication, which covers a wide range of

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<sup>19</sup> Unless otherwise noted, this information is based on Original publication, pp. I-8-I-9.

<sup>20</sup> ANSI/NAAMM standards MBG 531-09 and MBG 532-09 specify that the steel for bearing bars shall conform to ASTM A-1011/A-1011M-18a Commercial Steel (Type B) for hot-rolled carbon steel coil and strip and ASTM A 36/A 36M-19 for structural steel bars.

<sup>21</sup> ANSI/NAAMM standards MBG 531-09 and MBG 532-09 specify that the steel for crossbars shall conform to ASTM A-510/A-510M-18 for carbon steel wire rod and coarse round wire. *Ibid.*

<sup>22</sup> The raw materials for manufacturing steel grating— flat-rolled steel coils and steel wire rods, classifiable under the HTS subheadings of chapter 72— originating in China are currently subject to an additional 7.5 percent Section 301 ad valorem duty, as of February 14, 2020. See also U.S. notes 20(r) and 20(s) to subchapter III of HTS chapter 99. *HTSUS (2020) Revision 28*, USITC Publication 5143, November 2020, pp. 99-III-82 – 99-III-84, 99-III-93 – 99-III-94, 99-III-237.

Flat-rolled steel coils and steel wire rods, classifiable under the HTS headings of chapter 72, for manufacturing steel grating, were included in the enumeration of iron and steel articles (imported on or after March 23, 2018) that became subject to the additional 25 percent Section 232 ad valorem duties. 83 FR 11625, March 15, 2018.

cutting, welding, and banding activities may also be done. Many gratings will require some fabrication as the standard steel grating panel - 3' wide by 24' long - is not of the dimensions needed by all end users. Fabrication is generally done on ungalvanized grating as the welding process on galvanized grating produces toxic fumes.

## **The industry in the United States**

### **U.S. producers**

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from five firms, which accounted for the vast majority of all production of steel grating in the United States during 2009.<sup>23</sup> During the first five year reviews, domestic interested parties provided a list of six known and currently operating U.S. producers of steel grating, which accounted for \*\*\* percent of production of steel grating in the United States during 2014.<sup>24</sup>

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of seven known and currently operating U.S. producers of steel grating.<sup>25</sup> The five members of the Metal Grating Coalition providing U.S. industry data in response to the Commission's notice of institution accounted for \*\*\* percent of production of steel grating in the United States during 2019.<sup>26</sup>

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<sup>23</sup> Original publication, p. III-1.

<sup>24</sup> Investigation Nos. 701-TA-645 and 731-TA-1161 (Review): Certain Steel Grating from China, Confidential Report, INV-NN-057, August 24, 2015 ("First review confidential report"), p. I-2.

<sup>25</sup> Domestic interested parties' substantive response to the notice of institution, November 2, 2020, exh. 8.

<sup>26</sup> Domestic interested parties' substantive response to the notice of institution, November 2, 2020, p. 3.

## Recent developments

Since the Commission's last five-year reviews, the following developments have occurred in the domestic steel grating industry:

In February 2017, Nucor Grating (Fisher & Ludlow, Inc.) acquired several assets of Alabama Metal Industries Corporation's (AMICO's) bar grating facility located in Bourbonnais, Illinois and three other locations. The acquisition included bar grating equipment and inventory.<sup>27</sup> In March 2017, Nucor Grating also hired 65-70 employees that were slated to be laid off by AMICO.<sup>28</sup> On February 14, 2018, Banker Wire purchased land in Mukwonago, Wisconsin which will be developed into its new industrial park to provide expanded production capacity for steel grating and manufacturing efficiencies.<sup>29</sup>

## U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.<sup>30</sup> Table I-2 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

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<sup>27</sup> Fisher & Ludlow, Inc., *Nucor Grating to Acquire AMICO Bar Grating Assets*, February 6, 2017, (accessed December 7, 2020).

<sup>28</sup> Daily Journal, *Nucor buys Alabama Metal plant; hires back 65-70 workers*, March 27, 2018, [https://www.daily-journal.com/news/local/nucor-buys-alabama-metal-plant-hires-back-65-70-workers/article\\_24d333eb-24f0-522a-8c9f-201b5d0941b7.html](https://www.daily-journal.com/news/local/nucor-buys-alabama-metal-plant-hires-back-65-70-workers/article_24d333eb-24f0-522a-8c9f-201b5d0941b7.html), (accessed December 7, 2020).

<sup>29</sup> Banker Wire, News, *Banker Wire To Relocate Its Mukwonago Manufacturing Facility*, February 14, 2018, <https://www.bankerwire.com/news/banker-wire-relocate-its-mukwonago-manufacturing-facility/>, (accessed December 8, 2020).

