

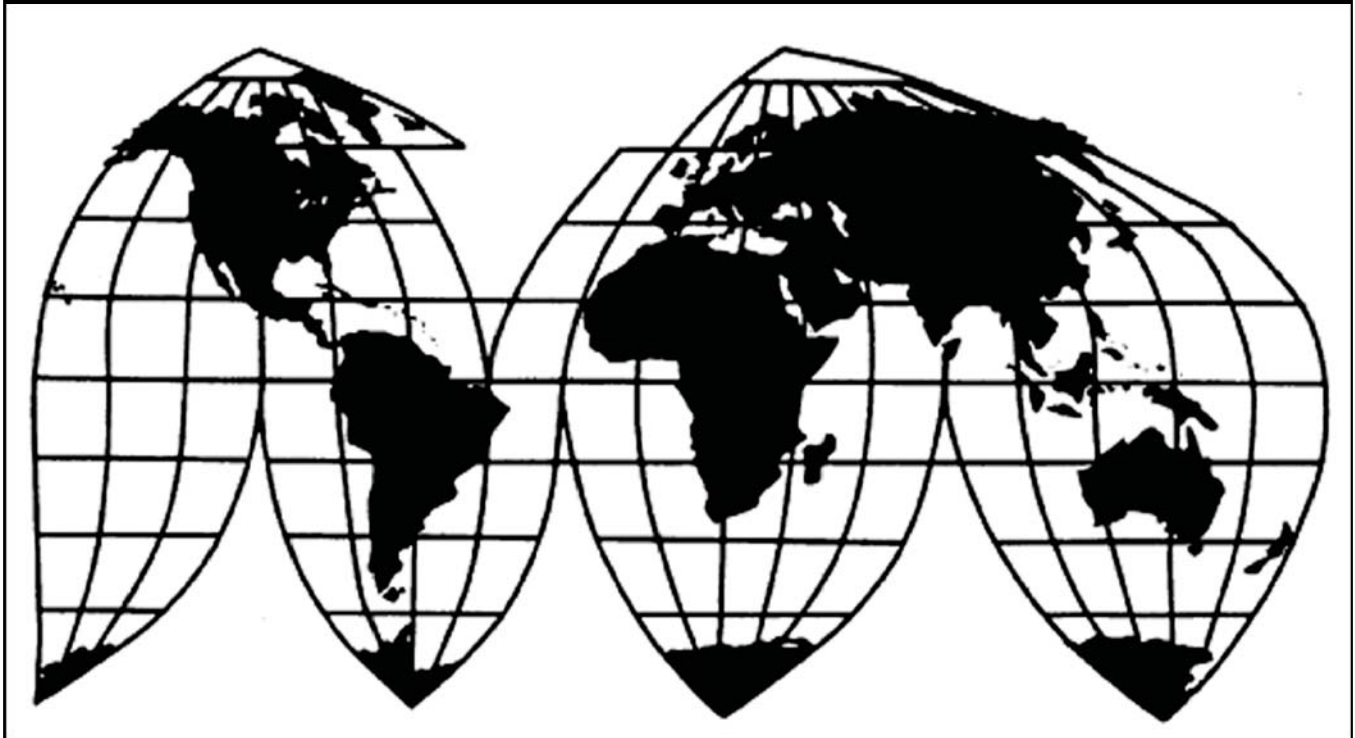
Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey

Investigation Nos. 701-TA-564 and 731-TA-1338-1340 (Preliminary)

Publication 4648

November 2016

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-564 and 731-TA-1338-1340 (Preliminary)

Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel concrete reinforcing bar (“rebar”) from Japan, Taiwan, and Turkey, provided for in subheadings 7213.10.00, 7214.20.00, and 7228.30.80 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (“LTFV”), and that are allegedly subsidized by the government of Turkey.

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

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

BACKGROUND

On September 20, 2016, the Rebar Trade Action Coalition and its individual members² filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of rebar from Turkey and LTFV imports of rebar from Japan, Taiwan, and Turkey. Accordingly,

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

² Bayou Steel Group, LaPlace, Louisiana; Byer Steel Group, Inc., Cincinnati, Ohio; Commercial Metals Company, Irving, Texas; Gerdau Ameristeel U.S. Inc., Tampa, Florida; Nucor Corporation, Charlotte, North Carolina; and Steel Dynamics, Inc., Pittsboro, Indiana.

effective September 20, 2016, the Commission, pursuant to sections 703(a) and 733(a) of the Act (19 U.S.C. 1671b(a) and 1673b(a)), instituted countervailing duty investigation No. 701-TA-564 and antidumping duty investigation Nos. 731-TA-1338-1340 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of September 27, 2016 (81 FR 66294). The conference was held in Washington, DC, on October 11, 2016, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of steel concrete reinforcing bar (“rebar”) from Japan, Taiwan, and Turkey that are allegedly sold in the United States at less than fair value and subsidized by the government of Turkey.

I. The Legal Standard for Preliminary Determinations

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

II. Background

Parties to the investigations. On September 20, 2016, the Rebar Trade Action Coalition and its individual members Bayou Steel Group (“Bayou”); Byer Steel Group, Inc. (“Byer”); Commercial Metals Company (“CMC”); Gerdau Ameristeel U.S. Inc. (“Gerdau”); Nucor Corporation (“Nucor”); and Steel Dynamics, Inc. (“Steel Dynamics”) (collectively “RTAC” or “petitioners”), filed the petitions in these investigations. Each of RTAC’s individual members manufactures steel concrete reinforcing bar (“rebar”) in the United States. Petitioners appeared at the staff conference with counsel and submitted a postconference brief.

Two respondent entities participated in these investigations. The Taiwan Steel & Iron Industries Association and its individual members Tung Ho Steel Enterprise Corp.; Feng Hsin Steel Co., Ltd.; Power Steel Co., Ltd.; Wei Chih Steel Industrial Co., Ltd; Lo-Toun Steel & Iron Works Co., Ltd; and Hai-Kwang Enterprise Corporation, each of which produces rebar in Taiwan (collectively “Taiwanese respondents”), participated in the staff conference through counsel and submitted a postconference brief. The Turkish Steel Exporters’ Association (Çelik İhracatçıları Birliği), an association whose members produce and export subject merchandise,

¹ 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

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

and Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S., a producer and exporter of rebar from Turkey (collectively “Turkish respondents”), appeared at the conference with counsel and submitted a postconference brief.

Data Coverage. U.S. industry data are based on the questionnaire responses of seven firms that accounted for the vast majority of U.S. rebar production in 2015.³ U.S. import data are based on official Commerce import statistics,⁴ the Commission also received usable questionnaire data from 18 importers accounting for 69.9 percent of U.S. imports of rebar in 2015.⁵ The Commission received usable responses to its foreign producer questionnaires from eight producers of subject merchandise in Japan whose reported exports were equivalent to 96.9 percent of U.S. imports of rebar from Japan in 2015 reflected in the Commerce data,⁶ six producers of subject merchandise in Taiwan whose reported exports exceeded U.S. imports of rebar from Taiwan in 2015 (likely due to timing differences),⁷ and four producers of subject merchandise in Turkey whose reported exports were equivalent to 88.3 percent of U.S. imports of rebar from Turkey in 2015.⁸

Prior Proceedings Involving Same or Similar Merchandise. The Commission has conducted a series of investigations involving rebar products.⁹ The United States has maintained antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine since 2001.¹⁰ Additionally, Commerce issued a countervailing duty order on certain imports of rebar from Turkey on November 6, 2014 and an antidumping duty order on imports of rebar from Mexico on November 6, 2014.¹¹ The scope of those orders is similar to the scope of the current investigations, although petitioners report that Commerce has included additional language in the scope in the more recent cases in order to address potential circumvention issues.¹²

³ Confidential Staff Report, Memorandum INV-OO-099 (Oct. 28, 2016), as modified by Memorandum INV-OO-100 (Nov. 1, 2016) (“CR”) at I-5; Public Report, *Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey*, Invs. Nos. 701-TA-564 and 731-TA-1338 to 1340 (Preliminary), USITC Pub. 4648 (Nov. 2016) (“PR”) at I-4.

⁴ CR at I-5; PR at I-4.

⁵ CR at I-5; PR at I-4.

⁶ CR/PR at VII-3.

⁷ CR/PR at VII-9.

⁸ CR/PR at VII-15.

⁹ See generally CR at I-5 to I-11; PR at I-4 to I-8.

¹⁰ CR at I-7 to I-8; PR at I-5 to I-6; *Antidumping Duty Orders: Steel Concrete Reinforcing Bars From Belarus, Indonesia, Latvia, Moldova, People's Republic of China, Poland, Republic of Korea and Ukraine*, 66 FR 46777 (September 7, 2001).

¹¹ 79 Fed. Reg. 65926 (Nov. 6, 2014) (Turkey); 79 Fed. Reg. 65925 (Nov. 6, 2014) (Mexico); CR at I-9; PR at I-7.

¹² See, e.g., Petitioners’ Postconf. Brief at Exhibit 1 at 39; Confer. Tr. at 64, 95-96 (Price).

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”¹³ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁴ In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”¹⁵

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.¹⁶ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹⁷ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁸ Although the Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(4)(A).

¹⁵ 19 U.S.C. § 1677(10).

¹⁶ See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See *Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹⁷ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

¹⁸ See, e.g., *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

and/or sold at less than fair value,¹⁹ the Commission determines what domestic product is like the imported articles Commerce has identified.²⁰

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

Steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (*e.g.*, mill mark, size, or grade) and which has been subjected to an elongation test.

The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the rebar.

Specifically excluded are plain rounds (*i.e.*, nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test.

At the time of the filing of the petition, there was an existing countervailing duty order on steel reinforcing bar from the Republic of Turkey. *Steel Concrete Reinforcing Bar From the Republic of Turkey*, 79 Fed. Reg. 65,926 (Dep't Commerce Nov. 6, 2014) (2014 Turkey CVD Order).

The scope of this countervailing duty investigation with regard to rebar from Turkey covers only rebar produced and/or exported by those companies that are excluded from the 2014 Turkey CVD Order. At the time of the issuance of the 2014 Turkey CVD Order, Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. was the only excluded Turkish rebar producer or exporter.

The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000,

¹⁹ See, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

²⁰ *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000.

HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.²¹

A. Arguments of the Parties

Petitioners argue that the Commission should find a single domestic like product consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations. They assert that this would be consistent with the Commission's treatment of rebar in prior proceedings.²² Turkish respondents do not object at this time to petitioners' proposed definition of the domestic like product, but reserve the option to reconsider this issue in any final phase of these investigations.²³ Taiwanese respondents likewise are not challenging petitioners' proposed definition of the domestic like product.²⁴

B. Analysis and Conclusion

Based on the record, we define a single domestic like product consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations.

Physical Characteristics and Uses. Rebar is a long-rolled steel product that is commonly used in construction projects to provide strength to concrete. Rebar is manufactured as either plain-round or deformed round bars. However, in the United States deformed rebar is used almost exclusively because it provides greater adherence to concrete due to its surface protrusions (or deformations). Rebar can be shipped in either straight lengths or coils. Coiled rebar is produced in smaller sizes than rebar in straight lengths and is used for smaller, more complex applications.²⁵

Rebar sold in the U.S. market is generally manufactured to conform to the testing standards of the American Society for Testing and Materials ("ASTM") International, which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances. There are several ASTM specifications for rebar, based on steel composition.²⁶

²¹ 81 Fed. Reg. 71697, 71702 (Oct. 18, 2016).

²² Petitions, Vol. I at 14-17; Petitioners' Postconf. Brief at 4; Confer. Tr. at 42.

²³ Turkish Respondents' Postconf. Brief at 11; Confer. Tr. at 156 (Nolan).

²⁴ Confer. Tr. at 156 (Lee).

²⁵ CR at I-14 to I-15; PR at I-12.

²⁶ CR at I-15; PR at I-12.

The construction industry is the principal end user of rebar and uses it extensively to reinforce concrete structures. Embedding rebar in concrete enhances the concrete's compressional and tensional strength and controls cracking as concrete shrinks during curing or due to temperature fluctuations. Rebar resists tension, compression, temperature variation, and shear stresses in reinforced concrete because the surface protrusions on a deformed bar inhibit longitudinal movement relative to the surrounding concrete. During construction projects, rebar is placed in a form and concrete from a mixer is poured over it. Once the concrete has set, deformation is resisted and stresses are transferred from the concrete to the rebar by friction and adhesion along the surface of the steel. A smaller market for rebar is for mine bolts, which hold support structures in mines.²⁷

Manufacturing Facilities, Production Processes and Employees. Rebar mills typically specialize in producing rebar either from (1) billet steel, (2) rail steel, or (3) axle steel, each of which involves somewhat different rolling requirements depending on the raw material. The most common manufacturing process to produce rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar produced from scrapped rail or axle steel, or from purchased billets, requires only reheating these materials and hot-rolling the bar.²⁸ In the United States, non-integrated "mini-mills" typically produce billets for rebar by melting steel scrap in electric arc furnaces.²⁹

Channels of Distribution. Rebar is sold to distributors, fabricators, and end users, with a number of firms acting as both distributors and fabricators. Some manufactured rebar is used in construction applications with no further processing, but a large share is sold to fabricators that further process the rebar before it is used.³⁰

Interchangeability. Rebar from different manufacturers, regardless of whether coiled or in straight lengths, is viewed as interchangeable with rebar of the same size and grade. While various sizes and grades of rebar may not be interchangeable in specific applications, there is no clear delineation between which sizes or grades may be used in particular applications.³¹

Producer and Customer Perceptions. Rebar, whether coiled or in straight lengths, is perceived as distinct from other steel products by producers and end users, based on applicable ASTM specification, along with industry-recognized size and grade designations.³²

Price. Prices for rebar vary based on steel chemistry, size, and grade, but the form of coil or straight lengths does not significantly affect pricing.³³

²⁷ Petitions, Vol. I p. 9; CR at I-15; PR at I-12.

²⁸ CR at I-18; PR at I-14.

²⁹ CR at I-18; PR at I-14.

³⁰ CR/PR at II-1.

³¹ CR at II-16 to II-18; PR at II-12 to II-13; Petitioners' Postconf. Brief at 6; Confer. Tr. at 23 (Mr. Barney) ("This is one of the most interchangeable steel products on the market. It is made to the same standards and the same lengths, sold to the same customers, and used for the same purposes."); Petitions, Vol. I at 16.

³² Petitions, Vol. I at 16.

Conclusion. Virtually all rebar is used in construction projects to provide strength to concrete. While a customer may require a particular size, grade, length, or specification for a particular project, no clear line divides different sizes, grades, or specifications and no party has advocated otherwise. We accordingly define a single domestic like product, consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations.

IV. Domestic Industry

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³⁴ 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.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.³⁵ Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each investigation.³⁶

*** U.S. producers are related parties.³⁷ *** is a related party because it directly imports the subject merchandise from Japan, Taiwan, and Turkey.³⁸ ***’s subsidiary, ***,

(...Continued)

³³ Petitions, Vol. I at 17. Differences in prices among the four domestically produced straight rebar products for which the Commission collected pricing data were relatively modest. See CR/PR at Tables V-2-6.

³⁴ 19 U.S.C. § 1677(4)(A).

³⁵ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

³⁶ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the less than fair value sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market); (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry; (4) the ratio of import shipments to U.S. production for the imported product; and (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp. 3d 1314, 1326-31 (Ct. Int’l. Trade 2015); see also *Torrington*, 790 F. Supp. at 1168.

³⁷ CR at III-11; PR at III-8.

³⁸ CR/PR at Table III-9.

imports the subject merchandise from Japan and Taiwan.³⁹ Because *** directly controls an importer of subject merchandise,⁴⁰ it is also a related party.⁴¹ Neither petitioners nor respondents advocated for the exclusion of *** as a related party.⁴²

*** is *** and the *** domestic producer of rebar, accounting for *** percent of domestic production in 2015.⁴³ ***. ***.⁴⁴ Its imports of the subject merchandise were considerably lower than its production of rebar during the POI.⁴⁵

We find that appropriate circumstances do not exist to exclude *** as a related party. *** appears to be more interested in domestic production than importation of subject merchandise given the size of its domestic production operations relative to its subject imports. Additionally, *** is a *** in these investigations, and it made significant investments in its U.S. production operations during the POI.⁴⁶

*** is *** and the *** domestic producer of rebar, accounting for *** percent of domestic production in 2015.⁴⁷ ***. ***.⁴⁸ *** subsidiary's imports of the subject merchandise were very small compared to *** production of rebar during the POI.⁴⁹

We find that appropriate circumstances do not exist to exclude *** as a related party. *** appears to be more interested in domestic production than importation of subject merchandise given the size of its production operations relative to the subject rebar imported

³⁹ CR/PR at Table III-9.

⁴⁰ CR/PR at Table III-2.

⁴¹ 19 U.S.C. § 1677(4)(B)(i).

⁴² Petitioners argue that the Commission should define the domestic industry to include all domestic producers of rebar. Petitions, Vol. I at 17. Turkish respondents do not object at this time to petitioners' proposed definition of the domestic industry but reserve the option to reconsider this issue in any final phase investigations. Turkish Respondents' Postconf. Brief at 11; Confer. Tr. at 157 (Nolan). Taiwanese respondents likewise are not challenging petitioners' proposed definition of the domestic industry. Confer. Tr. at 157 (Lee).

⁴³ CR/PR at Table III-1.

⁴⁴ CR at III-11; PR at III-8.

⁴⁵ Collectively, its imports of rebar from the subject countries were *** short tons in 2013, *** short tons in 2014, *** short tons in 2015, *** short tons in January-June 2015 ("interim 2015") and *** short tons in January-June 2016 ("interim 2016"), whereas its production of rebar was *** short tons in 2013, *** short tons in 2014, *** short tons in 2015, *** short tons in interim 2015 and *** short tons in interim 2016. The ratio of the firm's imports of subject merchandise to its production was *** percent or lower throughout the POI. CR/PR at Table III-9.

⁴⁶ CR/PR at Table VI-4.

⁴⁷ CR/PR at Table III-1.

⁴⁸ CR at III-12; PR at III-8.

⁴⁹ Its subsidiary's imports of subject merchandise from Japan were *** short tons in 2015, *** short tons in interim 2015, and *** short tons in interim 2016 and its imports of subject merchandise from Taiwan were *** short tons in 2015, whereas its production of rebar was *** short tons in 2015, *** short tons in interim 2015, and *** short tons in interim 2016. The ratio of the subsidiary's imports of subject merchandise as to *** production was *** percent or lower throughout the period. CR/PR at Table III-9.

by its affiliate. Additionally, *** is a *** in these investigations, and it made significant investments in its U.S. production operations during the POI.⁵⁰

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

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.⁵¹ Petitioners argue that for the September 2015 to August 2016 12-month period, subject imports from each subject source exceeded the applicable threshold and are not negligible.⁵² Taiwanese respondents agree with petitioners that any subject rebar from Japan, Taiwan, or Turkey would have been imported under one of the three primary HTSUS tariff subheadings (7213.10.0000, 7214.20.0000 and 7228.30.8010).⁵³ They concede that, if these tariff categories are also used as the basis for the denominator (total imports) in the negligibility calculation, subject imports from Taiwan are not negligible for the relevant 12-month period.⁵⁴

For purposes of analyzing negligible imports, we rely on official import statistics for HTSUS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010 for the

⁵⁰ CR/PR at Table VI-4.

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

⁵² Petitioners ask the Commission to base its analysis of negligible imports on official import statistics for rebar imported under three HTSUS subheadings (7213.10.0000, 7214.20.0000, and 7228.30.8010). Petitioners explain that they included 16 additional HTSUS subheadings in the scope description “as a precautionary measure to prevent potential circumvention of any duties that may arise from this investigation,” even though they do not believe that there are any imports of rebar corresponding to the scope of the investigations currently entering under the additional HTSUS subheadings. Consistent with their belief that there is no rebar corresponding to the scope of these investigations that is entering the U.S. market under the additional HTSUS subheadings, they argue that there is no basis to include any imports under the additional HTSUS subheadings in the denominator for the negligible imports analysis. Petitioners’ Postconf. Brief at 4-5, Exhibit 1 at 39; Confer. Tr. at 43, 64, 95-96 (Price).

⁵³ Taiwanese Respondents’ Postconf. Brief at 3 (citing Confer. Tr. at 95 (Price)).

⁵⁴ Taiwanese Respondents’ Postconf. Brief at 3; Confer. Tr. at 156-57 (Lee). Nevertheless, Taiwanese respondents argue that subject imports from Taiwan are negligible if the denominator includes all, or at least some, of the imports from nonsubject countries for the additional 16 tariff subheadings that petitioners identified in the scope language for these investigations. Because imports from Taiwan are so close to the negligible imports threshold, Taiwanese respondents argue that these adjustments to the denominator will lead to a finding that subject imports from Taiwan are negligible and require termination of the investigation of subject imports from Taiwan. Taiwanese Respondents’ Postconf. Brief at 3-5; Confer. Tr. at 157 (Lee).