<sup>30</sup> Individual company trade and financial data are presented in app. B.

**Table I-2****Steel grating: Trade and financial data submitted by U.S. producers, 2009, 2014, and 2019**

Item	2009	2014	2019
Capacity (1,000 kilograms)	315,447	305,448	250,561
Production (1,000 kilograms)	117,738	164,052	126,017
Capacity utilization (percent)	37.3	53.7	50.3
U.S. shipments:			
Quantity (1,000 kilograms)	108,443	151,102	130,463
Value (\$1,000)	162,263	306,639	288,694
Unit value (per kilogram)	1.50	2.03	2.21
Net sales (\$1,000)	***	***	***
COGS (\$1,000)	***	***	***
COGS/net sales (percent)	84.9	80.4	73.2
Gross profit (loss) (\$1,000)	***	***	***
SG&A expenses (\$1,000)	***	***	***
Operating income (loss) (\$1,000)	***	***	***
Operating income (loss)/net sales (percent)	2.9	5.7	3.6

Note: For a discussion of data coverage, please see “U.S. producers” section.

Source: For the years 2009 and 2014, data are compiled using data submitted in the Commission’s original investigations and first five-year reviews, respectively. For the year 2019, data are compiled using data submitted by the domestic interested parties. Domestic interested parties’ third supplement to substantive response to the notice of institution, December 7, 2020, exh. Supp3-1.

## Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>31</sup>

In its original determinations and its expedited first five-year review determinations, the Commission defined the domestic like product as steel grating, coextensive with Commerce’s

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<sup>31</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

scope.<sup>32</sup> In the original investigations, three Commissioners defined the domestic industry as all U.S. producers of the domestic like product, while the Chairman and two Commissioners found that appropriate circumstances existed to exclude one firm, \*\*\*, from the domestic industry as a related party.<sup>33</sup> In the first five-year reviews, there were no related parties, and the Commission accordingly defined the domestic industry to include all domestic producers of steel grating.<sup>34</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 16 firms, which accounted for 49.3 percent of total U.S. imports of steel grating from China during 2009.<sup>35</sup> Import data presented in the original investigations are based on official Commerce statistics, which were adjusted to exclude \*\*\*. Import data for \*\*\* was removed from the official Commerce statistics because it reported that its imports classified as steel grating were out-of-scope structural steel.<sup>36</sup>

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of nine firms that may have imported steel grating from China.<sup>37</sup> Import data presented in the first reviews are based on unadjusted official Commerce statistics. The import data was unadjusted because \*\*\* reported only \*\*\* kilograms of merchandise from \*\*\* in 2010.<sup>38</sup>

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 11 potential U.S. importers of steel grating.<sup>39</sup>

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<sup>32</sup> 85 FR 61981, October 1, 2020.

<sup>33</sup> Original publication, p. 9.

<sup>34</sup> First review publication, p. 7.

<sup>35</sup> Original publication, p. IV-1.

<sup>36</sup> Investigation Nos. 701-TA-645 and 731-TA-1161 (Final): Certain Steel Grating from China, Confidential Report, INV-HH-061, June 11, 2010, as revised in INV-HH-067, June 22, 2010 ("Original confidential report"), p. IV-4.

<sup>37</sup> First review publication, p. I-9.

<sup>38</sup> First review confidential report, p. I-13.

<sup>39</sup> Domestic interested parties' substantive response to the notice of institution, November 2, 2020, exh. 9.

## U.S. imports

Table I-3 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

**Table I-3**  
**Steel grating: U.S. imports, 2015-19**

Item	2015	2016	2017	2018	2019
	<b>Quantity (1,000 kilograms)</b>				
China (subject)	4,005	1,759	455	903	360
Canada	8,901	12,834	8,820	9,040	5,036
India	3,630	2,678	3,764	4,487	3,603
Taiwan	1,723	1,971	2,545	6,243	3,425
United Arab Emirates	906	1,840	1,223	2,573	2,858
Mexico	1,034	672	2,696	2,315	2,695
Germany	269	495	404	930	2,267
All other sources	2,244	1,612	4,004	1,290	3,436
Subtotal, nonsubject	18,706	22,101	23,455	26,878	23,319
Total imports	22,711	23,860	23,910	27,781	23,679
	<b>Landed, duty-paid value (\$1,000)</b>				
China (subject)	6,994	3,208	1,153	2,035	1,211
Canada	14,313	18,686	14,572	18,613	11,918
India	4,607	2,985	4,807	6,706	5,731
Taiwan	2,206	2,237	4,716	10,536	4,151
United Arab Emirates	1,376	2,521	1,356	4,348	3,858
Mexico	2,541	1,175	4,324	4,925	6,033
Germany	1,063	1,121	3,636	2,792	5,159
All other sources	8,442	7,920	27,413	7,786	11,508
Subtotal, nonsubject	34,549	36,644	60,824	55,705	48,359
Total imports	41,544	39,853	61,978	57,741	49,570
	<b>Unit value (dollars per kilogram)</b>				
China (subject)	1.75	1.82	2.53	2.25	3.36
Canada	1.61	1.46	1.65	2.06	2.37
India	1.27	1.11	1.28	1.49	1.59
Taiwan	1.28	1.13	1.85	1.69	1.21
United Arab Emirates	1.52	1.37	1.11	1.69	1.35
Mexico	2.46	1.75	1.60	2.13	2.24
Germany	3.95	2.26	9.00	3.00	2.28
All other sources	3.76	4.91	6.85	6.04	3.35
Subtotal, nonsubject	1.85	1.66	2.59	2.07	2.07
Total imports	1.83	1.67	2.59	2.08	2.09

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

Note: According to \*\*\*, a firm that previously imported out-of-scope merchandise entered under HTS statistical reporting number 7308.90.7000, did not report any imports classified under HTS statistical reporting number 7308.90.7000 from any source during 2015-19.

Source: Compiled from official Commerce statistics for HTS statistical reporting number 7308.90.7000, accessed November 3, 2020.



## Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-4**  
**Steel grating: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2009, 2014, and 2019**

Item	2009	2014	2019
	<b>Quantity (1,000 kilograms)</b>		
U.S. producers' U.S. shipments	108,443	151,102	130,868
U.S. imports from—			
China	***	1,591	360
All other sources	***	18,300	23,319
Total imports	***	19,891	23,679
Apparent U.S. consumption	***	170,993	154,547
	<b>Value (1,000 dollars)</b>		
U.S. producers' U.S. shipments	162,263	306,369	289,866
U.S. imports from—			
China	***	3,433	1,211
All other sources	***	32,742	48,359
Total imports	***	36,175	49,570
Apparent U.S. consumption	***	342,813	339,437
	<b>Share of consumption based on quantity (percent)</b>		
U.S. producer's share	***	88.4	84.7
U.S. imports from.--			
China	***	0.9	0.2
All other sources	***	10.7	15.1
Total imports	***	11.6	15.3
	<b>Share of consumption based on value (percent)</b>		
U.S. producer's share	***	89.4	85.4
U.S. imports from.--			
China	***	1.0	0.3
All other sources	***	9.6	14.2
Total imports	***	10.6	14.5

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections. Because of rounding, figures may not add to totals shown.

Source: For the years 2009 and 2014, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested parties' third supplement to its substantive response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7308.90.7000, accessed November 3, 2020.

## The industry in China

During the final phase of the original investigations, the Commission did not receive any responses to foreign producer/exporter questionnaires from producers in China.<sup>40</sup>

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 26 possible producers/exporters of steel grating in China in that proceeding.<sup>41</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 27 possible producers/exporters of steel grating in China.<sup>42</sup> No developments were identified in the Chinese industry since the Commission's first review investigations.

Table I-5 presents export data for HTS subheading 7308.90, a category that includes steel grating and out-of-scope merchandise, from China (by export destination in descending order of quantity for 2019).

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<sup>40</sup> However, three firms provided responses during the preliminary phase of the original investigations and estimated that they accounted for 6.0 percent of production of steel grating in China in 2008. Based on official Commerce statistics, reported exports of steel grating to the United States by these responding firms accounted for \*\*\* percent of U.S imports from China, by quantity, in 2008. Original confidential report, p. VII-1.

<sup>41</sup> First review publication, p. I-13.

<sup>42</sup> Domestic interested parties' substantive response to the notice of institution, November 2, 2020, exh. 10.