12-month period preceding the petitions (September 2015 through August 2016).⁵⁵ Based on the available information, subject imports from Japan accounted for 12.5 percent of total imports in the relevant period, subject imports from Taiwan accounted for 5.9 percent, and subject imports from Turkey (all of which are subject to the antidumping duty investigations) accounted for 74.4 percent.⁵⁶ Consequently, we find that subject imports from Japan, Taiwan, and Turkey subject to antidumping duty investigations are not negligible.

According to Commerce, only imports of rebar from Turkish producer Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (“Habas”) are within the scope of the countervailing duty investigation, because all other imports of rebar from Turkey are subject to an existing countervailing duty order.⁵⁷ Subject imports from Habas accounted for *** percent of total imports of rebar during the relevant 12-month period.⁵⁸ Accordingly, we find that subject imports from Turkey that are subject to the countervailing duty investigation are not negligible.

VI. Cumulation

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

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

⁵⁵ Taiwanese respondents refer to petitioners’ counsel’s testimony about rebar imports from Latvia that were misclassified and assert that the Commission at least should include imports from Latvia and other nonsubject countries that might be circumventing existing antidumping or countervailing duty orders on rebar in the denominator for its negligible imports analysis. Taiwanese Respondents’ Postconf. Brief at 3-5 (citing Confer. Tr. at 96 (Price)). The reference to imports from Latvia, however, involves circumstances that pre-dated 2005. See, e.g., *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873 to 875, 878 to 880 and 882 (Review), USITC Pub. 3933 at IV-5 (Jul. 2007). Neither petitioners nor staff is aware of any imports of rebar products corresponding to the scope under any of the other statistical reporting numbers since January 2013, so there is no basis to include imports under other statistical reporting numbers in the denominator for the negligible imports analysis. See, e.g., Petitioners’ Postconf. Brief at Exhibit 1 at 39; CR at I-1 at n.1, IV-1 at n.1; PR at I-1 at n.1, IV-1 at n.1; CR/PR at Table IV-3.

⁵⁶ CR/PR at Table IV-3.

⁵⁷ 81 Fed. Reg. at 71709.

⁵⁸ CR/PR at Table IV-3.

- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.⁵⁹

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁶⁰ Only a “reasonable overlap” of competition is required.⁶¹

Petitioners argue that subject imports from Turkey, Japan, and Taiwan should be cumulated because rebar from all subject sources is highly fungible, sold through the same channels of distribution, and simultaneously present throughout the U.S. market.⁶² Turkish respondents do not contest cumulation for analysis of present material injury.⁶³ Taiwanese respondents argue that imports from Taiwan should not be cumulated with other subject imports for analysis of present material injury.⁶⁴

We consider subject imports from Turkey, Japan, and Taiwan on a cumulated basis, because the statutory criteria for cumulation are satisfied. As an initial matter, petitioners filed the antidumping and countervailing duty petitions with respect to all sources of subject imports on the same day, September 20, 2016.⁶⁵ As discussed below, the record also demonstrates a

⁵⁹ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁶⁰ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

⁶¹ The Statement of Administrative Action (“SAA”) to the Uruguay Round Agreements Act (“URAA”), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

⁶² According to petitioners, claims at the staff conference that subject imports from some countries are limited to certain sizes, lengths, grades, or geographical regions are contradicted by Respondents’ reported data and other record evidence. Petitioners’ Postconf. Brief at Exhibit 1 at 2-14.

⁶³ Turkish Respondents’ Postconf. Brief at Tab A at 1, 2-3; Confer. Tr. at 180 (Nolan).

⁶⁴ Taiwanese respondents assert that subject imports from Taiwan: (1) primarily were of irregular types of rebar in terms of grade, size, and length, (2) were sold to a limited geographic region (West Coast), (3) were sold through different channels of distribution (almost exclusively to unaffiliated distributors and trading companies, not directly to fabricators or end users), and (4) were not simultaneously present in the U.S. market with rebar from other sources to any significant degree. Taiwanese Respondents’ Postconf. Brief at 12.

⁶⁵ None of the statutory exceptions to cumulation applies.

reasonable overlap of competition among rebar produced in Turkey, Japan, and Taiwan, and between rebar from each subject source and the domestic like product.

Fungibility. The vast majority of U.S. importers and all U.S. producers reported rebar from different sources to be always or frequently interchangeable in all comparisons between the domestic like product and imports from individual subject countries, and between subject imports from different sources.⁶⁶ Contrary to Taiwanese respondents' assertions,⁶⁷ the record further shows that the domestic industry and imports from all subject sources competed in a range of sizes, grades, and lengths, with the concentration of U.S. shipments from each source in sizes 3 through 6, grade 60, and in lengths between 20 and 40 feet.⁶⁸

Channels of Distribution. The questionnaire data show that *** was shipped to fabricators, *** subject imports from Japan and Turkey were sold to distributors, and distribution patterns for subject imports from Taiwan varied between periods. Nevertheless, a significant percentage (at least *** percent) of the domestic like product and imports from each subject source was sold to distributors during each year and interim period of the POI.⁶⁹

Geographic Overlap. U.S. producers and importers of rebar from Turkey reported selling to all regions in the United States. Importers of rebar from Japan were sold to several U.S. regions: Midwest, Southeast, Central Southwest, and Pacific Coast. Importers of rebar from Taiwan reported selling to the Central Southwest, Pacific Coast, and other territories.⁷⁰ These questionnaire responses are consistent with information about the customs districts through which subject imports entered the U.S. market, as reported in official import statistics.⁷¹ According to official import statistics, as subject imports from Taiwan increased their presence in the U.S. market at the end of the POI, they also began entering through Houston-Galveston, Texas, which was the largest port of entry for subject imports from Japan and Turkey.⁷²

Simultaneous Presence in Market. Subject imports from Turkey were present in the U.S. market in all but one month of the period January 2013 through August 2016, subject imports from Japan were present in the U.S. market in 33 of 44 months of the period January 2013 through August 2016, and subject imports from Taiwan were present in 23 of 44 months of the period January 2013 through August 2016.⁷³

⁶⁶ CR/PR at Table II-6.

⁶⁷ The Taiwanese respondents assert that imports from Taiwan had limited fungibility with rebar from other sources because a significant portion of these imports were of rebar in smaller sizes, shorter lengths, and types not typically supplied by the U.S. industry. Taiwanese Respondents' Postconf. Brief at 10.

⁶⁸ CR/PR at Table IV-4 (type and length), Table IV-5 (grade), Table IV-6 (size); CR at IV-8 to IV-10; PR at IV-7 to IV-10.

⁶⁹ CR/PR at Table II-1.

⁷⁰ CR/PR at Table II-2.

⁷¹ CR/PR at Table IV-8, Table IV-9.

⁷² CR/PR at IV-13 at n.5.

⁷³ CR/PR at Table IV-7. Taiwanese Respondents note that the volume of subject imports from Taiwan during several of these months was quite small. Taiwanese Respondents' Postconf. Brief at 12.

Conclusion. The record supports finding that subject imports from Turkey, Japan, and Taiwan are fungible with one another and the domestic like product and that all were sold simultaneously in overlapping geographic markets and through similar channels of distribution. Although subject imports from Taiwan had a smaller presence in the U.S. market than the other sources during the POI and were initially sold in a more limited portion of the U.S. market, subject imports from Taiwan were sold in overlapping channels of distribution, geographic areas, and time periods with the domestic like product and subject imports from Japan and Turkey. Because the record supports finding a reasonable overlap of competition among rebar made in Japan, Taiwan, Turkey, and the United States, we cumulate subject imports from Japan, Taiwan, and Turkey for purposes of our analysis of reasonable indication of material injury by reason of subject imports.

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

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.⁷⁴ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.⁷⁵ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁷⁶ In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁷⁷ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁷⁸

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured by reason of” unfairly traded imports,⁷⁹ it does not define the phrase “by reason of,” indicating that this aspect of the

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

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

⁷⁶ 19 U.S.C. § 1677(7)(A).

⁷⁷ 19 U.S.C. § 1677(7)(C)(iii).

⁷⁸ 19 U.S.C. § 1677(7)(C)(iii).

⁷⁹ 19 U.S.C. §§ 1671b(a), 1673b(a).

injury analysis is left to the Commission's reasonable exercise of its discretion.⁸⁰ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁸¹

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.⁸² In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁸³ Nor does the

⁸⁰ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("the statute does not 'compel the commissioners' to employ {a particular methodology}.", *aff'g* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

⁸¹ The Federal Circuit, in addressing the causation standard of the statute, has observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was re-affirmed in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), in which the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

⁸² SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); accord *Mittal*, 542 F.3d at 877.

⁸³ SAA at 851-52 ("the Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor*, 266 F.3d at 1345. ("the Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to (Continued...)

“by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.⁸⁴ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁸⁵

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to the subject imports.”^{86 87} Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁸⁸

(...Continued)

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

⁸⁴ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁸⁵ *See Nippon*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

⁸⁶ *Mittal*, 542 F.3d at 877-78; *see also id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swift-Train v. United States*, 792 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comports with the Court’s guidance in *Mittal*.

⁸⁷ Commissioners Pinkert and Kieff do not join this paragraph or the following three paragraphs. They point out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal*, held that the Commission is *required*, in certain circumstances when analyzing present material injury, to consider a particular issue with respect to the role of nonsubject imports, without reliance upon presumptions or rigid formulas. The Court has not prescribed a specific method of exposition for this consideration. *Mittal* explains as follows:

What *Bratsk* held is that “where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market,” the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry.

(Continued...)

The Federal Circuit’s decisions in *Gerald Metals*, *Bratsk*, and *Mittal* all involved cases in which the relevant “other factor” was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit’s guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.⁸⁹ The additional “replacement/benefit” test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal* litigation.

Mittal clarifies that the Commission’s interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have “evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports,’” and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.⁹⁰ Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.⁹¹

(...Continued)

444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

⁸⁸ *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

⁸⁹ *Mittal*, 542 F.3d at 875-79.

⁹⁰ *Mittal*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission’s alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

⁹¹ To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in the final phase of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission’s causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in the final phase of investigations in which there are substantial levels of nonsubject imports.

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁹² Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.⁹³

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

As discussed above, the primary use for rebar is to provide strength to concrete in construction projects, such as roads and bridges, commercial and industrial construction, residential construction, and public construction.⁹⁴ Rebar accounts for a varying share of the cost of the end-use products in which it is used,⁹⁵ and there are few or no substitutes for rebar.⁹⁶ Some rebar is used directly in construction applications with no further processing, but a large share is sold to fabricators that further process the rebar into forms used in construction.⁹⁷ Thus, demand for rebar is driven by the U.S. economy, nonresidential construction spending, and to a lesser extent, residential construction spending.⁹⁸ Questionnaire respondents disagreed as to whether the U.S. rebar market is subject to business cycles.⁹⁹

⁹² We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁹³ *Mittal*, 542 F.3d at 873; *Nippon*, 458 F.3d at 1350, *citing U.S. Steel*, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

⁹⁴ CR/PR at II-1.

⁹⁵ CR at II-12; PR at II-9 (indicating that rebar accounted for 2 to 5 percent of the cost of construction (its most common use); 10 to 20 percent of the cost of foundations, driveways, and “miscellaneous construction;” and 80 to 100 percent of the cost to manufacture fabricated rebar forms).

⁹⁶ CR at II-14; PR at II-10.

⁹⁷ The Commission's questionnaires in these investigations defined distributors as firms that sell the rebar without any processing or forming, fabricators as firms that further process the rebar into forms for use by end users, and end users as firms that employ rebar for their own use. Fabricators may also distribute rebar. CR/PR at II-1. Petitioners report that distinctions among these distribution channels have become blurred over time. Petitioners' Postconf. Brief at 9; Confer. Tr. at 107 (Byer).

⁹⁸ CR at II-10 to II-11; PR at II-8; CR/PR at Figure II-1 (gross domestic product, measured in percentage changes, fluctuated between January 2013 and June 2016, with a period low of negative 1.2 percent in the first quarter of 2014 and a period high of 5.0 percent in the third quarter of 2014), Figure II-2 (indicating that monthly total spending on nonresidential and residential construction generally increased between January 2013 and June 2016).

⁹⁹ Five of seven domestic producers reported that the U.S. rebar market is subject to a business cycle, whereas 11 of 18 importers reported that the U.S. rebar market is not subject to any business cycle. (Continued...)

Most U.S. producers and importers reported that demand for rebar has increased or fluctuated since January 2013.¹⁰⁰ Apparent U.S. consumption of rebar increased during the POI from 7.7 million short tons in 2013 to 8.2 million short tons in 2014 and 8.5 million short tons in 2015, and it was 4.3 million short tons in interim 2015 and 4.4 million short tons in interim 2016.¹⁰¹

2. Supply Conditions

During the POI, the domestic industry and imports from subject and nonsubject sources supplied the U.S. market.¹⁰²

a. Domestic Industry

Between January 2013 and June 2016, the domestic industry was the largest supplier, accounting for at least three-quarters of the U.S. rebar market.¹⁰³ As discussed above, the seven firms submitting usable questionnaire data in these investigations are believed to account for the vast majority of rebar production operations in the United States.¹⁰⁴ Domestic production is relatively concentrated, however, with three firms (CMC, Gerdau, and Nucor) accounting for approximately *** percent of all production of rebar in the United States in 2015.¹⁰⁵ The domestic industry had sufficient production capacity to supply apparent U.S. consumption during the POI.¹⁰⁶ Petitioners report that in this capital-intensive industry, producers seek to maintain high levels of capacity utilization.¹⁰⁷

The record indicates some degree of vertical integration among domestic producers.¹⁰⁸ The majority of the domestic producers own or are otherwise related to firms with upstream ferrous scrap operations.¹⁰⁹ Additionally, the three largest domestic rebar producers sell rebar

(...Continued)

cycle. Questionnaire respondents reporting that rebar follows a business cycle identified seasonal trends of construction spending as the basis for the cycle. CR at II-13; PR at II-9.

¹⁰⁰ CR/PR at Table II-3.

¹⁰¹ CR/PR at Table IV-10.

¹⁰² CR/PR at Table IV-11.

¹⁰³ CR/PR at Table IV-11.

¹⁰⁴ CR/PR at III-1.

¹⁰⁵ CR/PR at Table III-1 (indicating that CMC accounted for *** percent of production in 2015, Gerdau accounted for *** percent, and Nucor accounted for *** percent).

¹⁰⁶ The domestic industry's production capacity was 9.6 million short tons in 2013, 9.5 million short tons in 2014, 9.4 million short tons in 2015, and 4.6 million short tons in both interim 2015 and interim 2016, whereas apparent U.S. consumption was 7.7 million short tons in 2013, 8.2 million short tons in 2014, 8.5 million short tons in 2015, 4.3 million short tons in interim 2015, and 4.4 million short tons in interim 2016. CR/PR at Table III-4, Table IV-10.

¹⁰⁷ CR/PR at Table III-5.

¹⁰⁸ CR/PR at Table III-4 and IV-10.

¹⁰⁹ Cascade purchases all of its scrap from a related supplier (Schnitzer Steel's Auto and Metals Recycling segment); CMC operates ten scrap metal processing plants that directly support its overall mill (Continued...)

to affiliated downstream fabrication operations and related distributors.¹¹⁰ The domestic producers report that such sales are made at fair market value.¹¹¹ The record indicates that average company-specific transfer values were in the same range as average commercial sales values but were generally somewhat lower, though not by a consistent degree for ***.¹¹² The affiliated downstream fabrication operations and related distributors also purchased rebar from unaffiliated sources, including subject imports.¹¹³

b. Subject Imports

During the POI, the rebar industry in Turkey was the largest supplier of imported rebar to the U.S. market, and imports from Turkey more than doubled by quantity between 2013 and 2015.¹¹⁴ Commerce issued a countervailing duty order on rebar from Turkey on November 6, 2014, but the order specifically excludes rebar produced by Habas, which received a *de minimis* margin, as indicated above.¹¹⁵

Subject imports from Japan and Taiwan also increased beginning in 2013, but from a smaller baseline than subject imports from Turkey.¹¹⁶ Cumulated subject imports from Japan, Taiwan, and Turkey accounted for 9.7 percent of apparent U.S. consumption in 2013,

(...Continued)

operations; Gerdaу's corporate parent operates 37 scrap recycling facilities (including joint ventures and associate companies) in North America; Nucor operates 70 scrap recycling facilities; and SDI's metals recycling operations supplied 37 percent of its steel operations' ferrous scrap requirements in 2015. CR at VI-1; PR at VI-1; Turkish Respondents' Postconf. Brief at 3-4 (also reporting that Byer maintains scrap processing operations).

¹¹⁰ CR at VI-2; PR at VI-1 - VI-2 (indicating that *** percent of *** total rebar sales quantity during the POI reflected transfers, whereas *** transfers accounted for *** percent of its total rebar sales quantity and *** transfers accounted for *** percent of its total rebar sales quantity in this period); CR/PR at II-1 (indicating that Byer also owns a purchasing firm that operates as a fabricator or distributor).

¹¹¹ Confer. Tr. at 85 (Porter).

¹¹² CR/PR at VI-2. In any final phase of these investigations, we will examine more closely how the U.S. producers determine fair market value for transfers from their upstream related scrap suppliers and to their affiliated downstream fabrication operations and related distributors.

¹¹³ CR at III-11-12; PR at III-8.

¹¹⁴ CR/PR at Table IV-2.

¹¹⁵ 79 Fed. Reg. 65926 (Nov. 6, 2014); CR at I-9; PR at I-7. This countervailing duty determination and Commerce's negative antidumping duty determination regarding imports of rebar from Turkey are subject to ongoing litigation. *See, e.g., Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 113 F. Supp. 3d 1316 (Ct. Int'l Trade 2015) (CVD); *Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 106 F. Supp. 3d 1328 (Ct. Int'l Trade 2015) (CVD); *Rebar Trade Action Coalition v. United States*, 2016 WL 5122639 (Ct. Int'l Trade Sept. 21, 2016) (AD); *Rebar Trade Action Coalition v. United States*, 2015 WL 7573326 (Ct. Int'l Trade Nov. 23, 2015) (AD).

¹¹⁶ CR/PR at Table IV-2.

13.3 percent in 2014, 22.8 percent in 2015, 23.8 percent in interim 2015, and 21.8 percent in interim 2016.¹¹⁷

c. Nonsubject Imports

The primary nonsubject country sources of rebar imports in 2015 were the Dominican Republic, Korea, Mexico, Peru, Russia, and Spain.¹¹⁸ Imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine have been subject to antidumping duty orders since 2001,¹¹⁹ and Commerce imposed an antidumping duty order on imports of rebar from Mexico on November 6, 2014.¹²⁰ Nonsubject imports have accounted for a relatively small and declining share of the U.S. market, particularly after the order was imposed on imports from Mexico; their market share was 6.1 percent in 2013, 4.4 percent in 2014, 1.0 percent in 2015, 0.8 percent in interim 2015, and 1.7 percent in interim 2016.¹²¹

3. Substitutability

As previously stated, the vast majority of U.S. importers and all U.S. producers reported that rebar manufactured in the United States and in each of the subject countries are always or frequently interchangeable with one another.¹²² The domestic like product and rebar from Japan, Taiwan, and Turkey competed with one another in a range of sizes, grades, and lengths, particularly in sizes 3 through 6, grade 60, in lengths between 20 and 40 feet.¹²³

The Commission asked each purchaser responding to lost sales and lost revenue allegations to identify the main factors that it considers when making purchasing decisions for rebar. Purchasers identified price, availability, and quality as the major factors.¹²⁴ When asked about the significance of non-price factors when comparing the domestic like product and rebar from the subject countries, all domestic producers reported that factors other than price were never significant, and the majority of importers reported that non-price factors are sometimes

¹¹⁷ CR/PR at Table IV-11.

¹¹⁸ CR at I-5, IV-4; PR at IV-3.

¹¹⁹ 66 Fed. Reg. 46777 (Sept. 1, 2001).

¹²⁰ 79 Fed. Reg. 65925 (Nov. 6, 2014) (Mexico); CR at I-9; PR at I-7. The Commission's final affirmative injury determination regarding rebar from Mexico is the subject of ongoing litigation. *See, e.g., Steel Concrete Reinforcing Bar from Mexico*, Inv. No. 731-TA-1227 (Final) (Remand), USITC Pub. 4645 (Oct. 2015) (affirmative determination on remand); Panel Decision, *In the Matter of Steel Concrete Reinforcing Bar from Mexico and Turkey: Final Affirmative Injury Determination*, Secretariat File No. USA-MEX-2014-1904-02 (Jul. 14, 2016).

¹²¹ CR/PR at Table IV-11.

¹²² CR/PR at Table II-6.

¹²³ CR/PR at Table IV-4 (type and length), Table IV-5 (grade), Table IV-6 (size).