**Table I-5**  
**Structures and parts of structures nesoi, of iron or steel: Exports from China, by destination,**  
**2015-19**

Item	Calendar year				
	2015	2016	2017	2018	2019
<b>Quantity (1,000 kilograms)</b>					
Japan	661,391	632,513	626,784	644,115	718,760
Korea South	712,118	655,655	588,617	428,895	639,964
Indonesia	275,707	220,763	203,046	339,224	433,631
United States	434,528	589,525	599,346	590,771	425,868
Australia	279,750	284,590	320,522	384,975	311,682
Hong Kong	233,720	251,941	310,829	279,146	297,473
Philippines	121,627	100,931	148,507	171,336	259,320
Vietnam	195,711	107,942	93,283	171,950	255,755
Thailand	91,603	74,016	68,943	75,592	202,910
Nigeria	43,459	40,927	62,836	124,947	178,087
All other	2,354,745	2,385,635	2,532,473	2,430,572	2,806,210
Total	5,404,360	5,344,438	5,555,186	5,641,523	6,529,659

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7308.90, accessed December 8, 2020. These data may be overstated for steel grating as HTS subheading 7308.90 may contain products outside the scope of these reviews.

## Antidumping or countervailing duty orders in third-country markets

Since the original investigations, there have been two known trade remedy actions on steel grating from China in third-country markets. On April 11, 2019, Canada imposed definitive countervailing measures on China for steel grating.<sup>43</sup> Turkey placed a safeguard measure on products imported under HS 7308.90 on May 21, 2018.<sup>44</sup>

### The global market

Table I-6 presents global export data for HS 7308.90, a category that includes steel grating and out-of-scope products, (by source in descending order of quantity for 2019).

**Table I-6**  
Structures and parts of structures nesoi, of iron or steel: Global exports by major sources, 2015-19

Item	2015	2016	2017	2018	2019
<b>Quantity (1,000 kilograms)</b>					
China	5,404,360	5,344,438	5,555,186	5,641,523	6,529,659
Poland	761,661	912,680	974,621	970,493	994,459
Germany	1,038,057	1,073,543	1,107,433	1,042,304	984,253
Belgium	683,753	724,017	804,620	829,408	785,113
Spain	559,171	620,370	719,235	648,885	636,519
Turkey	405,143	336,305	364,451	429,116	496,536
South Korea	769,834	678,656	534,169	479,282	431,379
Czech Republic	396,973	418,864	445,668	407,869	427,171
Italy	394,522	508,412	492,262	471,472	412,700
Netherlands	291,277	495,630	461,743	503,796	411,327
All Other	4,690,409	4,501,950	4,822,187	5,116,626	4,764,398
Total	15,395,160	15,614,865	16,281,575	16,540,774	16,873,514

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7308.90, accessed December 8, 2020. These data may be overstated for steel grating as HTS subheading 7308.90 may contain products outside the scope of these reviews.

<sup>43</sup> World Trade Organization (“WTO”), Committee on Anti-Dumping Practices, Semi-Annual Report Under Article 25.11 of the WTO Antidumping Agreement: Canada, G/SCM/N/305/CAN, September 27, 2016.

<sup>44</sup> World Trade Organization (“WTO”), Immediate Notification Under Article 12.5 of the Agreement of Safeguards to the Council for Trade in Goods of Proposed Suspension and Other Obligations Referred to in Paragraph 2 of Article 8 of The Agreement on Safeguards: Turkey, G/SG/N/12/TUR/6, May 22, 2018.

**APPENDIX A**  
**FEDERAL REGISTER NOTICES**



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

<b>Citation</b>	<b>Title</b>	<b>Link</b>
85 FR 61928 October 1, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21668.pdf">https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21668.pdf</a>
85 FR 61981 October 1, 2020	<i>Certain Steel Grating From China; Institution of Five-Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21668.pdf">https://www.govinfo.gov/content/pkg/FR-2020-10-01/pdf/2020-21668.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCERS**

Item	Ohio Gratings	IKG USA, Inc.	Interstate Gratings, LLC	Fisher & Ludlow Inc.	Lichtgitter USA, Inc.	Metal Grating Coalition
	Quantity=1,000 kilograms; value=1,000 dollars					
Nature of operation	✓	✓	✓	✓	✓	✓
Statement of intent to participate	✓	✓	✓	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓	✓	✓	✓
U.S. producer list	✓	✓	✓	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓	✓	✓	✓
List of sources for national/regional prices	?	?	?	?	?	?
<b>Production:</b>						
Quantity	***	***	***	***	***	126,017
Percent of total reported	***	***	***	***	***	100.0
Capacity	***	***	***	***	***	250,561
<b>Commercial shipments:</b>						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
<b>Internal consumption/company transfers:</b>						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Net sales	***	***	***	***	***	***
COGS	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Changes in supply/demand	✓	✓	✓	✓	✓	✓
<p><b>Note.—The production, capacity, and shipment data presented are for calendar year 2019. The financial data are for fiscal year ended December 31, 2019.</b></p> <p>✓ = response provided; * = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>						



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

CSG: Summary data concerning the U.S. market, 2007-09, January-June 2009, and July-December 2009