¹²⁴ CR/PR at Table II-5.

or never significant.¹²⁵ We consequently find that subject imports are highly substitutable for the domestic like product and that price plays an important role in purchasing decisions.¹²⁶

4. Other Conditions

Raw material costs accounted for a substantial portion of the domestic industry's cost of goods sold ("COGS") during the POI, ranging from a high of *** percent in 2014 to a low of *** percent in interim 2016.¹²⁷ Ferrous scrap, the primary raw material input to manufacture rebar, accounts for a large share of the COGS.¹²⁸ The monthly price of shredded auto scrap reported in *American Metal Markets* declined by *** percent between January 2013 and June 2016.¹²⁹

The vast majority of sales are spot sales.¹³⁰ Certain sales in the U.S. market are controlled by Buy America(n) preference programs¹³¹ and by the Fixing America's Surface Transportation Act ("FAST Act"). Turkish respondents argue that projects subject to Buy America(n) and FAST Act preferences shield the domestic industry from import competition.¹³² Petitioners contend that projects subject to such preferences account for a small and declining share of the U.S. market, purchasers rarely tell domestic producers that the projects involve such preferences, and domestic producers do not differentiate their prices based on whether the project involves Buy America(n) preferences.¹³³ Available information suggests that Buy America(n) preferences apply to a relatively small share of rebar purchases in the U.S. market.¹³⁴ Five of 11 purchasers reported that country of origin is only sometimes important when purchasing rebar.¹³⁵

¹²⁵ CR/PR at Table II-7.

¹²⁶ CR at II-14; PR at II-10.

¹²⁷ CR at VI-4, VI-13; PR at VI-6.

¹²⁸ CR at V-1, VI-4; PR at V-1, VI-6.

¹²⁹ CR/PR at Figure V-1.

¹³⁰ CR at V-3; PR at V-2.

¹³¹ Buy America preferences apply to the procurement of iron and steel products, including rebar, for certain federal-aid highway construction programs whereas Buy American preferences apply to Federal Government procurement of certain goods and services. CR at II-16; PR at II-11 to II-12.

¹³² Turkish Respondents' Postconf. Brief at 9-11; Confer. Tr. at 15, 131-32, 138, 168, 195 (Nolan).

¹³³ Petitioners' Postconf. Brief at 15-16; Confer. Tr. at 17-18 (Campo for Gerdau), 24 (Barney for Nucor); Confer. Tr. at 62-63 (Porter), 75-76 (Porter), 76 (Canosa), 76-77 (Byer), 79-80 (Kaplan).

¹³⁴ CR at II-16; PR at II-11 to II-12.

¹³⁵ One purchaser that reported that country of origin is important for Buy America(n) projects indicated that such projects comprise a small share of its purchases. CR at II-16; PR at II-11 to II-12. In the 2014 investigations, purchasers reported that 10.6 percent of all purchases require domestic product. *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Pub. 4496 at II-23 and II-24 n.143 (Oct. 2014).

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹³⁶

The absolute volume of cumulated subject imports of rebar from Japan, Taiwan, and Turkey in the U.S. market increased between 2013 and 2015; cumulated subject import volume was slightly lower in interim 2016 than in interim 2015. Cumulated subject imports volume rose from 742,320 short tons in 2013 to 1.1 million short tons in 2014 and 1.9 million short tons in 2015. It was 1.0 million short tons in interim 2015 and 0.9 million short tons in interim 2016.¹³⁷

Between 2013 and 2015, as apparent U.S. consumption of rebar increased, cumulated subject imports from Japan, Taiwan, and Turkey increased their share of the U.S. market from 9.7 percent 2013 to 13.3 percent in 2014 and 22.8 percent in 2015.¹³⁸ The market share of cumulated subject imports was 23.8 percent in interim 2015 and 21.8 percent in interim 2016. The 13.1 percentage points of market share that the subject imports gained between 2013 and 2015 came at the expense of both the domestic industry and nonsubject imports. The domestic industry’s market share fell from 84.2 percent in 2013 to 82.4 percent in 2014 and 76.2 percent in 2015, an 8.0 percentage point decline.¹³⁹ The domestic industry’s market share was 75.3 percent in interim 2015 and 76.5 percent in interim 2016.

Turkish respondents claim that increases in subject imports were driven in part by shortages in the U.S. rebar market.¹⁴⁰ The available information, however, does not indicate any such shortages. Instead, it indicates that throughout the POI the domestic industry had both excess capacity and sufficient capacity to supply all apparent U.S. consumption.¹⁴¹ We will examine more closely the domestic industry’s ability to supply the U.S. market throughout the POI in any final phase of these investigations.

Based on the current record, for purposes of these preliminary determinations, we find that the volume of cumulated subject imports from Japan, Taiwan, and Turkey and the increase in that volume are significant both in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

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

¹³⁶ 19 U.S.C. § 1677(7)(C)(i).

¹³⁷ CR/PR at Table IV-10.

¹³⁸ CR/PR at Table IV-11.

¹³⁹ CR/PR at Table IV-11.

¹⁴⁰ Turkish respondent’s Postconference Brief at 14.

¹⁴¹ CR/PR at Tables III-4 and IV-10.

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹⁴²

As stated above, the current record indicates a high degree of substitutability among subject imports and the domestic like product¹⁴³ and that price is an important consideration in purchasing decisions.¹⁴⁴

In the preliminary phase of these investigations, the Commission requested that U.S. producers and importers provide quarterly weighted-average sales price data for four rebar products shipped to unrelated U.S. customers between January 2013 and June 2016.¹⁴⁵ Seven U.S. producers and 15 importers submitted usable pricing data on sales of the requested products,¹⁴⁶ although not all firms reported pricing for all products for all quarters.¹⁴⁷

Subject imports undersold the domestic like product in 117 of 118 quarterly price comparisons (involving 2.3 million short tons of subject imports) at underselling margins that ranged from 0.4 percent to 30.2 percent and oversold the domestic industry's price in the remaining instance (involving 388 short tons of subject imports) by 0.8 percent.¹⁴⁸ Purchasers' responses to the lost sales/lost revenue survey confirm that the domestic industry lost sales to the subject imports because of their low pricing.¹⁴⁹ Based on the pervasive underselling of the domestic like product by cumulated subject imports, the high degree of substitutability of the domestic like product and the subject imports, and the importance of price in purchasing decisions, we find for purposes of our preliminary determinations that there has been

¹⁴² 19 U.S.C. § 1677(7)(C)(ii).

¹⁴³ CR at II-14; PR at II-10; CR/PR at Table II-6, Table IV-4 to Table IV-6.

¹⁴⁴ CR/PR at Table II-5, Table II-7.

¹⁴⁵ The pricing products are: (1) straight ASTM A615, No. 3, grade 60 rebar; (2) straight ASTM A615, No. 4, grade 60 rebar; (3) straight ASTM A615, No. 5, grade 60 rebar; and (4) straight ASTM A615, No. 6, grade 60 rebar. CR at V-5; PR at V-4.

¹⁴⁶ CR/PR at Table IV-11.

¹⁴⁷ CR at V-5; PR at V-4; CR/PR at Tables V-3 to V-6. The pricing data accounted for approximately *** percent of the domestic industry's U.S. shipments, *** percent of subject imports from Japan, *** percent of subject imports from Taiwan, and *** percent of subject imports from Turkey in 2015. CR at V-5; PR at V-4.

¹⁴⁸ CR at V-15; PR at V-4; CR/PR at Tables V-3 to V-6, Table V-8, Figures V-2 to V-5.

¹⁴⁹ All seven domestic producers reported that they lost sales due to competition with subject imports of rebar from Japan, Taiwan, and Turkey during the POI. CR at V-15; PR at V-6. Eleven of 27 purchasers named in lost sales or lost revenue allegations responded to the allegations. CR at V-16, PR at V-6. Nine purchasers reported that since 2013 they had purchased imported rebar from Japan, Taiwan, and/or Turkey instead of U.S.-produced rebar. *** of them reported switching to rebar from Japan, *** reported switching to rebar from Taiwan, and *** reported switching to rebar from Turkey. Eight of these purchasers reported that price was a primary reason they purchased imported rebar rather than U.S.-produced rebar.

significant underselling of the domestic like product by cumulated subject imports from Japan, Taiwan, and Turkey.

With respect to whether subject imports depressed prices of the domestic like product to a significant degree, we considered changes in prices of the domestic like product and subject imports between January 2013 and June 2016. The pricing data generally show declining prices of the domestic like product at the beginning of the POI, increasing prices in 2014, and declining prices through the first quarter of 2016. Between January 2013 and June 2016, the prices for the four domestically produced pricing products declined by *** to *** percent.¹⁵⁰ The reported weighted-average prices for the four pricing products imported from the subject countries generally declined in early 2013, increased until the second or third quarter of 2014, and then declined irregularly until the first or second quarter of 2016. Declines from January 2013 to June 2016 ranged between *** and *** percent, which exceeded price declines for the domestic like product.¹⁵¹

Petitioners assert that the domestic industry was forced to lower prices of the domestic like product and to implement “foreign fighter” prices¹⁵² to respond to increasing volumes of low-priced subject imports,¹⁵³ whereas respondents argue that rebar prices tracked scrap prices.¹⁵⁴ According to information reported in *American Metal Markets*, the cost of ferrous scrap, the primary raw material input to manufacture rebar, declined irregularly in the first half of 2013, increased into early 2014, declined irregularly until 2016, and then increased in interim 2016.¹⁵⁵ Scrap prices appear to have played a role in price trends for the domestic like product; the *** percent decline in the cost of scrap reported in *American Metal Markets* exceeded the *** to *** percent declines in prices of the domestic like product during the POI.¹⁵⁶

¹⁵⁰ Quarterly weighted-average prices of product 1 manufactured in the United States declined irregularly from \$*** per short ton in the first quarter of 2013 to \$*** per short ton in the second quarter of 2016, or by *** percent. CR/PR at Table V-3, Table V-7. Quarterly weighted-average prices of product 2 manufactured in the United States declined irregularly from \$*** per pound in the first quarter of 2013 to \$*** in the second quarter of 2016, or by *** percent. CR/PR at Table V-4, Table V-7. Quarterly weighted-average prices of product 3 manufactured in the United States declined irregularly from \$*** per short ton in the first quarter of 2013 to \$*** in the second quarter of 2016, or by *** percent. CR/PR at Table V-5, Table V-7. Quarterly weighted-average prices of product 4 manufactured in the United States declined irregularly from \$*** per short ton in the first quarter of 2013 to \$*** in the second quarter of 2016, or by *** percent. CR/PR at Table V-6, Table V-7.

¹⁵¹ CR/PR at Figures V-2 to V-5, Table V-7.

¹⁵² ***. CR at V-2 at n.3; PR at V-2.

¹⁵³ Petitioners’ Postconf. Brief at 23-26.

¹⁵⁴ Turkish Respondents’ Postconf. Brief at 16.

¹⁵⁵ CR at V-1; PR at V-1; CR/PR at Figure V-1. The domestic industry’s total raw materials cost increased from \$2.5 billion in 2013 to \$2.8 billion in 2014, declined to \$1.9 billion in 2015, and was \$1.0 billion in interim 2015 and \$797.6 billion in interim 2016. As a ratio to net sales, raw materials costs increased from 61.3 percent in 2013 to 61.9 percent in 2014, declined to 50.6 percent in 2015, and was 50.9 percent in interim 2015 and 49.4 percent in interim 2016. CR/PR at Table VI-1.

¹⁵⁶ CR/PR at Figure V-1, Tables V-3 to V-7. Moreover, there was a disconnect (or lag) between the declines in scrap prices in the declines in the domestic industry’s reported pricing data. *Compare, e.g.,* CR/PR at Figure V-1 *with, e.g.,* CR/PR at Figures V-2 to V-5.

Additionally, the industry's reported declines in costs exceeded declines in their sales values on a per unit basis.¹⁵⁷ At the same time, the current record indicates that subject imports also influenced prices of the domestic like product. As previously discussed, this is a highly substitutable and price-sensitive product and during the POI prices of rebar imported from the subject countries declined to a greater extent than prices of the domestic like product.¹⁵⁸ Moreover, in 2015, when the volume of cumulated subject imports increased substantially from the prior year and subject imports reached their peak margins of underselling during the POI,¹⁵⁹ prices declined sharply for the domestic like product.¹⁶⁰ In addition, *** of eleven purchasers responding to lost sales and lost revenue allegations stated that U.S. producers had reduced prices to compete with subject imports.¹⁶¹ In any final phase of these investigations, we intend to examine further factors affecting prices for the domestic like product and the apparent lag between published scrap prices and trends in the domestic industry's reported pricing products.¹⁶²

We also considered whether cumulated subject imports from Japan, Taiwan, and Turkey prevented increases in prices of the domestic like product that otherwise would have occurred to a significant degree. The domestic industry's COGS to net sales ratio declined during most of the POI, from 93.7 percent in 2013 to 92.8 percent in 2014 and 87.8 percent in 2015, although it was higher in interim 2016 (93.9 percent) than in interim 2015 (86.2 percent).¹⁶³ Unit costs decreased from \$590 in 2013 and 2014 to \$500 in 2015, and from \$509 in interim 2015 to \$435 in interim 2016.¹⁶⁴ Although the COGS to net sales ratio was higher in interim 2016 than in interim 2015, the industry's costs declined and the prices for the each of the four domestically produced pricing products increased from the first to the second quarters of 2016. Additionally, the interim volume of cumulated subject imports was lower in interim 2016 than it had been in interim 2015.¹⁶⁵ Given these data, we do not find that cumulated subject imports prevented price increases that otherwise would have occurred to a significant degree.

¹⁵⁷ CR/PR at Table VI-1.

¹⁵⁸ CR/PR at Tables V-3 to V-7, Figures V-2 to V-5.

¹⁵⁹ As discussed earlier, cumulated subject imports increased substantially between 2014 and 2015, increasing from a market share of 13.3 percent in 2014 to 22.8 percent in 2015. CR/PR at Table IV-11. Margins of underselling reached high levels in 2015. CR/PR at Tables V-3 to V-6. Average underselling margins were *** percent in 2013, *** percent in 2014, and *** percent in 2015. Compiled from data submitted in response to Commission questionnaires.

¹⁶⁰ CR/PR at Tables V-3 to V-6. Between January 2015 and December 2015, prices for domestic pricing products declined as follows: Product 1, *** percent; Product 2, *** percent; Product 3, *** percent; Product 4, *** percent. Compiled from data submitted in response to Commission questionnaires.

¹⁶¹ CR at V-17, PR at V-7.

¹⁶² As discussed above, apparent U.S. consumption of rebar increased between 2013 and 2015 and was higher in interim 2016 than in interim 2015. Thus, trends in apparent U.S. consumption do not explain price declines.

¹⁶³ CR/PR at Table VI-1.

¹⁶⁴ CR/PR at Table VI-1.

¹⁶⁵ CR/PR at Tables IV-2, V-3 to V-6.

On the basis of the record in the preliminary phase of these investigations, we find that there was significant underselling of the domestic like product by cumulated subject imports from Japan, Taiwan, and Turkey, which had the effect of increasing the market share of the cumulated subject imports at the domestic industry's expense. Prices of the domestic like product declined in 2015, when cumulated subject imports undersold the domestic like product at peak margins and substantially increased their share of the market. These low-priced cumulated subject imports had an adverse impact on the domestic industry, as further described below.

E. Impact of the Subject Imports¹⁶⁶

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."¹⁶⁷

Following the 2013-14 trade remedy investigations of rebar from Mexico and Turkey and the subsequent imposition of antidumping duties on rebar from Mexico and countervailing duties on rebar from certain Turkish producers, the domestic industry's performance indicators showed improvement. As the increasing flow of subject imports peaked in 2015 and underselling margins increased, the domestic industry's sales values and shipment quantities declined despite a growing market. Although the industry's production and shipments declined, its costs also fell, allowing the domestic industry's profitability to improve into 2015. However, as prices declined more sharply at the end of 2015 and into 2016, the domestic industry's financial performance deteriorated sharply.

The domestic industry's production,¹⁶⁸ capacity utilization,¹⁶⁹ U.S. shipments,¹⁷⁰ and net sales quantities¹⁷¹ improved from 2013 to 2014, declined in 2015, and were somewhat higher in

¹⁶⁶ In its notice initiating the antidumping duty investigation on Turkey, Japan, and Taiwan, Commerce initiated investigations based on estimated antidumping duty margins of 66.55 percent for imports from Turkey, 204.91 to 209.46 percent for imports from Japan, and 84.66 percent for imports from Taiwan. 81 Fed. Reg. at 71701.

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

¹⁶⁸ The domestic industry's production was 6.7 million short tons in 2013, 7.2 million short tons in 2014, 6.7 million short tons in 2015, 3.4 million short tons in interim 2015, and 3.5 million short tons in interim 2016. CR/PR at Table III-4.

¹⁶⁹ The domestic industry's capacity utilization was 69.6 percent in 2013, 76.0 percent in 2014, 71.1 percent in 2015, 72.7 percent in interim 2015, and 75.2 percent in interim 2016. CR/PR at Table III-4.

interim 2016 than in interim 2015. The domestic industry's capacity decreased from 2013 to 2015, but was slightly higher in interim 2016 than in interim 2015.¹⁷² Likewise, the domestic industry's market share declined from 2013 to 2014, declined more sharply from 2014 to 2015, and was somewhat higher in interim 2016 than in interim 2015.¹⁷³ The ratio of end-of-period inventories to total shipments increased from 2013 to 2014, declined in 2015, and was lower in interim 2016 than interim 2015.¹⁷⁴

Employment-related indicators for the domestic industry generally improved from 2013 to 2014, then declined in 2015, and were mixed in interim 2016. These indicators include production-related workers ("PRWs"), hours worked, hourly wages, and productivity.¹⁷⁵

The domestic industry's financial indicators improved from 2013 to 2014.¹⁷⁶ Revenue and profits increased as the industry's net sales quantities peaked in 2014. As net sales

(...Continued)

¹⁷⁰ U.S. producers' U.S. shipments totaled 6.5 million short tons in 2013, 6.7 million short tons in 2014, 6.4 million short tons in 2015, 3.2 million short tons in interim 2015, and 3.3 million short tons in interim 2016. CR/PR at Table III-7.

¹⁷¹ The domestic industry's net sales totaled 6.7 million short tons in 2013, 7.2 million short tons in 2014, 6.7 million short tons in 2015, 3.4 million short tons in interim 2015 and 3.5 million short tons in interim 2016. CR/PR at Table VI-1.

¹⁷² The domestic industry's capacity was 9.6 million short tons in 2013, 9.5 million short tons in 2014, 9.4 million short tons in 2015, 4.63 million short tons in interim 2015 and 4.64 million short tons in interim 2016. CR/PR at Table III-4.

¹⁷³ U.S. producers' market share was 84.2 percent in 2013, 82.4 percent in 2014, 76.2 percent in 2015, 75.3 percent in interim 2015, and 76.5 percent in interim 2016. CR/PR at Table IV-11.

¹⁷⁴ The ratio of end-of-period inventories to total shipments was *** percent in 2013, *** percent in 2014, *** percent in 2015, *** percent in interim 2015, and *** percent in interim 2016. CR/PR at Table III-8.

¹⁷⁵ PRWs increased from 4,151 employees in 2013 to 4,248 employees in 2014 and declined slightly to 4,220 employees in 2015. Production-related workers totaled 4,260 in interim 2015 and were fewer, at 4,073, in interim 2016. Total hours worked increased from 8.9 million hours in 2013 to 9.2 million hours in 2014 and decreased to 8.8 million hours in 2015. Total hours worked were 4.5 million in interim 2015 and lower, at 4.4 million, in interim 2016. Hourly wages increased from \$37.23 in 2013 to \$38.31 in 2014 and declined to \$37.48 in 2015. Hourly wages were \$37.19 in interim 2015 and higher, at \$37.85, in interim 2016. Productivity increased from 749.5 short tons per thousand hours in 2013 to 781.5 short tons per thousand hours in 2014 and declined to 755.4 short tons per thousand hours in 2015. Productivity was 752.4 short tons per thousand hours in interim 2015 and higher, at 789.5 short tons per thousand hours, in interim 2016. CR/PR at Table III-10.

¹⁷⁶ The domestic industry's gross profit was \$266.3 million in 2013, \$327.7 million in 2014, \$469.6 million in 2015, \$276.1 million in interim 2015, and \$98.7 million in interim 2016. Its operating income was \$87.6 million in 2013, \$134.8 million in 2014, \$285.1 million in 2015, \$181.4 million in interim 2015, and \$11.1 million in interim 2016. The domestic industry's net income was \$59.8 million in 2013, \$86.5 million in 2014, \$237.7 million in 2015, \$158.3 million in interim 2015, and a loss of \$5.9 million in interim 2016. The domestic industry's ratio of operating income to net sales was 2.1 percent in 2013, 3.0 percent in 2014, 7.4 percent in 2015, 9.1 percent in interim 2015, and 0.7 percent in interim 2016. CR/PR at Table VI-1.

quantities and revenues declined between 2014 and 2015,¹⁷⁷ profits continued to increase, despite declining prices, as COGS declined significantly (primarily due to the declining cost of raw materials).¹⁷⁸ Financial indicators were lower, however, in interim 2016 than in interim 2015. The industry reported a net income loss in interim 2016 and the lowest operating income ratio of the POI. Although net sales quantities were higher, total net sales revenue and unit net sales value were both lower in interim 2016 than in interim 2015.¹⁷⁹

Domestic producers' capital expenditures declined from 2013 to 2015.¹⁸⁰ Domestic producers also reported negative effects on investment and on growth and development due to subject imports.¹⁸¹

In sum, during the POI, a significant volume of low-priced cumulated subject imports that were highly substitutable with the domestic like product entered the U.S. market, resulting in the domestic industry losing market share. Nevertheless, it maintained profitability due to favorable raw material costs and the initial effects of the 2013-14 trade remedy investigations. However, with subject imports and their underselling margins reaching their peak in 2015, the domestic industry's market share plummeted by 5.8 percentage points, its shipments declined despite increasing apparent consumption, it lost sales opportunities that otherwise would have been available to it, and its prices fell; as a result, its profitability deteriorated beginning in the second half of 2015.

We also considered respondents' assertions that other factors (specifically, the domestic industry's upstream and downstream affiliates and preference programs) might have served to insulate the domestic industry from injury by reason of subject imports.¹⁸² We acknowledge that the domestic industry's affiliated upstream ferrous scrap operations, affiliated

¹⁷⁷ The domestic industry's sales revenues were \$4.2 billion in 2013, \$4.5 billion in 2014, \$3.8 billion in 2015, \$1.6 billion in interim 2015, and \$2.0 billion in interim 2016. CR/PR at Table VI-1. The domestic industry's net sales quantities totaled 6.7 million short tons in 2013, 7.2 million short tons in 2014, 6.7 million short tons in 2015, 3.4 million short tons in interim 2015 and 3.5 million short tons in interim 2016. CR/PR at Table VI-1.

¹⁷⁸ The domestic industry's COGS as a ratio to net sales declined from 93.7 percent in 2013 to 92.8 percent in 2014 and to 87.8 percent in 2015. COGS as a ratio to net sales was higher in interim 2016 (93.9 percent) than in interim 2015 (86.2 percent). CR/PR at Table VI-1. The product pricing data show prices declining starting in the first quarter of 2015. CR/PR at Tables V-3 – V-6.

¹⁷⁹ CR/PR at Table VI-1.

¹⁸⁰ Capital expenditures declined from \$*** in 2013 to \$*** in 2014 and \$*** in 2015. They were *** million in interim 2015 and higher, at ***, in interim 2016.

¹⁸¹ CR/PR at Table III-3, Table VI-6, Table VI-7.

¹⁸² Turkish respondents argue that the domestic industry is shielded from import competition because upstream affiliated scrap operations provide domestic producers with secure, high-quality, low-cost scrap supplies, reducing the volatility of raw material costs, and downstream affiliated fabrication operations account for a sizeable share of total rebar purchases. Turkish Respondents' Postconf. Brief at 3-7, 9; Confer. Tr. at 14-15, 129-31, 160-61 (Nolan). Petitioners contend that U.S. producers' relationships with scrap suppliers and fabricators involve arm's-length transactions in the open market; they assert that relationships with scrap suppliers at most help to ensure stable raw material supply. Petitioners' Postconf. Brief at 16-18, Exhibit 1 at 26-28; Confer. Tr. at 24-25 (Barney for Nucor), 29-30 (Porter), 83-88 (Porter, Price, Barney, Campo).

downstream fabrication operations, and related distributors represent a sizeable portion of its supply chain (in the case of the affiliated upstream ferrous scrap operations) and U.S. shipments (in the case of the affiliated downstream fabrication operations and related distributors).¹⁸³ Nevertheless, the record indicates that transactions between the domestic industry and its affiliates are conducted in a manner that is intended to reflect ***.¹⁸⁴ Moreover, these affiliations did not preclude affiliated downstream fabrication operations and related distributors from purchasing rebar from other sources, including subject imports.¹⁸⁵ Accordingly, based on the information available, we do not find for purposes of these preliminary determinations that that these affiliations insulate the domestic industry from direct competition with subject imports or from the adverse effects that the low-priced subject imports may have on the market.

We also note that Buy America(n) preference programs and the FAST Act preferences apply to a relatively small share of rebar purchases in the U.S. market. In the 2014 investigations, purchasers reported that 10.6 percent of all purchases require domestic product.¹⁸⁶ Accordingly, these preference programs also do not insulate the domestic industry from direct competition with subject imports or from the adverse effects that the low-priced subject imports may have on the market.

We also considered whether there are factors other than subject imports from Japan, Taiwan, and Turkey that may have had an adverse impact on the domestic industry during the POI, to ensure that we are not attributing any injury from other such factors to the subject imports. Nonsubject imports had only a small and declining presence in the U.S. market during the POI, with a share of apparent U.S. consumption ranging between a high of 6.1 percent in 2013 and a low of 0.8 percent in interim 2015. Moreover, rebar imports from eight countries currently are subject to antidumping duty orders. Accordingly, we find that nonsubject imports cannot explain the domestic industry's deteriorating condition over the POI.

We next considered the other factory costs component of COGS. Other factory costs as a percentage of total COGS were higher in interim 2016 than in interim 2015 primarily due to the other factory costs reported by ***. Some aspects of the increase in *** do not appear to be clearly linked to changes in capacity utilization (the ***).¹⁸⁷ In any final phase of these investigations, we will examine more closely some of the variations in how individual domestic producers performed, and whether producers' financial declines can be attributed to subject imports. We nevertheless observe that on an industrywide basis, the dollar value of other factory costs was only *** higher in interim 2016 than in interim 2015 and the unit value of

¹⁸³ CR/PR at VI-1 to VI-2.

¹⁸⁴ CR at VI-2, VI-13; PR at VI-1 to VI-2, VI-6.

¹⁸⁵ CR at III-11-12; PR at III-8.

¹⁸⁶ CR at II-16; PR at II-11; *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Pub. 4496 at II-23 and II-24 n.143 (Oct. 2014).

¹⁸⁷ CR/PR at Table VI-1, CR at VI-15-16, PR at VI-7.

these costs was the same in both interim periods.¹⁸⁸ Moreover, most producers other than *** experienced substantial declines in financial performance in interim 2016.¹⁸⁹

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

VIII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of rebar from Japan, Taiwan, and Turkey that are allegedly sold in the United States at less than fair value and subsidized by the government of Turkey.

¹⁸⁸ CR/PR at Table VI-1.

¹⁸⁹ CR/PR at Table VI-3.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by the Rebar Trade Action Coalition (“RTAC”) and its individual members: BD Vinton LLC (“Bayou Steel”), Vinton, Texas; Byer Steel Corporation (“Byer Steel”), Cincinnati, Ohio; Commercial Metals Company (“CMC”), Irving, Texas; Gerdau Ameristeel U.S. Inc. (“Gerdau”), Tampa, Florida; Nucor Corporation (“Nucor”), Charlotte, North Carolina; and Steel Dynamics, Inc. (“SDI”), Fort Wayne, Indiana, on September 20, 2016, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of steel concrete reinforcing bar (“rebar”)¹ from Turkey² and less-than-fair-value (“LTFV”) imports of rebar from Japan, Taiwan, and Turkey. The following tabulation provides information relating to the background of these investigations.^{3 4}

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations. Although Commerce’s scope also includes deformed steel wire with bar markings and which has been subjected to an elongation test, staff is not aware of any U.S. production or imports of wire products meeting both the bar markings and elongation test requirements. Accordingly, the term “rebar” is used without modification for all tables and textual discussion in this report.

RTAC reports that the overwhelming majority of rebar imported into the United States is classified under three U.S. Harmonized Tariff Schedule (“HTSUS”) subheadings (7213.10.0000; 7214.20.0000; and 7214.20.0000). RTAC explains that it sought the inclusion of 16 additional HTSUS subheadings in the scope description “as a precautionary measure to prevent potential circumvention of any duties” that may arise from these investigations, even though it does not believe that there are any imports currently entering under the additional HTSUS subheadings. Petitioners’ postconference brief, exh. 1-39; Conference transcript, p. 64 (Price).

² At the time of the filing of the petitions, there was an existing countervailing duty order on rebar from Turkey. Thus, the countervailing duty investigation with regard to rebar from Turkey covers only rebar produced and/or exported by the sole company excluded from the existing order -- Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (“Habas”).

³ Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

⁴ A list of witnesses appearing at the conference is presented in appendix B of this report.

Effective date	Action
September 20, 2016	Petitions filed with Commerce and the Commission; institution of Commission investigations (81 FR 66294, September 27, 2016)
October 11, 2016	Commission's conference
October 11, 2016	Commerce's notice of AD initiations on rebar from Japan, Taiwan, and Turkey (81 FR 71697, October 18, 2016); Commerce's notice of CVD initiation on rebar from Turkey (Habas) (81 FR 71705, October 18, 2016)
November 3, 2016	Commission's vote
November 4, 2016	Commission's determinations
November 14, 2016	Commission's views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

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

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

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--⁵

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant. . . In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree. . . In examining the impact required to be considered

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

under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁶

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

Organization of report

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

MARKET SUMMARY

Rebar generally is used to reinforce concrete structures in construction projects. The leading U.S. producers of rebar are CMC, Gerdau, and Nucor. The leading producers of rebar in the subject countries include: *** of Japan; *** of Taiwan; and *** of Turkey. The leading U.S. importers of rebar from Japan, Taiwan, and Turkey are ***, ***, and ***, respectively. The

⁶ Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

primary nonsubject source of rebar imports is the Dominican Republic, with *** as the leading importer.

Apparent U.S. consumption of rebar totaled approximately 8.5 million short tons (\$4.5 billion) in 2015. Currently, seven firms are known to produce rebar in the United States. U.S. producers' U.S. shipments of rebar totaled 6.5 million short tons (\$3.6 billion) in 2015, and accounted for 76.2 percent of apparent U.S. consumption by quantity and 80.1 percent by value. U.S. imports from subject sources totaled 1.9 million short tons (\$854 million) in 2015 and accounted for 22.8 percent of apparent U.S. consumption by quantity and 18.9 percent by value. U.S. imports from nonsubject sources totaled 82 thousand short tons (\$44.5 million) in 2015 and accounted for 1.0 percent of apparent U.S. consumption by both quantity and value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of seven firms that accounted for the vast majority of U.S. production of rebar during 2015. U.S. import data are based on official Commerce statistics and questionnaire responses from 18 importers accounting for 69.9 percent of all U.S. imports of rebar in 2015.⁷ Foreign industry data are based on questionnaire responses from 18 producers accounting for the large majority of production and U.S.-bound exports in the subject countries.⁸

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted a number of proceedings involving rebar. In March 1964, the U.S. Tariff Commission issued an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation No. AA1921-33).⁹ In February 1970, the Tariff Commission issued an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).¹⁰ There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Tariff Commission issued a negative determination concerning LTFV imports of

⁷ Compared to official Commerce statistics, U.S. importer questionnaire responses accounted for 81.8 percent, 90.8 percent, 66.2 percent, and 94.5 percent of imports for rebar from Japan, Taiwan, Taiwan, Turkey, and all other sources in 2015, respectively.

⁸ Compared to official Commerce statistics, foreign producer/exporter questionnaires accounted for all the exports from Japan and Taiwan, and most of the exports from Turkey.

⁹ *Steel Reinforcing Bars from Canada, Investigation No. AA1921-33*, Tariff Commission Publication 122, March 1964. In this investigation, the Tariff Commission focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

¹⁰ *Steel Bars, Reinforcing Bars, and Shapes from Australia, Investigation No. AA1921-62*, Tariff Commission Publication 314, February 1970. In this investigation, the Tariff Commission also focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).¹¹

In April 1997, the Commission issued a final affirmative determination concerning LTFV imports of rebar from Turkey.¹² Commerce issued an antidumping duty order on April 17, 1997.¹³ In February 2003, the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to a U.S. regional industry within a reasonably foreseeable time.¹⁴ In December 2008, following partial revocation by Commerce of the antidumping duty order with respect to four Turkish manufacturers/exporters, the Commission issued a negative determination in its second five-year review concerning rebar from Turkey.¹⁵ Commerce published its notice revoking the antidumping duty order on rebar from Turkey on January 5, 2009, with an effective date of March 26, 2008.¹⁶

In May and July 2001, the Commission issued affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.¹⁷ Commerce issued corresponding antidumping duty orders on April 17, 1997.¹⁸ In July

¹¹ *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico, Investigation No. AA1921-122*, Tariff Commission Publication 605, August 1973. In this investigation, the Tariff Commission considered all U.S. facilities devoted to rebar production, but gave special attention to rebar facilities within and outside Texas which produced most domestic rebar sold in that state during the years prior to the investigation.

¹² *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997. In making its determination, the Commission concluded that appropriate circumstances existed for a regional industry analysis, with the region consisting of the U.S. producers in the “Eastern Tier.” This region consisted of 22 contiguous states (Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia), plus Puerto Rico and the District of Columbia.

¹³ *Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 18748, April 17, 1997.

¹⁴ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, February 2003. The Commission again defined the region as the Eastern Tier.

¹⁵ *Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Second Review)*, USITC Publication 4052, December 2008. The Commission revisited its regional industry definition and found that appropriate circumstances did not exist to conduct a regional industry analysis.

¹⁶ *Revocation of Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars from Turkey*, 74 FR 266, January 5, 2009.

¹⁷ *Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, May 2001 and *Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final)*, USITC Publication 3440, July 2001. In these determinations, the Commission was evenly divided regarding the issue of a regional industry. Three Commissioners (Koplan, Okun, and Bragg) based their determinations on a regional industry analysis of a 30-state region consisting of Wisconsin, Illinois, Missouri, Arkansas, and Louisiana, all states east of these states, as well as Puerto Rico, the District of Columbia, and Texas, whereas three

(continued...)

2007, following affirmative determinations by Commerce,¹⁹ the Commission completed full five-year reviews of the subject orders.²⁰ The Commission determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, whereas revocation of the antidumping duty order on rebar from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²¹ Commerce consequently revoked the antidumping duty order on rebar from Korea²² and continued the antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, effective August 9, 2007.²³

In July 2012, Commerce initiated and the Commission instituted the second five-year reviews of antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine. In 2013, following affirmative determinations by Commerce,²⁴ the Commission determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²⁵

(...continued)

Commissioners (Miller, Hillman, and Devaney) based their determinations on a national industry analysis.

¹⁸ *Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars from Turkey*, 62 FR 18748, April 17, 1997.

¹⁹ *Steel Concrete Reinforcing Bars from Moldova, the People's Republic of China, South Korea, Indonesia, Poland, and Belarus; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 70509, December 5, 2006; *Steel Concrete Reinforcing Bars from Ukraine; Final Results of the Sunset Review of Antidumping Duty Order*, 72 FR 9732, March 5, 2007; and *Steel Concrete Reinforcing Bars from Latvia; Final Results of the Sunset Review of Antidumping Duty Order*, 72 FR 16767, April 5, 2007.

²⁰ *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007. In these first reviews, the Commission found that appropriate circumstances did not exist to conduct a regional industry analysis, so it based its determinations on a national industry analysis.

²¹ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine: Determinations*, 72 FR 42110, August 1, 2007. The Commission conducted its analysis in the reviews on a national industry basis.

²² *Steel Concrete Reinforcing Bars from South Korea: Revocation of Antidumping Duty Order*, 72 FR 44830, August 9, 2007.

²³ *Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, the People's Republic of China, Poland and Ukraine: Continuation of Antidumping Duty Orders*, 72 FR 44830, August 9, 2007.

²⁴ *Steel Concrete Reinforcing Bars from Belarus, Indonesia, Latvia, Moldova, Poland, People's Republic of China and Ukraine: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 77 FR 70140, November 23, 2012.

²⁵ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine: Determinations*, 78 FR 41079, July 9, 2013; *Steel Concrete Reinforcing Bar from Belarus, China,*

(continued...)

On September 4, 2012, RTAC and its individual members filed petitions with Commerce and the Commission alleging that the rebar industry in the United States was materially injured and threatened with material injury by reason of subsidized imports of rebar from Turkey, and LTFV imports of rebar from Mexico and Turkey.²⁶ In October 2014, the Commission issued final affirmative determinations concerning subsidized imports of rebar from Turkey and LTFV imports of rebar from Mexico.²⁷ Commerce issued a countervailing duty order on rebar from Turkey on November 6, 2014²⁸ and an antidumping duty order on imports of rebar from Mexico on November 6, 2014.²⁹

PREVIOUS AND RELATED GLOBAL SAFEGUARD INVESTIGATIONS

In 2001, the Commission determined that rebar was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat

(...continued)

Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873 to 875, 878 to 880 and 882 (Second Review), USITC Pub. 4409 (July 2013) (Commissioners Broadbent and Pearson dissenting with respect to imports from Indonesia, Latvia, and Poland and Commissioner Pearson also dissenting with respect to imports from Belarus, Moldova, and Ukraine). The Commission conducted its analysis in the second reviews on a national industry basis.

²⁶ Commerce made a negative final antidumping duty determination regarding imports of rebar from Turkey. *Steel Concrete Reinforcing Bar from Turkey: Final Negative Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances*, 79 FR 54965, September 15, 2014.

Commerce's negative final antidumping duty determination regarding imports of rebar from Turkey is the subject of ongoing litigation (U.S. Court of International Trade Court No. 14-00268). See, e.g., *Rebar Trade Action Coalition v. United States*, 2016 WL 5122639 (Ct. Int'l Trade September 21, 2016); *Rebar Trade Action Coalition v. United States*, 2015 WL 7573326 (Ct. Int'l Trade November 23, 2015).

Commerce's final affirmative countervailing duty determination regarding certain imports of rebar from Turkey was also appealed. See, e.g., *Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 113 F. Supp. 3d 1316 (Ct. Int'l Trade 2015); *Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 106 F. Supp. 3d 1328 (Ct. Int'l Trade 2015).

²⁷ *Steel Concrete Reinforcing Bars from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Publication 4496, October 2014. The Commission's final affirmative injury determination regarding rebar from Mexico is the subject of on-going litigation. See, e.g., *Steel Concrete Reinforcing Bar from Mexico*, Inv. No. 731-TA-1227 (Final) (Remand), USITC Publication 4645, October 2016 (affirmative determination on remand); Panel Decision, *In the Matter of Steel Concrete Reinforcing Bar from Mexico and Turkey: Final Affirmative Injury Determination*, Secretariat File No. USA-MEX-2014-1904-02 (July 14, 2016).

²⁸ Habas' subsidy rate was found to be de minimis, and the firm was therefore excluded from the CVD order on imports of rebar from Turkey. *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination Final Affirmative Critical Circumstances Determination*, 79 FR 54963, September 15, 2014 and *Steel Concrete Reinforcing Bar From the Republic of Turkey: Countervailing Duty Order*, 79 FR 65926, November 6, 2014.

²⁹ *Steel Concrete Reinforcing Bar from Mexico: Antidumping Duty Order*, 79 FR 65925, November 6, 2014.

thereof, to the domestic industry producing such articles, and recommended an additional *ad valorem* duty decreasing from 10 percent to 4 percent over four years.³⁰ On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to rebar consisted of an additional tariff for a period of three years and one day (15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year).³¹ Following receipt of the Commission's mid-term monitoring report in September 2003,³² and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.³³ On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by President Bush on imports of certain steel products. The Commission transmitted its report on the evaluation to the President and the Congress on September 19, 2005.³⁴

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On October 18, 2016, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on rebar from Turkey.³⁵ Based on Commerce's review of the Petition, it found sufficient information to initiate a CVD investigation on the following government programs in Turkey:³⁶

³⁰ *Steel*, Inv. No. TA-201-73, USITC Publication 3479, December 2001; *Import Investigations*, 66 FR 67304, December 28, 2001.

³¹ *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

³² *Steel: Monitoring Developments in the Domestic Industry and Steel-Consuming Industries: Competitive Conditions with Respect to Steel Safeguard Measures*, Inv. Nos. TA-204-9 and 332-452, USITC Publication 3632, September 2003.

³³ *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

³⁴ *Steel: Evaluation of the Effectiveness of Import Relief*, Inv. No. TA-204-12, USITC Publication 3797, September 2005.

³⁵ *Steel Concrete Reinforcing Bar from the Republic of Turkey: Initiation of Countervailing Duty Investigation*, 81 FR 71705, October 18, 2016.

³⁶ *Steel Concrete Reinforcing Bar from the Republic of Turkey: Import Administration Office of AD/CVD Operations Countervailing Duty Investigation Initiation Checklist*, October 11, 2016.