(Quantity=1,000 kilograms, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per kilogram;  
period changes=percent, except where noted)

Item	Reported data					Period changes			
	2007	2008	2009	January-June 2009	July-December 2009	2007-09	2007-08	2008-09	Jan.-June- July-Dec. 2009
	U.S. consumption quantity:								
Amount	176,769	***	***	***	***	***	***	***	***
Producers' share (1)	81.2	***	***	***	***	***	***	***	***
Importers' share (1):									
China	8.2	***	***	***	***	***	***	***	***
All other sources	10.7	***	***	***	***	***	***	***	***
Total imports	18.8	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	268,217	***	***	***	***	***	***	***	***
Producers' share (1)	81.8	***	***	***	***	***	***	***	***
Importers' share (1):									
China	6.0	***	***	***	***	***	***	***	***
All other sources	12.2	***	***	***	***	***	***	***	***
Total imports	18.2	***	***	***	***	***	***	***	***
U.S. imports from:									
China:									
Quantity	14,450	***	***	***	***	***	***	***	***
Value	16,026	***	***	***	***	***	***	***	***
Unit value	\$1.11	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	18,826	***	***	***	***	***	***	***	***
Value	32,795	***	***	***	***	***	***	***	***
Unit value	\$1.74	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	33,276	***	***	***	***	***	***	***	***
Value	48,820	***	***	***	***	***	***	***	***
Unit value	\$1.47	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity	277,153	332,185	315,447	161,167	154,280	13.8	19.9	-5.0	-4.3
Production quantity	155,678	155,506	117,738	59,002	58,736	-24.4	-0.1	-24.3	-0.5
Capacity utilization (1)	56.2	46.8	37.3	36.6	38.1	-18.8	-9.4	-9.5	1.5
U.S. shipments:									
Quantity	143,493	146,790	108,443	55,539	52,904	-24.4	2.3	-26.1	-4.7
Value	219,397	262,939	162,263	85,832	76,430	-26.0	19.8	-38.3	-11.0
Unit value	\$1.53	\$1.79	\$1.50	\$1.55	\$1.44	-2.1	17.2	-16.5	-6.5
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	17,539	15,653	16,923	14,643	16,923	-3.5	-10.8	8.1	15.6
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	598	626	518	533	503	-13.4	4.7	-17.3	-5.6
Hours worked (1,000s)	1,276	1,336	1,085	538	547	-15.0	4.7	-18.8	1.7
Wages paid (\$1,000s)	25,591	27,534	21,314	10,367	10,947	-16.7	7.6	-22.6	5.6
Hourly wages	\$20.06	\$20.61	\$19.64	\$19.27	\$20.01	-2.1	2.8	-4.7	3.9
Productivity (kilograms per hour)	122.0	116.4	108.5	109.6	107.4	-11.1	-4.6	-6.8	-2.0
Unit labor costs	\$0.16	\$0.18	\$0.18	\$0.18	\$0.19	10.2	7.7	2.3	6.0
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	7,580	3,071	6,320	5,390	930	-16.6	-59.5	105.8	-82.7
Unit COGS	\$1.18	\$1.39	\$1.27	\$1.35	\$1.17	7.2	17.5	-8.8	-13.2
Unit SG&A expenses	\$0.15	\$0.16	\$0.18	\$0.18	\$0.19	21.5	6.7	13.9	6.3
Unit operating income or (loss)	\$0.19	\$0.24	\$0.04	\$0.02	\$0.07	-76.6	28.6	-81.8	182.5
COGS/sales (1)	77.9	77.7	84.9	87.1	82.3	7.0	-0.2	7.2	-4.9
Operating income or (loss)/ sales (1)	12.2	13.4	2.9	1.5	4.6	-9.3	1.1	-10.4	3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

**Table C-2**

**CSG: Summary data concerning the U.S. market (excluding \*\*\*), 2007-09, January-June 2009, July-December 2009**

\* \* \* \* \*

**Table C-3**

**CSG: U.S. producer/fabricator data, 2007-09, January-June 2009, and July-December 2009**

\* \* \* \* \*

**Table C-4**

**CSG: Combined operations of U.S. producers' subject imports and domestic production, 2007-09, January-June 2009, and July-December 2009**

\* \* \* \* \*



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following ten firms as the top purchasers of certain steel grating: \*\*\*. Purchaser questionnaires were sent to these ten firms and one firm (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for certain steel grating that have occurred in the United States or in the market for certain steel grating in China since January 1, 2015?

Purchaser	Yes / No	Changes that have occurred
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for certain steel grating in the United States or in the market for certain steel grating in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***