1. Provision of Goods for Less/More than Adequate Remuneration
 - Natural Gas for Less than Adequate Remuneration
 - Land for Less than Adequate Remuneration
 - Electricity for More than Adequate Remuneration
2. Export Credit Bank of Turkey Programs
 - Pre-shipment Turkish Lira Export Credits
 - Pre-shipment Foreign Currency Export Credits
 - Foreign Trade Company Export Loans
 - Pre-export Credits
 - Short-term Export Credit Discounts
3. Investment Incentives
 - Regional Investment Scheme
 - Large-scale Investment Scheme
4. Research and Development Incentives
 - Incentives Provided under Turkish Law No. 5746
 - Product Development R&D Support-UFT
5. Regional Development Subsidies
 - Electricity for Less than Adequate Remuneration
 - Withholding of Income Tax on Wages and Salaries
 - Exemption from Property Tax
 - Employers' Share in Insurance Premiums Program
 - Tax, Duty, and Land Benefits for Turkish Rebar Producers Located in
 - Free Zones
6. Other Programs
 - Turkish Development Bank Loans
 - Deductions from Taxable Income for Export Revenue
 - Assistance to Offset Costs Related to AD/CVD Investigations
 - Industrial R&D Projects Grant Program

Observing that at the time that the petition was filed, there was an existing countervailing duty order on certain imports of rebar from Turkey, Commerce clarified that the scope of this countervailing duty investigation covers only rebar produced and/or exported by those companies that are excluded from the 2014 countervailing duty order on imports of rebar from Turkey. At the time that Commerce issued the 2014 countervailing duty order on imports of rebar from Turkey, Habas was the only excluded producer or exporter of rebar from Turkey.³⁷

³⁷ *Steel Concrete Reinforcing Bar from the Republic of Turkey: Countervailing Duty Order*, 81 FR 65926, November 6, 2014.

Alleged sales at LTFV

On October 18, 2016, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on rebar from Japan, Taiwan, and Turkey.³⁸ Commerce has initiated antidumping duty investigations based on estimated dumping margins of 204.91 to 209.49 percent for rebar from Japan; 84.66 percent for rebar from Taiwan; and, 66.55 for rebar from Turkey.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of these investigations in its initiation notices as follows:³⁹

Steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (e.g., mill mark, size, or grade) and which has been subjected to an elongation test.

The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the rebar. Specifically excluded are plain rounds (i.e., nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (e.g., mill mark, size, or grade) and without being subject to an elongation test.

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported

³⁸ *Steel Concrete Reinforcing Bar from Japan, Taiwan and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 81 FR 71697, October 18, 2016.

³⁹ *Steel Concrete Reinforcing Bar from Japan, Taiwan and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 81 FR 71697, October 18, 2016 and *Steel Concrete Reinforcing Bar from the Republic of Turkey: Initiation of Countervailing Duty Investigation*, 81 FR 71705, October 18, 2016.

primarily under the following provisions of the Harmonized Tariff Schedule of the United States (2016) (“HTSUS”): 7213.10.0000, 7214.20.0000, and 7228.30.8010.⁴⁰

HTS subheading 7213.10.00 covers concrete reinforcing bars and rods of hot-rolled iron or nonalloy steel, in irregularly wound coils. HTS subheading 7214.20.00 covers concrete reinforcing bars and rods (other than in such coils) of iron or nonalloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling. HTS subheading 7228.30.80 (statistical reporting number 7228.30.8010) covers concrete reinforcing bars of alloy steel other than stainless steel, not further worked than hot-rolled, hot-drawn, or extruded. The 2016 general rate of duty for each of these subheadings is free. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

THE PRODUCT

Description and applications⁴¹

Rebar is a long-rolled steel product that is commonly used in construction projects to provide strength to concrete. Rebar is manufactured as either plain-round or deformed round bars. However, in the United States deformed rebar is used almost exclusively because it provides greater adherence to concrete due to its ridges.⁴² Rebar can be shipped in either

⁴⁰ The subject merchandise may also be reported by importers under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000. The HTSUS statistical reporting numbers are provided for convenience and customs purposes only; the written description of the scope remains dispositive. *Steel Concrete Reinforcing Bar from Japan, Taiwan and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 81 FR 71697, October 18, 2016 and *Steel Concrete Reinforcing Bar from the Republic of Turkey: Initiation of Countervailing Duty Investigation*, 81 FR 71705, October 18, 2016. RTAC reports that the overwhelming majority of rebar imported into the United States is classified under HTSUS subheadings 7213.10.0000; 7214.20.0000; and 7214.20.0000. RTAC explains that it sought the inclusion of the 16 above-listed HTSUS subheadings in the scope description “as a precautionary measure to prevent potential circumvention of any duties” that may arise from these investigations, even though it does not believe that there are any imports currently entering under the additional HTSUS subheadings. Petitioners’ postconference brief, exh. 1, p. 39 and Conference transcript, p. 64 (Price).

⁴¹ Unless otherwise noted, information in this section comes from *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Investigation Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Publication 4496, October 2014, pp. I-11-13.

⁴² Plain-round rebar tends to be used in concrete for special purposes, such as dowels at expansion joints where bars must slide in a metal or paper sleeve, for contraction joints in roads and runways, and for column spirals. Plain-round rebar offers only smooth, even surfaces for bonding with concrete. Because deformed rebar has greater surface contact (due to deformations) with the concrete compared with plain-round rebar, deformed rebar adheres to concrete better than plain-round rebar does. In building reinforcement applications where either deformed or plain-round rebar in the same diameter

(continued...)

straight lengths or coils. Coiled rebar is produced in smaller sizes than straight lengths and is used for smaller, more complex applications.

The construction industry is the principal consumer of rebar and uses it extensively to reinforce concrete structures. Embedding rebar in concrete enhances the concrete's compressional and tensional strength and controls cracking as concrete shrinks during curing or due to temperature fluctuations. Rebar resists tension, compression, temperature variation, and shear stresses in reinforced concrete because the surface protrusions on a deformed bar inhibit longitudinal movement relative to the surrounding concrete. During construction projects, rebar is placed in a form and concrete from a mixer is poured over it. Once the concrete has set, deformation is resisted and stresses are transferred from the concrete to the rebar by friction and adhesion along the surface of the steel. A smaller market for rebar is for mine bolts, which hold support structures in mines.⁴³

Rebar sold in the U.S. market is generally manufactured to conform to the standards of the American Society for Testing and Materials ("ASTM") International,⁴⁴ which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.⁴⁵ There are several ASTM specifications for rebar, based on steel composition.⁴⁶

To conform to ASTM specifications, deformed rebar is identified by distinguishing sets of raised marks rolled onto the surface of one side of the bar to denote: (1) the producer's hallmark, (2) mill designation, (3) size designation, (4) specification of steel type, and (5) minimum yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code. Guidelines for use of deformed

(...continued)

could be used, 40 percent more plain-round rebar would be needed than deformed rebar. Purposes and Types of Reinforcing Steel, found at <http://www.tpub.com/steelworker2/76.htm>, retrieved on October 19, 2016.

⁴³ Petition, Vol. I p. 9.

⁴⁴ ASTM International is not a product testing or certification organization. Manufacturers can choose voluntarily to indicate on the label or packaging that their products have been tested according to ASTM standards.

⁴⁵ The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. These are separate and non-interchangeable standards for rebar with dimensions and designations in English units (e.g. ASTM A165) versus SI (metric) units (e.g. ASTM A615M).

⁴⁶ Deformed rebar is most commonly rolled from nonalloy billet steel to the requirements of ASTM A615/A615M. Rebar can also be re-rolled from the head (top) portion that has been slit from scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M). For special applications (e.g., in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M (made from high-strength low-alloy steel) is specified. There is also a standard for deformed and plain rebar of stainless steel (ASTM A955/A955M) for special applications requiring corrosion resistance (e.g., for long-term resistance to road salts and de-icing chemicals on bridges) or controlled magnetic permeability (e.g., for avoiding interference with hospital imaging equipment).

rebar in highway and bridge construction are provided by the American Association of State and Highway and Transportation Officials (“AASHTO”) Standard Specifications. The contents of the two specifications are similar and apply throughout the continental United States and in Puerto Rico.

Rebar is available in sizes #3 through #18, as specified by ASTM standards. These size indicators are about eight times the respective nominal diameters in inches (e.g., 3/8-inch bar is designated as size #3 and 1-inch rebar is designated as size #8),⁴⁷ although the relationship diverges somewhat for rebar larger than size #9.⁴⁸ Coiled rebar is only sold from sizes #3 to #6, as larger sizes of rebar cannot be coiled.

Certain rebar sizes and lengths predominate the U.S. market. A considerable portion of smaller sizes (i.e., #3, #4, and #5) is used in light construction applications (e.g., residences, swimming pools, patios, and walkways).⁴⁹ By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) use all sizes and lengths. The larger sizes (#6 and above) and longer lengths (60 feet or more) are used almost exclusively in heavy construction applications.⁵⁰

Rebar is shipped in either straight lengths or coils, although the overwhelming majority of U.S. production consists of rebar in straight lengths. Straight length rebar is available from mills in various lengths, from less than 20 feet to more than 60 feet.⁵¹ Coiled rebar is produced in ASTM 615 (Grades 40 and 60) and A706. Coiled rebar is preferred for use in smaller applications that have more complex shapes because coiled rebar is able to run efficiently through more complicated fabrication processes with less waste and scrap than straight length rebar.

Rebar may be coated by an epoxy (a powder-coated paint) after the manufacturing process to enhance corrosion resistance. Coated rebar is used in applications where the rebar is exposed to a high degree of salt, such as in roads, bridges and parking garages. Rebar may also be bent in the post-manufacturing fabrication process to reinforce the rebar joints.

⁴⁷ Nominal diameters of deformed rebar are equivalent to those of plain round bars of the same unit weight (mass) per foot (meter).

⁴⁸ Rebar is also available in metric sizes, with nominal diameters from approximately 10 millimeters (mm) to 57 mm, as specified by ASTM standards.

⁴⁹ The combined U.S. production of sizes #3, #4, and #5, accounted for 49.3 percent of total U.S. rebar production in 2015. See table IV-6.

⁵⁰ The combined U.S. production of rebar sizes #6 and greater accounted for 50.7 percent of total U.S. rebar production in 2015. See table IV-6.

⁵¹ Rebar in straight lengths accounted for 96.7 percent of U.S. producer shipments in 2015. Of U.S. straight-length rebar shipments, 0.9 percent were of rebar less than 20 feet in length, 24.6 percent were 20-40 feet in length, 20.4 percent were of 40-60 feet in length, and 50.8 were greater than 60 feet in length. See table IV-4.

Manufacturing processes⁵²

Rebar mills typically specialize in producing rebar either from (1) billet steel, (2) rail steel, or (3) axle steel, because each involves different starting materials and imposes somewhat different rolling requirements. The most common manufacturing process to produce rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar produced from scrapped rail or axle steel, or from purchased billets, requires only reheating these materials and hot-rolling the bar.

In the United States, non-integrated “mini-mills” typically produce billets for rebar by melting steel scrap in electric arc furnaces. Once molten, liquid steel is poured from the furnace into a refractory-lined ladle, where any necessary alloys are added to achieve the required chemical and physical properties. Molten steel must be cast into billets of the size and shape suitable for the rolling process. In the more common continuous strand-casting process, molten steel is poured from the ladle into a tundish (reservoir dam), which controls the rate of flow into the molds of the caster. A solid “skin” forms around the molten steel at the top openings of the mold, and as the columns of partially solidified steel descend through the caster, water sprays rapidly cool the cast steel (which helps minimize compositional segregation) to the point that the strands are completely solidified when emerging from the bottom of the caster. Lengths of continuous-cast billets are flame cut at intervals, and then may be either sent directly for further processing or cooled on a cooling bed and subsequently stored for later use.

Prior to rolling, newly cast billets, scrapped rails or scrapped railroad axles are heated to rolling temperature in a reheat furnace.⁵³ The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. For deformed rebar, deformations are rolled onto the surface of the rebar as it passes through the final finishing stand, which has patterns cut into the grooves of the rolls. After the rolling process, straight length rebar is cut to length before being sent to a cooling bed to be air-cooled. Coiled rebar, however, goes to a reforming tub, where it is spooled and cut to the desired weights or lengths. Testing for tensile properties, including an elongation test (a measure of ductility), is then performed on test specimens of either straight length rebar or coiled rebar that is subsequently straightened prior to testing.

Rebar can be water-quenched and tempered, rather than air-cooled. Water-quenching is a cooling process used to increase tensile strength in order for the rebar to comply with ASTM standards. Quenched-and-tempered rebar can meet the same physical property

⁵² Unless otherwise noted, information in this section comes from *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Investigation Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Publication 4496, October 2014, pp. I-14 - I-16.

⁵³ The manufacturing process begins at the rolling step for companies that do not make their own steel (such as Byer Steel Corp. which re-rolls scrapped train axles). Byer Steel Corp., “About the Mill,” <http://www.byersteelminded.com/About-The-Mill.cfm>, retrieved October 20, 2016.

requirements of the ASTM A615/A615M specification without the addition of certain alloys to the steel billets that are rolled into rebar, and thus is slightly less expensive to produce. In this process (the Thermex process),⁵⁴ hot-rolled rebar passes through a water-quenching stand (a series of water coolers), which rapidly cools the outer case of the rebar, before the final finishing process. The quench-and-temper treatment causes a dual metallurgical structure to form in the cross-section of the bar, which ultimately produces a rebar with a stronger outer case and a more ductile core.

Some U.S. rebar producers produce additional products using the same equipment, machinery, and production workers that are used to produce rebar, such as merchant bar, special-bar quality (SBQ) bar products, and wire rod. Merchant bar products include bars with round, square, flat, angled, and channeled cross sections, and are used by fabricators and manufacturers to produce a variety of products, including steel floor and roof joists, safety walkways, ornamental furniture, stair railings, and farm equipment.⁵⁵ SBQ bar products are made from higher-quality carbon and alloy steels that have greater mechanical properties, metallurgical consistency, and dimensional accuracy than merchant bar products. SBQ is principally used to produce automotive components. Wire rod (delivered in coil form) is used by manufacturers to provide a variety of products, such as chain-link fencing, nails, and wire.⁵⁶

DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY ISSUES

No issues with respect to domestic like product have been raised in these investigations.⁵⁷ For the preliminary phase investigations, both petitioners and respondents believe that no related parties should be excluded from the domestic industry.⁵⁸

⁵⁴ Thermex refers to both the water-quench and tempering process, as well as the mill equipment used to produce rebar through this process. The Thermex process was developed and branded by German engineering firm Hennigsdorfer Stahl Engineering (HSE) in the 1970s.

⁵⁵ Schnitzer Steel, "Products," http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved October 20, 2016.

⁵⁶ Ibid.

⁵⁷ Petitioners noted at the staff conference that "(t)he petition identifies all rebar as a single like product. The Commission has consistently treated all rebar as constituting a single like product. Rebar has the same basic physical characteristics and uses, almost all of it is being used in concrete. It is produced in similar facilities. It is sold through the same channels of distribution. It is interchangeable. It is perceived to be a single like product, and it is all priced similarly." Conference transcript, p. 42 (Price). Respondents participating in the Commission's conference did not challenge the definition of the domestic like product. Conference transcript, p. 156 (Lee) and (Nolan). Respondents from Turkey further noted that "(r)ebar has been around a long time. We've had enough investigations and reviews and sunsets that I don't think it's going to change much. So it is what it is." Conference transcript, p. 156 (Nolan).

⁵⁸ Petitioners' postconference brief, p. 4, and Turkish respondents' postconference brief, p. 11.

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

U.S. MARKET CHARACTERISTICS

The primary use of rebar is concrete reinforcement. As a result, the U.S. market for rebar is tied closely to U.S. construction activity. Major end uses requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction.

While some manufactured rebar is used in construction applications with no further processing, a large share is sold to fabricators that further process the rebar, using it to create forms used in construction. The three largest U.S. producers, CMC, Gerdau, and Nucor, as well as Byer, own purchasing firms that operate as fabricators and distributors. These purchasing firms obtain rebar for fabrication or distribution from their parent companies and in some cases from other producers and import suppliers.

Apparent U.S. consumption of rebar increased during 2013-15 and into 2016. Overall, apparent U.S. consumption in 2015 was 10.5 percent higher than in 2013, and 2.6 percent higher in January-June 2016 than in January-June 2015.

CHANNELS OF DISTRIBUTION¹

U.S. producers sold mainly to fabricators while importers of Japanese and Turkish rebar sold the vast majority of their product to distributors (table II-1). Importers of rebar from Taiwan sold *** to distributors in 2014 but shifted their sales, selling the majority to fabricators in 2015.

¹ In Commission questionnaires, distributors were defined as firms that sell the rebar without any processing or forming, fabricators as firms that further process the rebar into forms for use by end users, and end users as firms that employ rebar for their own use. As noted above, fabricators can and do distribute rebar.

Table II-1

Rebar: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, January 2013 – June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Share of commercial U.S. shipment quantity (percent)				
U.S. producers.--					
Distributors	39.2	36.6	36.1	35.4	37.2
Fabricators	57.1	59.5	61.0	60.7	60.2
End users	3.7	3.9	2.9	4.0	2.7
U.S. importers: Japan.--					
Distributors	***	***	99.3	100.0	100.0
Fabricators	***	***	0.7	0.0	0.0
End users	***	***	0.0	0.0	0.0
U.S. importers: Taiwan.--					
Distributors	***	***	40.3	0.0	***
Fabricators	***	***	59.7	0.0	***
End users	***	***	0.0	0.0	***
U.S. importers: Turkey.--					
Distributors	95.9	95.4	95.0	96.5	95.2
Fabricators	4.0	3.9	2.9	1.6	2.8
End users	0.1	0.7	2.1	1.9	2.0
U.S. importers: All other sources.--					
Distributors	***	58.2	84.1	82.3	***
Fabricators	***	41.8	15.8	17.6	***
End users	***	0.0	0.1	0.1	***

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

GEOGRAPHIC DISTRIBUTION

U.S. producers and importers of Turkish rebar reported selling to all regions in the United States (table II-2). Importers of Japanese rebar sell to a more limited set of regions: Midwest, Southeast, Central Southwest, and Pacific Coast. Importers of rebar from Taiwan sell to only the Central Southwest, Pacific Coast, and other territories. At the conference, Taiwan respondents indicated that rebar imports from Taiwan are predominately sold on the West Coast, coming in through the Los Angeles and San Francisco ports.²

² Conference transcript, p. 147 (Lee).

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

Region	U.S. producers	Subject U.S. importers			
		Japan	Taiwan	Turkey	Subject sources
Northeast	5	0	0	7	7
Midwest	6	2	0	6	6
Southeast	6	2	0	6	6
Central Southwest	5	5	2	11	14
Mountains	5	0	0	1	1
Pacific Coast	5	4	5	4	8
Other ¹	4	0	1	1	2
All regions (except Other)	3	0	0	0	0
Reporting firms	7	7	6	13	16

¹ All other U.S. markets, including AK, HI, PR, and VI.

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

For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment and *** percent between 101 and 1,000 miles. Turkish respondents reported that shipping costs for U.S. surface or land transportation are greater than international shipping costs.³

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of rebar have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of U.S.-produced rebar to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and inventories and ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited ability to shift shipments from alternate markets.

Industry capacity

Domestic capacity utilization fluctuated but increased overall from 2013 to 2015. Capacity utilization increased from 69.6 percent in 2013 to 76.0 percent in 2014 and decreased to 71.1 percent in 2015. These fluctuations in capacity utilization were driven by similar changes in production. Capacity continuously decreased each year from 2013 to 2015 and was 2.6

³ Conference transcript, p. 139 (Nolan).

percent lower in 2015 than in 2013. This relatively low level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of rebar in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a share of total shipments, increased slightly from *** percent in 2013 to *** percent in 2015. U.S. producers' export shipments increased *** percent from 2013 to 2015, peaking in 2014. U.S. producers reported that Canada, Mexico, and the Central and South America regions are their primary alternative markets. The fluctuation in exports indicates that U.S. producers may have some ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories, relative to total shipments, remained between 8 and 9 percent, peaking in 2014. These inventory levels suggest that U.S. producers may have a limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Six of seven responding U.S. producers stated that they could switch production to rebar from other products. Other products that producers reportedly can produce on the same equipment as rebar are wire rod, merchant bar, and round bar. Factors affecting U.S. producers' ability to shift production include market demand for other products and mill's rolling cycles.

Supply constraints

Four U.S. producers reported that market conditions and financial considerations are supply constraints. Producers also indicated that equipment size and maintenance schedules constrain production.

Subject imports from Japan⁴

Based on available information, producers of rebar from Japan have the ability to respond to changes in demand with moderate changes in the quantity of shipments of rebar to the U.S. market. The main contributing factors to this degree of responsiveness of supply are unused capacity and inventories and ability to shift shipments from alternate markets. Factors

⁴ For data on the number of responding foreign firms and their share of U.S. imports from Japan, please refer to Part I, "Summary Data and Data Sources."

mitigating responsiveness of supply include limited ability to shift production from alternate products.

Industry capacity

Japanese capacity utilization decreased from 77.8 percent in 2013 to 75.2 percent in 2015 caused by a small decrease in production. This relatively moderate level of capacity utilization suggests that Japanese producers may have some ability to increase production of rebar in response to an increase in prices.

Alternative markets

Japanese shipments to markets other than the United States, as a share of total shipments, decreased, as did shipments to domestic markets from 2013 to 2015. Japanese shipments to the United States, as a share of total shipments, increased from 1.5 percent in 2013 to 8.0 percent in 2015. Japanese producers may have some ability to shift shipments between domestic or other markets and the U.S. market in response to price changes.

Inventory levels

Japanese responding foreign firms' inventories increased from 2013 to 2015. Relative to total shipments, inventory levels increased from 5.3 percent in 2013 to 6.3 percent in 2015. These inventory levels suggest that responding foreign firms may have some ability to respond to changes in demand with changes in the quantity shipped from inventories

Production alternatives

Seven of eight responding foreign producers stated that they could not switch production to rebar from other products. Japanese producer *** reported being able to produce merchant bar on the same equipment as rebar, and reported not having any factors impacting its ability to switch production.

Supply constraints

Japanese producers did not report supply constraints.

Subject imports from Taiwan⁵

Based on available information, producers of rebar from Taiwan have the ability to respond to changes in demand with moderate-to-small changes in the quantity of shipments of

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

rebar to the U.S. market. The main contributing factors to this degree of responsiveness of supply are unused inventories. Factors mitigating responsiveness of supply include limited availability of unused capacity, limited ability to shift production from alternate products and limited ability to shift shipments from alternate markets.

Industry capacity

Capacity utilization by the industry in Taiwan fluctuated from 92.0 percent in 2013 to 95.9 percent in 2014 and 88.8 percent in 2015. Both capacity and production fluctuated throughout this three-year period. However, capacity peaked in 2015, and production peaked in 2014. This relatively high level of capacity utilization suggests that producers in Taiwan may have limited ability to increase production of rebar in response to an increase in prices.

Alternative markets

Shipments to domestic markets in Taiwan, as a share of total shipments, decreased but remained over 94 percent from 2013 to 2015. Rebar exports from Taiwan to the United States, as a share of total shipments increased from *** percent in 2013 to *** percent in 2015. Exports to markets other than the United States increased during the time period. Exports from Taiwan indicate that producers may have limited ability to shift shipments between domestic or other markets and the U.S. market in response to price changes.

Inventory levels

Inventories of responding firms from Taiwan increased slightly. Relative to total shipments, inventory levels increased from *** percent in 2013 to *** percent in 2015. These inventory levels suggest that responding foreign firms may have limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Two of six responding foreign producers from Taiwan stated that they could switch production to rebar from other products. Other products that responding foreign producers reportedly can produce on the same equipment as rebar are round, square, and flat bar and bar in coil (not rebar). Factors affecting foreign producers' ability to shift production include inventory levels and market demand.

Supply constraints

Three producers in Taiwan reported supply constraints, such as reheating furnaces, availability of electric power, and raw materials being sourced from other countries.

Subject imports from Turkey⁶

Based on available information, producers of rebar from Turkey have the ability to respond to changes in demand with moderate changes in the quantity of shipments of rebar to the U.S. market. The main contributing factors to this degree of responsiveness of supply are large capacity to produce rebar and ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited availability of unused capacity and inventories and somewhat limited ability to shift production from alternate products.

Industry capacity

Turkish capacity utilization increased from *** percent in 2013 to *** percent in 2015. Turkish capacity remained constant from 2013 to 2015 and production increased slightly. This relatively high level of capacity utilization suggests that Turkish producers may have somewhat limited ability to increase production of rebar in response to an increase in prices.

Alternative markets

Turkish shipments to domestic markets, as a share of total shipments, increased slightly but remained under half of total shipments. Shipments to the United States, as a share of total shipments, more than doubled from *** percent in 2013 to *** percent in 2015. Turkish exports indicate that producers may have substantial ability to shift shipments between domestic or other markets and the U.S. market in response to price changes.

Inventory levels

Turkish responding foreign firms' inventories declined. Relative to total shipments, inventory levels decreased from *** percent in 2013 to *** percent in 2015. These inventory levels suggest that responding foreign firms may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Responding foreign producers stated that they could not switch production to rebar from other products.

⁶ For data on the number of responding foreign firms and their share of U.S. imports from Turkey, please refer to Part I, "Summary Data and Data Sources."

Supply constraints

All Turkish producers reported that they could not supply certain diameters and lengths of rebar. Two Turkish producers reported that daily maintenance constricted supply but did not elaborate on maintenance procedures.

Imports from nonsubject sources

Nonsubject imports accounted for 4.1 percent of total U.S. imports in 2015.

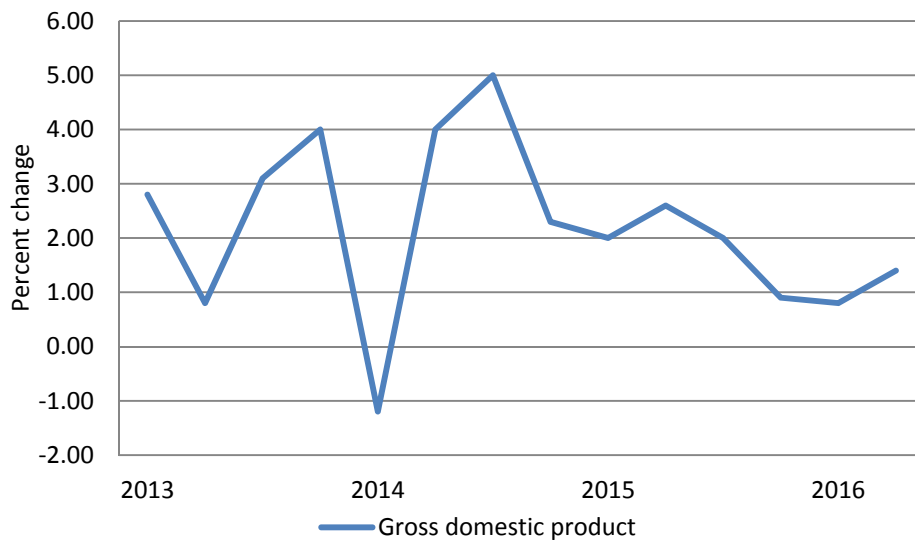
U.S. demand

Based on available information, it is likely that changes in the price level of rebar would result in small changes in the quantity of rebar demanded. The main contributing factors to the small degree of responsiveness of demand is the limited substitutability of other products for rebar and its relatively small cost share in its major uses.

The overall U.S. demand for rebar is driven by the U.S. economy, nonresidential construction spending and, to a lesser extent, residential construction spending. The aggregate U.S. economy, as measured by percentage changes in the gross domestic product, has fluctuated between a low of -1.2 percent in the first quarter of 2014 to a high of 5.0 percent in the third quarter of 2014 (figure II-1). Nonresidential and residential construction spending, increased by 26.8 percent and 48.8 percent, respectively, from January 2013 to June 2016 (figure II-2).

Figure II-1

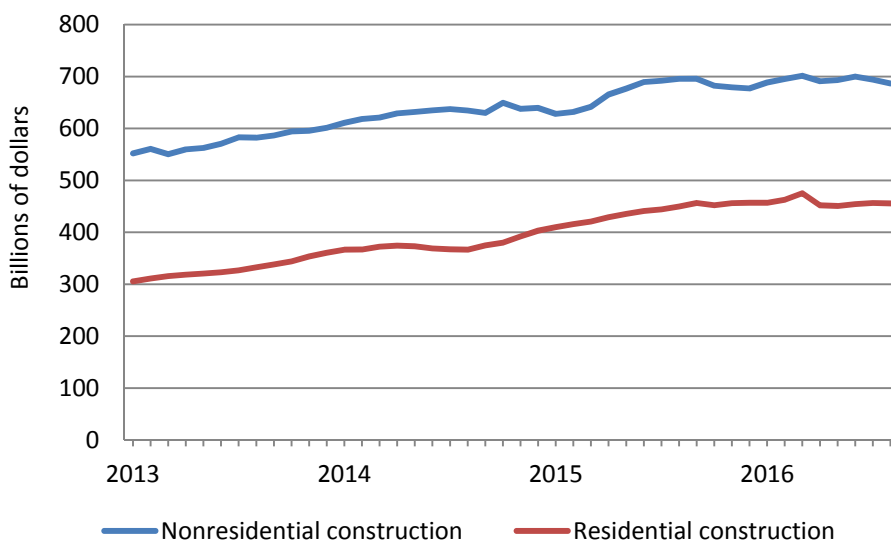
Percent changes in real gross domestic product (GDP) growth, by quarters, January 2013-June 2016



Source: Bureau of Economic Analysis, U.S. Department of Commerce.
<http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm> Accessed October 20, 2016

Figure II-2

Construction spending: Monthly total non-residential and residential construction, value in billions of dollars, annualized, seasonally adjusted, January 2013- August 2016



Source: Federal Reserve Bank of St. Louis, Federal Reserve Economic Database, Construction. <https://fred.stlouisfed.org/> Accessed October 20, 2016.

End uses and cost share

U.S. demand for rebar depends on the demand for U.S.-produced downstream products. Reported end uses include construction (commercial, nonresidential, public, private, residential, roads and bridges).

Rebar accounts for a small share of the cost of the end-use products in which it is used. U.S. producers and importers reported that the cost of rebar as a share of most types of construction (the most common end use) varied little, ranging from 2 to 5 percent; exceptions were foundations, driveways, and “miscellaneous construction” (10 to 20 percent). For intermediate applications (forms fabricated from rebar), however, the rebar’s cost share was estimated to be much higher, ranging from 80 to 100 percent.

Business cycles

Five of seven U.S. producers indicated that the market was subject to business cycles whereas 11 of 18 importers reported that the market was not subject to business cycles. Firms specifically indicated the demand for rebar follows the seasonal trends of construction spending. Additionally, five of seven U.S. producers indicated that the market was subject to distinct conditions of competition whereas 15 of 18 importers reported that the market was not subject to distinct conditions of competition. Of the five U.S. producers and three importers that reported distinct conditions of competition, all firms reported changes in the conditions of competition. Firms reported changes in public spending on construction since the recession, global overcapacity, and changes in raw material costs.

Demand trends

Most firms reported demand for rebar is increasing or fluctuating in the United States since January 1, 2013 (table II-3). Firms cite growing demand in construction post-recession but report that demand is not at the same level as it was pre-recession. Firms reported that demand outside the United States is a function of the economic growth within any given region. U.S. producer *** reported that demand in the Middle East has decreased. At the conference, petitioners reported that global demand for steel is projected to increase by less than 1 percent a year for 2016 and 2017.⁷

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

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	4	1	0	3
Importers	12	0	0	5
Demand outside the United States:				
U.S. producers	0	0	5	2
Importers	7	1	1	6

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

Substitute products

Most responding U.S. producers (five of six) listed one or more substitutes for rebar whereas most importers (14 of 16) reported that there are no substitutes for rebar. Substitutes for rebar are limited to mostly non-structural applications. All firms that reported substitutes listed wire mesh as a substitute for sidewalks, slabs of concrete, and foundations. Other substitutes include fiber reinforcing and mesh, PC strand, and structural steel. Firms indicated that none of these substitutes affect the price of rebar.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported rebar depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is high degree of substitutability between domestically produced rebar and rebar imported from subject sources.

⁷ World Steel Association, "Worldsteel Short Range Outlook 2016 – 2017," <https://www.worldsteel.org/media-centre/press-releases/2016/worldsteel-Short-Range-Outlook-2016--2017.html>, accessed October 25, 2016, and conference transcript, p. 57 (Price).

Lead times

U.S. producers sold rebar both from inventories and produced-to-order. Importers sold the vast majority of rebar produced-to-order (table II-4). U.S. producers and importers reported similar lead times for sales from U.S. inventories, but importers reported lead times that were more than twice as long as U.S. producers for produced-to-order sales.

Table II-4
Rebar: U.S. producers' and U.S. importers' lead times, 2015

* * * * *

Factors affecting purchasing decisions

Purchasers responding to lost sales and lost revenue allegations⁸ were asked to identify the main factors their firm considered in their purchasing decisions for rebar (table II-5). The major purchasing factors identified by firms include price, availability, and quality.

Table II-5
Rebar: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms (number)			
Price / cost	8	2	1	11
Availability	2	2	1	5
Quality	0	3	2	5
All other factors ¹	1	3	6	10

¹ Other factors include country of origin (3 firms), supplier relationship (3 firms), delivery time (2 firms), and payment terms (1 firm).

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

Buy America(n)

Five of 11 purchasers reported that country of origin is only sometimes important when purchasing rebar. Purchaser *** indicated that country of origin is important for Buy America(n) projects, which comprise a small share of its purchases. In the 2014 investigations, purchasers reported that 10.6 percent of all purchases require domestic product. Buy America preferences apply to the procurement of iron and steel products, including rebar, for certain federal-aid highway construction programs while Buy American

⁸ This information is compiled from responses by purchasers identified by petitioners or other U.S. producers in their lost sales lost revenue allegations. See Part V for additional information.

preferences apply to Federal Government procurement of certain goods and services.⁹ At the preliminary conference, petitioners stated that Buy America(n) is not a factor that influences purchasers and that producers rarely know that they are bidding on a Buy America(n) project during the bidding process.¹⁰ Respondents reported that Buy America(n) requirements play an important role in state and federal projects, namely highway and road construction. Respondents reported that Department of Transportation projects are required to use domestically produced rebar if available and if using domestic rebar did not increase the cost of the overall project by 25 percent.¹¹

Comparison of U.S.-produced and imported rebar

In order to determine whether U.S.-produced rebar can generally be used in the same applications as imports from Japan, Turkey, and Taiwan, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-6, all reporting U.S. producers and the majority of importers reported that U.S.-produced rebar is always interchangeable with rebar from Japan, Turkey, and Taiwan. Two importers (***) reported that U.S. and Turkish product are never interchangeable because the sizes and lengths are different due to differences in the metric and imperial measurement systems. Importer *** reported that domestically produced rebar and Turkish rebar is sometimes interchangeable because certain projects require rebar made in the United States. Importer *** reported that U.S.-produced rebar is never interchangeable with rebar from Japan, Turkey or Taiwan because the U.S. rebar is made to ASTM standards and other countries have different standards.

⁹ *Steel Concrete Reinforcing Bar from Mexico and Turkey*, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final), USITC Publication 4496, October 2014, pp. II-23 and II-24 n.143.

¹⁰ Conference transcript, p. 62 (Porter).

¹¹ Turkish respondent's brief, p 10.

Table II-6

Rebar: Interchangeability between rebar produced in the United States and in other countries, by country pairs

Country pair	U.S. Producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. Japan	7	0	0	0	6	2	1	1
United States vs. Taiwan	7	0	0	0	7	1	1	1
United States vs. Turkey	7	0	0	0	8	2	2	3
Japan vs. Taiwan	7	0	0	0	7	0	1	0
Japan vs. Turkey	7	0	0	0	7	1	1	0
Taiwan vs. Turkey	7	0	0	0	8	0	1	0
United States vs. Other	7	0	0	0	6	3	2	1
Japan vs. Other	7	0	0	0	7	2	1	0
Taiwan vs. Other	7	0	0	0	7	1	1	0
Turkey vs. Other	7	0	0	0	7	3	1	0

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

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

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of rebar from the United States, subject, or nonsubject countries. As seen in table II-7, all U.S. producers reported that factors other than price were never significant in sales of rebar from the United States or subject countries. Importers were split on whether factors other than price were significant in sales of U.S.-produced and subject rebar. Importer *** reported that there are always factors other than price that are significant when comparing domestically produced rebar and Japanese rebar. It indicated that specific conditions in the rebar market in Japan cause differences in Japanese steel, namely higher quality service, just in time delivery, and differences in length. Importer *** reported that factors, such as shorter lead times and no rusting, are always significant differences between U.S.-produced rebar and rebar from Japan, Turkey, and Taiwan. Importer *** reported that lead times were frequently a significant factor between U.S.-produced rebar and rebar from Japan and Turkey. Importers *** indicated that factors other than price were sometimes or frequently (respectively) significant between U.S.-produced rebar and rebar from Turkey. These importers cited lead times and availability of technical help as factors. Additionally, *** indicated that Turkish rebar has limited use in infrastructure or government funded projects. Importer *** reported that factors other than price were always significant between domestically produced rebar and rebar from Turkey and Taiwan due to freight and logistical availability.

Table II-7

Rebar: Significance of differences other than price between rebar produced in the United States and in other countries, by country pairs

Country pair	U.S. Producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. Japan	0	0	0	7	3	1	3	3
United States vs. Taiwan	0	0	0	7	4	0	3	3
United States vs. Turkey	0	0	0	7	5	2	5	3
Japan vs. Taiwan	0	0	0	7	2	0	2	3
Japan vs. Turkey	0	0	0	7	2	1	2	3
Taiwan vs. Turkey	0	0	0	7	3	0	2	3
United States vs. Other	0	0	0	7	4	1	4	3
Japan vs. Other	0	0	0	7	2	1	2	3
Taiwan vs. Other	0	0	0	7	2	0	2	3
Turkey vs. Other	0	0	0	7	2	1	2	3

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

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

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of seven firms that accounted for the vast majority of U.S. production of rebar during 2015.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 11 firms based on information contained in the petitions, and previous proceedings involving rebar. Seven firms provided useable data on their productive operations.¹ Staff believes that these responses represent the vast majority of U.S. production of rebar.

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

¹ Alton Steel, Inc., Charter Steel, Evraz North America, and Keystone Steel & Wire Co. did not respond to the Commission's questionnaires.

Table III-1

Rebar: U.S. producers of rebar, their positions on the petitions, production locations, and shares of reported production, 2015

Firm	Position on petition	Production location(s)	Share of production (percent)
Bayou	Support	Vinton, TX	***
Byer	Support	Cincinnati, OH ¹	***
Cascade	***	McMinnville, OR City of Industry, CA	***
CMC	Support	Mesa, AZ Magnolia, AR Cayce, SC Seguin, TX	***
Gerdau	Support	Baldwin, FL West Vidor, TX Midlothian, TX Knoxville, TN Sayreville, NJ Rancho Cucamonga, CA	***
Nucor	Support	Auburn, NY Birmingham, AL Darlington, SC Jackson, MS Jewett, TX Kankakee, IL Kingman, AZ Marion, OH Plymouth, UT Seattle, WA Wallingford, CT	***
SDI	Support	Pittsboro, IN Roanoke, VA	***
Total			***

¹ Byer's ***.

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms since January 2013. No U.S. producer of rebar is owned, related to, or affiliated with producers of rebar in Japan, Taiwan, or Turkey.

Table III-2

Rebar: U.S. producers' ownership, related and/or affiliated firms, and share of total production, since January 2013

* * * * *

As indicated in table III-2, two U.S. producers *** are related to foreign producers of rebar in nonsubject countries. In addition, as discussed in greater detail below, *** directly imports the subject merchandise from Japan, Taiwan, and Turkey and purchases the subject

merchandise from U.S. importers. ***'s subsidiary *** also directly imports the subject merchandise from Japan and Taiwan.

Table III-3 summarizes important industry events since 2013. CMC reported expanding the capacity of its Arizona plant and investing in a second micro mill in Durant, Oklahoma after the 2014 investigations on rebar from Mexico and Turkey.² Gerdau reported selling its Perth Amboy, New Jersey and Sand Springs, Oklahoma plants in early 2016.³ In April 2016, Black Diamond Capital Management LLC acquired from ArcelorMittal the long-product mills located in LaPlace, Louisiana;⁴ Harriman, Tennessee;⁵ and Vinton (also referred to as Canutillo), Texas.⁶ Black Diamond Capital Management LLC spun-off these mills into a newly independent company called "Bayou Steel Group."⁷

Table III-3

Rebar: U.S. producers' reported changes in operations, since January 1, 2013

* * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Total U.S. capacity and production decreased from 2013 to 2015, but were somewhat higher in January-June 2016 than in January-June 2015. Capacity utilization fluctuated, from a low of 69.6 percent in 2013 to a high of 76.0 percent in 2014 before declining to 71.1 percent in 2015. Capacity utilization was 72.7 percent in January-June 2015 and 75.2 percent in January-June 2016.

² Conference transcript, p. 32 (Porter).

³ Both of these plants had been idle prior to 2013. Conference transcript, pp. 19-20 (Campo). ***.

⁴ ***.

⁵ ***.

⁶ From 2011 to 2013, ArcelorMittal reported operating three rebar facilities in the United States located in Georgetown, South Carolina; Harriman, Tennessee; and Canutillo, Texas. In July 2015, ArcelorMittal closed its Georgetown, SC facility that primarily produced wire rod but also produced coiled rebar. *Steel Concrete Reinforcing Bars from Mexico and Turkey, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final)*, USITC Publication 4496, October 2014, table III-1 and Response to staff questions from Alan Price and John Shane of Wiley Rein, Counsel to Bayou, October 26, 2016.

⁷ Bayou Steel Group is a legacy U.S. steel producer that was purchased by ArcelorMittal in 2008. The mills in LaPlace, Louisiana and Harriman, Tennessee were originally Bayou Steel mills. The mill in Vinton, Texas belonged to the former Border Steel Corporation. PR Newswire, <http://www.prnewswire.com/news-releases/black-diamond-capital-management-taps-robert-simon-as-ceo-of-bayou-steel-group-300262469.html>, retrieved October 21, 2016 and Platts webpage, <http://www.platts.com/latest-news/metals/pittsburgh/arcelormittal-to-sell-three-us-steel-mills-10608111>, retrieved October 25, 2016.

Table III-4

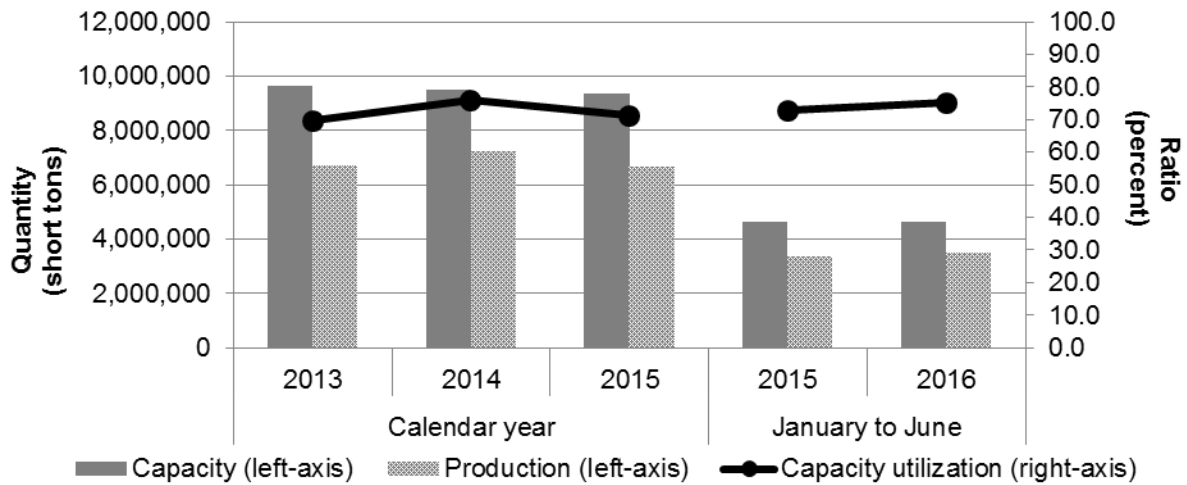
Rebar: U.S. producers' capacity, production, and capacity utilization, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
Quantity (short tons)					
Capacity	9,619,520	9,510,068	9,369,478	4,633,554	4,643,121
Production	6,690,404	7,226,269	6,663,210	3,370,540	3,492,174
Ratio (percent)					
Capacity utilization	69.6	76.0	71.1	72.7	75.2

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

Figure III-1

Rebar: U.S. producers' capacity, production, and capacity utilization, 2013-15, January to June 2015, and January to June 2016



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

Table III-5 presents information provided by U.S. producers on their constraints on production capacity.

Table III-5

Rebar: U.S. producers' reported constraints on production

* * * * *

Table III-6 presents aggregate data for total U.S. production of all products made on the same equipment and machinery used to produce rebar. Six firms *** reported producing other products using the same manufacturing equipment and/or production employees that were used to produce rebar. U.S. producers generally cited customer demands and prices as the factors determining their product mix. Overall capacity increased from 2013 to 2015 and from January-June 2015 to January-June 2016.

Table III-6

Rebar: U.S. producers' overall capacity and production on the same equipment as subject production, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Overall capacity	17,089,410	17,164,086	17,302,586	8,638,372	8,672,161
Production:					
Rebar	6,690,404	7,226,269	6,663,210	3,370,540	3,492,174
Plain/ smooth rebar	89,163	91,271	92,848	56,831	42,796
Merchant-quality bar	2,993,880	3,239,752	2,857,821	1,525,392	1,538,885
SBQ bar	1,051,667	1,571,268	1,378,072	734,816	691,592
All other products	1,001,155	1,061,678	1,161,011	568,320	729,266
Out-of-scope production	5,135,865	5,963,969	5,489,752	2,885,359	3,002,539
Total production on same machinery	11,826,269	13,190,238	12,152,962	6,255,899	6,494,713
	Ratios and shares (percent)				
Overall capacity utilization	69.2	76.8	70.2	72.4	74.9
Share of production:					
Rebar	56.6	54.8	54.8	53.9	53.8
Plain/ smooth rebar	0.8	0.7	0.8	0.9	0.7
Merchant-quality bar	25.3	24.6	23.5	24.4	23.7
SBQ bar	8.9	11.9	11.3	11.7	10.6
All other products	8.5	8.0	9.6	9.1	11.2
Out-of-scope production	43.4	45.2	45.2	46.1	46.2
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

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

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

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. producer's U.S. shipments decreased by 0.1 percent from 2013 to 2015, but were 4.2 percent higher in January-June 2016 than in January-June 2015. Four firms reported transfers to related firms: ***. From 2013 to 2015, the volume of transfers to related firms accounted for between *** and *** percent of total shipments. The average unit values of U.S. producers' shipments were the lowest for their export shipments, followed by their transfers to related firms, and then by their commercial shipments.⁸ The highest unit values of U.S. producers' shipments were their internal consumption, reported by two firms (***). Internal consumption accounted for a very small share of U.S. shipments and the vast majority were reported by ***, which explained that its ***.⁹

⁸ Transfers to related firms were consistently lower than commercial U.S. shipments, most notably in 2014 and January-June 2016, when the difference in average unit values exceeded \$*** per short ton. As shown in appendix D, lower unit values for transfers to related firms were reported for #3, #4, #5, #6, and all other sizes of rebar.

⁹ Petitioners' postconference brief, exh. 2.

Table III-7

Rebar: U.S. producers' U.S. shipments, export shipments, and total shipments, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	6,453,629	6,715,942	6,449,799	3,213,123	3,348,451
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	4,040,721	4,303,144	3,614,577	1,907,007	1,558,654
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per short ton)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	626	641	560	594	465
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity (percent)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Commercial U.S. shipments	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

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

Average unit values declined for both U.S. and export shipments between 2013 and 2015, by 10.5 percent and *** percent, respectively. Both were lower in January-June 2015, by 21.6 percent and *** percent, respectively.

U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' inventories fluctuated from 2013 to 2015 and were lower in January-June 2016 than in January-June 2015.

Table III-8
Rebar: U.S. producers' inventories, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
U.S. producers' end-of-period inventories	539,007	627,439	552,453	612,405	565,826
	Ratio (percent)				
Ratio of inventories to--					
U.S. production	8.1	8.7	8.3	9.1	8.1
U.S. shipments	8.4	9.3	8.6	9.5	8.4
Total shipments	***	***	***	***	***

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of rebar are presented in table III-9. ***. ***.
 ***. ***. ***. ***. ***.

Table III-9
Rebar: U.S. producers' direct imports and purchases of imports, 2013-15, January to June 2015, and January to June 2016

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 shows U.S. producers' employment-related data during 2013-15, January-June 2015, and January-June 2016. The number of production and related workers increased by 69 workers from 2013 to 2015, but was lower by 187 workers in January-June 2016 than in January-June 2015. Between 2013 and 2014, the number of workers, hours worked, wages paid, hourly wages, and productivity all increased while unit labor costs decreased slightly. Between 2014 and 2015, employment data exhibited declines in the number of workers, hours worked, wages paid, and productivity while labor cost increased slightly. In the interim period, employment data were mixed, with fewer workers, less total hours worked but more hours worked per worker at higher wages and greater productivity and lower unit labor costs in January-June 2016 than in January-June 2015.

Table III-10

Rebar: U.S. producers' employment related data, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
Production and related workers (PRWs) (number)	4,151	4,248	4,220	4,260	4,073
Total hours worked (1,000 hours)	8,927	9,247	8,821	4,480	4,423
Hours worked per PRW (hours)	2,151	2,177	2,090	1,052	1,086
Wages paid (\$1,000)	332,366	354,208	330,648	166,617	167,414
Hourly wages (dollars per hour)	\$37.23	\$38.31	\$37.48	\$37.19	\$37.85
Productivity (short tons per 1,000 hours)	749.5	781.5	755.4	752.4	789.5
Unit labor costs (dollars per short tons)	\$49.68	\$49.02	\$49.62	\$49.43	\$47.94

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

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 120 firms believed to be importers of subject rebar, as well as to all U.S. producers of rebar.¹ Usable questionnaire responses were received from 18 companies. Table IV-1 lists all responding U.S. importers of rebar from Japan, Taiwan, Turkey,² and other sources, their locations, and their shares of U.S. imports in 2015.

¹ The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data provided by ***, may have imported merchandise in 2015 under the HTS statistical reporting numbers: 7213.10.0000, 7214.20.0000, and 7228.30.8010.

According to the petition and Commerce's initiation notice, the subject merchandise may also be reported by importers under other statistical reporting numbers, including: 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Steel concrete reinforcing bars are not specifically mentioned under any of these subheadings, and any such imports under those subheadings are believed to be minimal. Petitioners' counsel stated at the conference that "as far as we know, the subject imports are just in the principal three rebar tariff codes" and that the additional statistical reporting numbers are included in the scope to capture misclassified rebar by "less than scrupulous" importers. Conference transcript, pp. 95-96 (Price).

² ***.

Table IV-1
Rebar: U.S. importers, their headquarters, and share of total imports by source, 2015

Firm	Headquarters	Share of imports by source (percent)					
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources
Aldarra	San Juan, PR	***	***	***	***	***	***
C&F ¹	Houston, TX	***	***	***	***	***	***
CMC	Irving, TX	***	***	***	***	***	***
Colakoglu ²	Istanbul, Turkey	***	***	***	***	***	***
CRP	Sunrise, FL	***	***	***	***	***	***
Cumic	Katy, TX	***	***	***	***	***	***
DeAcero	Houston, TX	***	***	***	***	***	***
Duferco	Matawan, NJ	***	***	***	***	***	***
Harris	Seattle, WA	***	***	***	***	***	***
Icdas ²	Istanbul, Turkey	***	***	***	***	***	***
Intermetal	Miami, FL	***	***	***	***	***	***
Izmir ²	Izmir, Turkey	***	***	***	***	***	***
MacSteel	White Plains, NY	***	***	***	***	***	***
Marubeni-Itochu	New York, NY	***	***	***	***	***	***
Medtrade	Houston, TX	***	***	***	***	***	***
Stemcor	New York, NY	***	***	***	***	***	***
Tata	Schaumburg, IL	***	***	***	***	***	***
ThyssenKrupp	Southfield, MI	***	***	***	***	***	***
Total		***	***	***	***	***	***

¹ ***

² Foreign producer/exporter of rebar that acts as its own U.S. importer of record.

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

U.S. IMPORTS AND RATIO TO U.S. PRODUCTION

Table IV-2 presents data for U.S. imports of rebar from Japan, Taiwan, Turkey, and all other sources. From 2013 through June 2016, Turkey was the largest supplier of rebar to the United States, with imports more than doubling from 2013 to 2015 by quantity. The unit value of these imports from Turkey decreased from 2013 to 2015, with an overall decrease in unit value of 21.6 percent. The quantity and value of imports of rebar from Turkey were lower in January-June 2016 than in January-June 2015, by 9.9 percent in quantity and 36.1 percent in value. The unit value of these imports from Turkey was 29.1 percent lower in January-June 2016 than in January-June 2015. As a ratio to U.S. production, imports of rebar from Turkey ranged from 10.7 percent to 24.6 percent from 2013 to June 2016.

From 2013 to 2015, the quantity of imports of rebar from Japan grew by 938.5 percent. During 2013-15, the value of imports from Japan grew by 795.4 percent, but unit values of imports from Japan fell by 13.8 percent. The quantity of imports of rebar from Japan was 6.0 percent higher in January-June 2016 than in January-June 2015 while the value of these imports was 27.7 percent lower. The unit value of these imports from Japan was 31.8 percent lower in

January-June 2016 than in January-June 2015. As a ratio to U.S. production, imports of rebar from Japan ranged from 0.4 percent to 5.4 percent from 2013 to June 2016.

In 2013, imports of rebar from Taiwan were only 42 short tons, but the volume increased in 2014 and then again in 2015, for an overall increase of 40,633 short tons. In terms of value, imports of rebar from Taiwan increased from \$44 thousand in 2013 to \$19 million in 2015, while the unit value of these imports declined by 55.4 percent. The quantity of imports of rebar from Taiwan was 100.3 percent higher in January-June 2016 than in January-June 2015 and the value of these imports was 23.8 percent higher. The unit value of these imports from Taiwan was 38.2 percent lower in January-June 2016 than in January-June 2015. As a ratio to U.S. production, imports of rebar from Taiwan were equivalent to less than one percent from 2013 to June 2016.

The quantity of imports of rebar from nonsubject sources decreased from 466,578 short tons in 2013 to 82,105 short tons in 2015. By 2015, nonsubject sources accounted for less than five percent of imports by quantity and value in 2015; nonsubject sources in 2015 included Korea (20,790 short tons), Peru (17,469 short tons), the Dominican Republic (10,910 short tons), Mexico (5,451 short tons), and Spain (118 short tons).

Table IV-2
Rebar: U.S. imports, by source, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
Quantity (short tons)					
U.S. imports from.-- Japan	25,723	93,970	267,130	178,049	188,670
Taiwan	42	6,542	40,675	8,157	16,340
Turkey	716,555	981,199	1,625,308	830,703	748,231
Subject sources	742,320	1,081,712	1,933,113	1,016,908	953,241
Nonsubject sources	466,578	356,209	82,105	35,113	76,040
All sources	1,208,898	1,437,921	2,015,218	1,052,021	1,029,281
Value (1,000 dollars)					
U.S. imports from.-- Japan	13,336	50,529	119,414	82,552	59,647
Taiwan	44	3,876	19,196	4,835	5,987
Turkey	401,891	548,582	715,531	384,710	245,785
Subject sources	415,272	602,987	854,140	472,097	311,419
Nonsubject sources	271,339	215,567	44,530	20,236	31,435
All sources	686,610	818,554	898,669	492,333	342,855
Unit value (dollars per short ton)					
U.S. imports from.-- Japan	518	538	447	464	316
Taiwan	1,058	592	472	593	366
Turkey	561	559	440	463	328
Subject sources	559	557	442	464	327
Nonsubject sources	582	605	542	576	413
All sources	568	569	446	468	333

Table continued.

Table IV-2--Continued

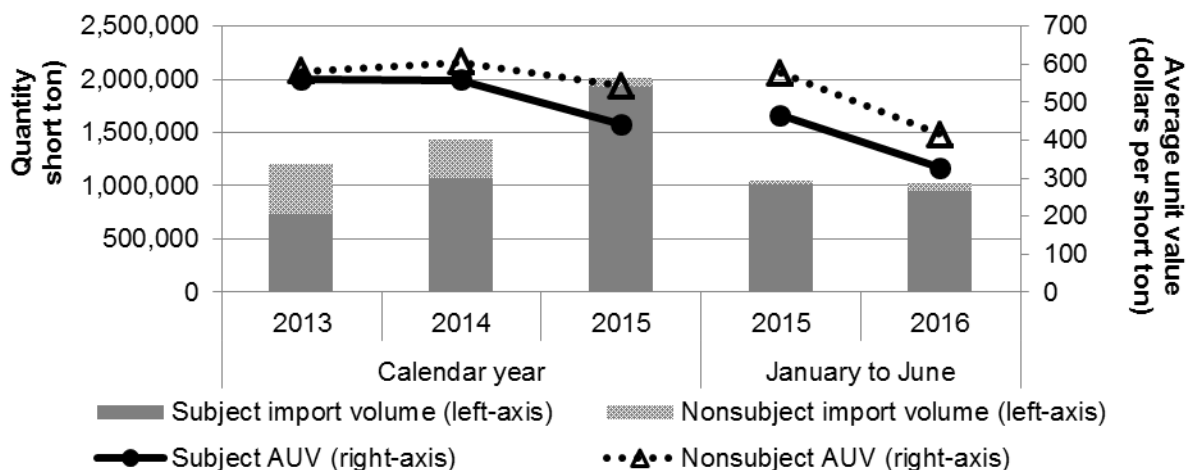
Rebar: U.S. imports, by source, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Share of quantity (percent)				
U.S. imports from.-- Japan	2.1	6.5	13.3	16.9	18.3
Taiwan	0.0	0.5	2.0	0.8	1.6
Turkey	59.3	68.2	80.7	79.0	72.7
Subject sources	61.4	75.2	95.9	96.7	92.6
Nonsubject sources	38.6	24.8	4.1	3.3	7.4
All sources	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. imports from.-- Japan	1.9	6.2	13.3	16.8	17.4
Taiwan	0.0	0.5	2.1	1.0	1.7
Turkey	58.5	67.0	79.6	78.1	71.7
Subject sources	60.5	73.7	95.0	95.9	90.8
Nonsubject sources	39.5	26.3	5.0	4.1	9.2
All sources	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production				
U.S. imports from.-- Japan	0.4	1.3	4.0	5.3	5.4
Taiwan	0.0	0.1	0.6	0.2	0.5
Turkey	10.7	13.6	24.4	24.6	21.4
Subject sources	11.1	15.0	29.0	30.2	27.3
Nonsubject sources	7.0	4.9	1.2	1.0	2.2
All sources	18.1	19.9	30.2	31.2	29.5

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

Figure IV-1

Rebar: U.S. import volumes and prices, 2013-15, January to June 2015, and January to June 2016



Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

NEGLIGENCE

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.³ Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.⁴ Table IV-3 presents data on imports from Japan, Taiwan, Turkey, and Turkish producer Habas for the twelve-month period preceding the petitions.

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

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

Table IV-3**Rebar: U.S. imports in the twelve month period preceding the petition, by source, September 2015-August 2016**

Item	September 2015 through August 2016	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--		
Japan	265,877	12.5
Taiwan	126,202	5.9
Turkey	1,586,351	74.4
Turkey, Habas	***	***
Subject sources	1,978,430	92.8
Nonsubject sources	153,527	7.2
All sources	2,131,957	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed October 26, 2016.

CUMULATION CONSIDERATIONS

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

Fungibility

Table IV-4 presents U.S. producers' and importers' U.S. shipments of rebar by type and length in 2015. Table IV-5 presents U.S. producers' and U.S. importers' U.S. shipments by grade in 2015. Table IV-6 presents U.S. producers' and importers' U.S. shipments of rebar by size in 2015.

Table IV-4

Rebar: U.S. producers' and U.S. importers' U.S. shipments by type and length, 2015

Type and length	U.S. shipments 2015						
	U.S. producers	U.S. importers					Combined producer and importer
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
	Quantity (short tons)						
U.S. shipments.-- Coiled rebar	212,338	***	***	***	18,189	1,090	231,617
Straight: <20 feet	55,849	***	***	***	61,811	2,951	120,611
Straight: ≥20, <40 feet	1,588,318	***	***	***	937,827	39,448	2,565,593
Straight: ≥40, <60 feet	1,316,255	***	***	***	138,108	12,963	1,467,326
Straight: ≥60 feet	3,277,039	***	***	***	210,485	2,559	3,490,083
Straight: all lengths	6,237,461	***	***	***	1,348,231	57,921	7,643,613
All types and sizes	6,449,799	***	***	***	1,366,420	59,011	7,875,230
	Share across (percent)						
U.S. shipments.-- Coiled rebar	91.7	***	***	***	7.9	0.5	100.0
Straight: <20 feet	46.3	***	***	***	51.2	2.4	100.0
Straight: ≥20, <40 feet	61.9	***	***	***	36.6	1.5	100.0
Straight: ≥40, <60 feet	89.7	***	***	***	9.4	0.9	100.0
Straight: ≥60 feet	93.9	***	***	***	6.0	0.1	100.0
Straight: all lengths	81.6	***	***	***	17.6	0.8	100.0
All types and sizes	81.9	***	***	***	17.4	0.7	100.0
	Share down (percent)						
U.S. shipments.-- Coiled rebar	3.3	***	***	***	1.3	1.8	2.9
Straight: <20 feet	0.9	***	***	***	4.5	5.0	1.5
Straight: ≥20, <40 feet	24.6	***	***	***	68.6	66.8	32.6
Straight: ≥40, <60 feet	20.4	***	***	***	10.1	22.0	18.6
Straight: ≥60 feet	50.8	***	***	***	15.4	4.3	44.3
Straight: all lengths	96.7	***	***	***	98.7	98.2	97.1
All types and sizes	100.0	***	***	***	100.0	100.0	100.0

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

Table IV-5

Rebar: U.S. producers' and U.S. importers' U.S. shipments by grade, 2015

Grade	U.S. shipments 2015						
	U.S. producers	U.S. importers					Combined producer and importer
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
	Quantity (short tons)						
U.S. shipments.-- Grade 40	246,857	***	***	***	200,481	5,742	453,080
Grade 60	5,158,621	***	***	***	1,114,235	53,269	6,326,125
Grade 75	285,776	***	***	***	39,440	0	325,216
A706 rebar	621,045	***	***	***	12,264	0	633,309
Other grades	137,500	***	***	***	0	0	137,500
All grades	6,449,799	***	***	***	1,366,420	59,011	7,875,230
	Share across (percent)						
U.S. shipments.-- Grade 40	54.5	***	***	***	44.2	1.3	100.0
Grade 60	81.5	***	***	***	17.6	0.8	100.0
Grade 75	87.9	***	***	***	12.1	0.0	100.0
A706 rebar	98.1	***	***	***	1.9	0.0	100.0
Other grades	100.0	***	***	***	0.0	0.0	100.0
All grades	81.9	***	***	***	17.4	0.7	100.0
	Share down (percent)						
U.S. shipments.-- Grade 40	3.8	***	***	***	14.7	9.7	5.8
Grade 60	80.0	***	***	***	81.5	90.3	80.3
Grade 75	4.4	***	***	***	2.9	0.0	4.1
A706 rebar	9.6	***	***	***	0.9	0.0	8.0
Other grades	2.1	***	***	***	0.0	0.0	1.7
All grades	100.0	***	***	***	100.0	100.0	100.0

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

Table IV-6

Rebar: U.S. producers' and U.S. importers' U.S. shipments by size, 2015

Size	U.S. shipments 2015						
	U.S. producers	U.S. importers					Combined producer and importer
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
Quantity (short tons)							
U.S. shipments.-- No. 3	293,269	***	***	***	222,089	16,605	531,963
No. 4	1,371,476	***	***	***	504,891	20,127	1,896,494
No. 5	1,514,475	***	***	***	330,068	14,731	1,859,274
No. 6	1,048,894	***	***	***	117,450	4,000	1,170,344
All other sizes	2,221,684	***	***	***	191,922	3,547	2,417,153
All sizes	6,449,798	***	***	***	1,366,420	59,010	7,875,228
Share across (percent)							
U.S. shipments.-- No. 3	55.1	***	***	***	41.7	3.1	100.0
No. 4	72.3	***	***	***	26.6	1.1	100.0
No. 5	81.5	***	***	***	17.8	0.8	100.0
No. 6	89.6	***	***	***	10.0	0.3	100.0
All other sizes	91.9	***	***	***	7.9	0.1	100.0
All sizes	81.9	***	***	***	17.4	0.7	100.0
Share down (percent)							
U.S. shipments.-- No. 3	4.5	***	***	***	16.3	28.1	6.8
No. 4	21.3	***	***	***	36.9	34.1	24.1
No. 5	23.5	***	***	***	24.2	25.0	23.6
No. 6	16.3	***	***	***	8.6	6.8	14.9
All other sizes	34.4	***	***	***	14.0	6.0	30.7
All sizes	100.0	***	***	***	100.0	100.0	100.0

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

U.S. producers' reported shipments of fabricated rebar accounted for less than 0.05 percent of total U.S. shipments in 2015. No U.S. importer reported U.S. shipments of fabricated rebar from subject or nonsubject sources in 2015.

Presence in the market

Table IV-7 and figure IV-2 present U.S. imports by month from each subject source from January 2013 to August 2016. Subject imports from Japan entered the United States in 33 out of 44 months, with June 2016 being the month with the greatest quantity of entries. Subject imports from Taiwan entered the United States in 23 out of 44 months, with August 2016 being the month with the highest volume. Subject imports of rebar from Turkey entered the United States in 43 out of 44 months between January 2013 and August 2016.

Table IV-7

Rebar: U.S. imports, by source and month of entry, January 2013 through August 2016

Year and month	Quantity of imports by source (short tons)					
	Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources
2013.--						
January	0	0	91,547	91,547	26,132	117,679
February	0	0	56,512	56,512	25,778	82,290
March	0	21	122,319	122,340	37,877	160,217
April	0	0	8,343	8,343	31,026	39,369
May	0	0	121,265	121,265	29,718	150,983
June	3,297	0	65,026	68,323	32,088	100,411
July	0	0	17,135	17,135	32,112	49,248
August	0	0	68,162	68,162	43,003	111,165
September	16,654	0	84,783	101,436	38,743	140,179
October	5,772	20	29,242	35,035	38,641	73,676
November	0	0	52,221	52,221	51,393	103,614
December	0	0	0	0	80,068	80,068
2014.--						
January	5,601	222	138,192	144,015	76,905	220,920
February	11,896	0	47,955	59,851	32,451	92,302
March	0	222	108,572	108,793	36,145	144,938
April	5,682	0	72,772	78,453	46,058	124,511
May	3,369	5,729	51,330	60,428	27,411	87,839
June	0	18	63,455	63,472	6,151	69,623
July	4,667	0	30,712	35,379	8,547	43,926
August	4,373	0	108,562	112,935	19,112	132,047
September	26,536	352	55,361	82,249	32,639	114,888
October	17,577	0	121,308	138,886	7,672	146,557
November	11,463	0	117,216	128,678	32,933	161,611
December	2,807	0	65,765	68,572	30,187	98,759

Table continued.

Table IV-7--Continued

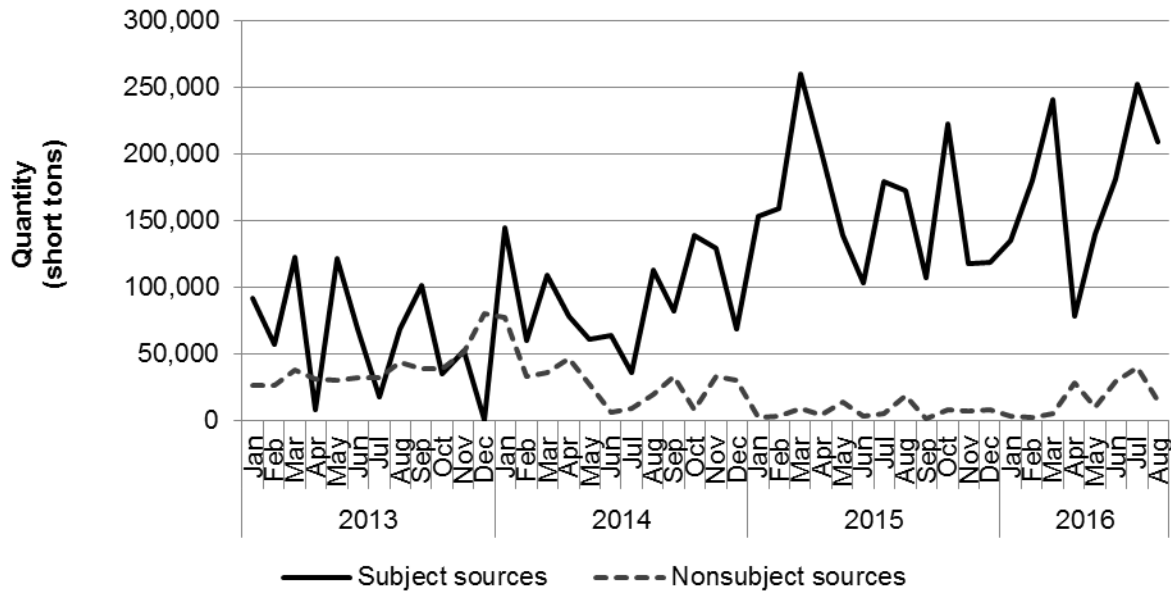
Rebar: U.S. imports, by source and month of entry, January 2013 through August 2016

Year and month	Quantity of imports by source (short tons)					
	Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources
2015.--						
January	16,917	7,693	128,364	152,974	2,404	155,378
February	23,451	0	135,403	158,853	2,852	161,706
March	44,562	6	215,678	260,245	8,447	268,692
April	33,549	0	168,971	202,519	4,306	206,825
May	31,450	444	107,130	139,024	13,645	152,669
June	28,121	14	75,158	103,292	3,458	106,751
July	7,747	23	171,692	179,462	4,849	184,310
August	48,978	0	123,081	172,059	18,745	190,804
September	25,028	1,270	80,500	106,798	1,109	107,907
October	1,101	17,077	204,110	222,287	7,671	229,959
November	3,929	7,020	106,519	117,468	6,545	124,013
December	2,299	7,129	108,704	118,131	8,073	126,204
2016.--						
January	20,457	1,147	112,828	134,432	2,763	137,194
February	32,703	13,558	133,343	179,604	1,723	181,327
March	18,735	463	221,108	240,306	4,615	244,921
April	23,543	1,061	53,560	78,164	27,837	106,001
May	32,370	0	107,315	139,686	10,129	149,815
June	60,861	110	120,077	181,049	28,974	210,023
July	7,155	23,463	221,242	251,860	39,350	291,211
August	37,696	53,903	117,046	208,644	14,738	223,382

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed October 25, 2016.

Figure IV-2

Rebar: Monthly U.S. import volumes by source, January 2013 through August 2016



Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed October 25, 2016.

Geographical markets

Table IV-8 presents U.S. imports of rebar by geographic border of entry and table IV-9 presents U.S. imports by the Customs district of entry for 2015. In 2015, approximately 81 percent of U.S. imports of rebar from Japan entered the United States through the customs districts of Houston-Galveston, Texas; San Francisco, California; and Los Angeles, California. Virtually all U.S. imports of rebar from Taiwan entered the United States through the customs districts of San Francisco, California; Los Angeles, California; and Honolulu, Hawaii.⁵ The vast majority of imports of rebar from Turkey entered primarily through customs districts of Houston-Galveston, Texas; New Orleans, Louisiana; Philadelphia, Pennsylvania; Miami, Florida; and Tampa, Florida.

⁵ Imports from Taiwan have begun entering through Houston-Galveston, Texas as of 2016.

Table IV-8

Rebar: U.S. imports, by source and border of entry, 2015

Item	Border of entry				
	East	North	South	West	Total
	Quantity (short tons)				
U.S. imports from.--					
Japan	11,659	0	125,812	129,658	267,130
Taiwan	23	0	19	40,633	40,675
Turkey	377,241	0	1,248,067	0	1,625,308
Subject sources	388,923	0	1,373,899	170,291	1,933,113
Nonsubject sources	33,870	1,380	26,182	20,673	82,105
All sources	422,793	1,380	1,400,081	190,964	2,015,218
	Share across (percent)				
U.S. imports from.--					
Japan	4.4	0.0	47.1	48.5	100.0
Taiwan	0.1	0.0	0.0	99.9	100.0
Turkey	23.2	0.0	76.8	0.0	100.0
Subject sources	20.1	0.0	71.1	8.8	100.0
Nonsubject sources	41.3	1.7	31.9	25.2	100.0
All sources	21.0	0.1	69.5	9.5	100.0
	Share down (percent)				
U.S. imports from.--					
Japan	2.8	0.0	9.0	67.9	13.3
Taiwan	0.0	0.0	0.0	21.3	2.0
Turkey	89.2	0.0	89.1	0.0	80.7
Subject sources	92.0	0.0	98.1	89.2	95.9
Nonsubject sources	8.0	100.0	1.9	10.8	4.1
All sources	100.0	100.0	100.0	100.0	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

Table IV-9**Rebar: Subject U.S. imports, by source and district of entry, 2015**

Source and district of entry	U.S. imports 2015	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from Japan.-- Houston-Galveston, TX	102,491	38.4
San Francisco, CA	86,483	32.4
Los Angeles, CA	27,701	10.4
New Orleans, LA	23,321	8.7
Honolulu, HI	11,758	4.4
San Juan, PR	11,659	4.4
San Diego, CA	3,717	1.4
U.S. imports from Japan	267,130	100.0
U.S. imports from Taiwan.-- San Francisco, CA	21,728	53.4
Los Angeles, CA	12,219	30.0
Honolulu, HI	6,687	16.4
San Juan, PR	23	0.1
New Orleans, LA	19	0.0
U.S. imports from Taiwan	40,675	100.0
U.S. imports from Turkey.-- Houston-Galveston, TX	685,172	42.2
New Orleans, LA	283,413	17.4
Philadelphia, PA	221,185	13.6
Miami, FL	208,212	12.8
Tampa, FL	63,231	3.9
San Juan, PR	59,918	3.7
Baltimore, MD	50,245	3.1
Boston, MA	39,300	2.4
Laredo, TX	8,039	0.5
Charleston, SC	3,728	0.2
Charlotte, NC	2,842	0.2
Portland, ME	20	0.0
St. Albans, VT	4	0.0
U.S. imports from Turkey	1,625,308	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

APPARENT U.S. CONSUMPTION

Table IV-10 presents data on apparent U.S. consumption and U.S. market shares for rebar.

Table IV-10
Rebar: Apparent U.S. consumption, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
U.S. producers' U.S. shipments	6,453,629	6,715,942	6,449,799	3,213,123	3,348,451
U.S. imports from.--					
Japan	25,723	93,970	267,130	178,049	188,670
Taiwan	42	6,542	40,675	8,157	16,340
Turkey	716,555	981,199	1,625,308	830,703	748,231
Subject sources	742,320	1,081,712	1,933,113	1,016,908	953,241
Nonsubject sources	466,578	356,209	82,105	35,113	76,040
All sources	1,208,898	1,437,921	2,015,218	1,052,021	1,029,281
Apparent U.S. consumption	7,662,527	8,153,863	8,465,017	4,265,144	4,377,732
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	4,040,721	4,303,144	3,614,577	1,907,007	1,558,654
U.S. imports from.--					
Japan	13,336	50,529	119,414	82,552	59,647
Taiwan	44	3,876	19,196	4,835	5,987
Turkey	401,891	548,582	715,531	384,710	245,785
Subject sources	415,272	602,987	854,140	472,097	311,419
Nonsubject sources	271,339	215,567	44,530	20,236	31,435
All sources	686,610	818,554	898,669	492,333	342,855
Apparent U.S. consumption	4,727,331	5,121,698	4,513,246	2,399,340	1,901,509

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

U.S. MARKET SHARES

U.S. market share data are presented in table IV-11 and figure IV-3.

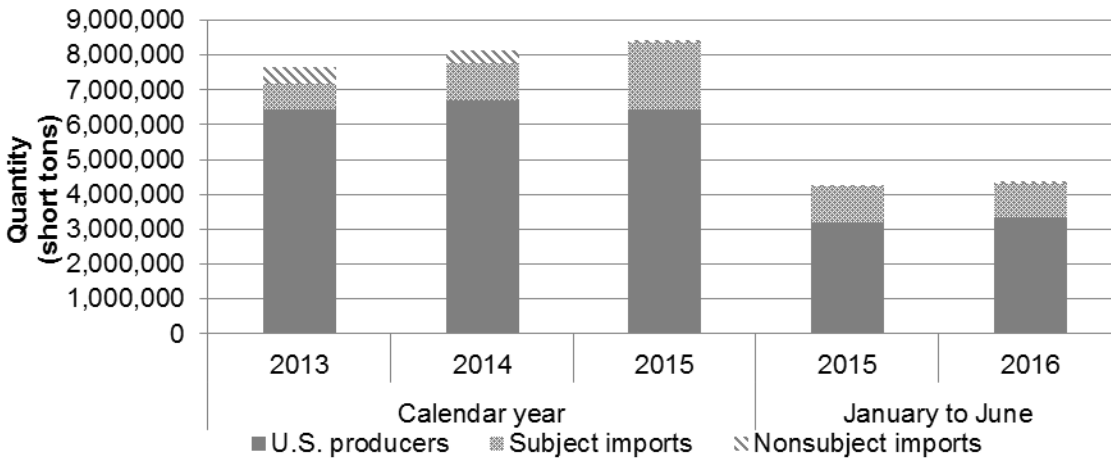
Table IV-11
Rebar: Market shares, 2013-15, January to June 2015, and January to June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Apparent U.S. consumption	7,662,527	8,153,863	8,465,017	4,265,144	4,377,732
	Share of quantity (percent)				
U.S. producers' U.S. shipments	84.2	82.4	76.2	75.3	76.5
U.S. imports from.--					
Japan	0.3	1.2	3.2	4.2	4.3
Taiwan	0.0	0.1	0.5	0.2	0.4
Turkey	9.4	12.0	19.2	19.5	17.1
Subject sources	9.7	13.3	22.8	23.8	21.8
Nonsubject sources	6.1	4.4	1.0	0.8	1.7
All sources	15.8	17.6	23.8	24.7	23.5
	Value (1,000 dollars)				
Apparent U.S. consumption	4,727,331	5,121,698	4,513,246	2,399,340	1,901,509
	Share of value (percent)				
U.S. producers' U.S. shipments	85.5	84.0	80.1	79.5	82.0
U.S. imports from.--					
Japan	0.3	1.0	2.6	3.4	3.1
Taiwan	0.0	0.1	0.4	0.2	0.3
Turkey	8.5	10.7	15.9	16.0	12.9
Subject sources	8.8	11.8	18.9	19.7	16.4
Nonsubject sources	5.7	4.2	1.0	0.8	1.7
All sources	14.5	16.0	19.9	20.5	18.0

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

Figure IV-3

Rebar: Apparent U.S. consumption, 2013-15, January to June 2015, and January to June 2016



Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010, accessed September 25, 2016.

PART V: PRICING DATA

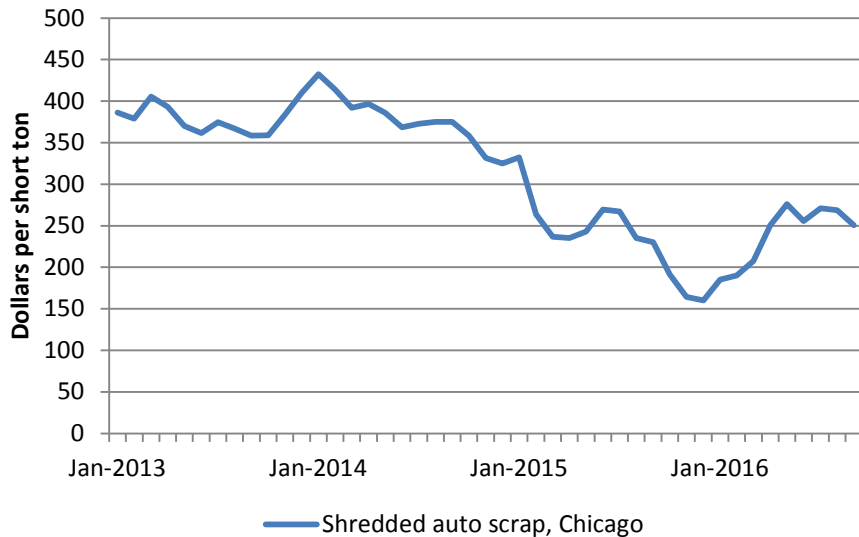
FACTORS AFFECTING PRICES

Raw material costs

The primary raw material input to manufacture rebar is scrap. Raw material costs represented 65.5 percent and 57.6 percent of the costs of goods sold for rebar in 2013 and 2015 respectively and accounted for 52.7 percent in interim 2016. As seen in figure V-1, the cost of scrap declined by 33.8 percent between January 2013 and June 2016, and 1.9 percent thereafter.¹

Figure V-1

Scrap prices: Monthly price of shredded auto scrap to consumers, Chicago, January 2013-September 2016



Source: American Metal Markets, October 2016.

U.S. inland transportation costs

Six of seven responding U.S. producers and three of 17 importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from *** percent, while most importers reported costs of *** percent.²

¹ American Metal Market, Chicago Shredded Auto Scrap Consumer, October 3, 2016.

² Nine importers reported *** inland transportation costs.

PRICING PRACTICES

Pricing methods

U.S. producers reported using transaction-by-transaction negotiations, including so-called “foreign fighter” pricing,³ and importers reported using transaction-by-transaction negotiations, contracts, and market pricing methods. As presented in table V-1, U.S. producers and importers sell primarily on transaction-by-transaction negotiations. U.S. producer *** reported that prices for individual customers are based on sales volume and import price competition, among other considerations.

Table V-1

Rebar: U.S. producers and importers reported price setting methods, by number of responding firms¹

Method	U.S. producers	U.S. importers
Transaction-by-transaction	7	17
Contract	0	2
Set price list	0	0
Other	1	1

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

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

As shown in table V-2, U.S. producers and importers reported their 2015 U.S. commercial shipments of rebar by type of sale. Both U.S. producers and importers reported that the vast majority of their sales were spot sales.

Table V-2

Rebar: U.S. producers’ and importers’ shares of U.S. commercial shipments by type of sale, 2015

Item	U.S. producers	Subject U.S. importers
	Share (percent)	
Share of commercial U.S. shipments.--		
Long-term contracts	***	***
Annual contract	***	***
Short-term contracts	13.4	2.7
Spot sales	85.8	97.3

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

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

³ “Foreign fighter” pricing refers to offering price matching (or near price matching) to prevailing import prices usually for a specific region.

Sales terms and discounts

A majority of U.S. producers quote prices on a delivered basis, while most importers typically quote prices on an f.o.b. basis. Producers offer quantity discounts, along with paid rebates and quick pay discounts. ***, an importer, offers prompt payment discounts, but all other importers reported no discounts. U.S. producers and importers reported sales terms of net 30 days, with two importers reporting net 60 day terms. Three U.S. producers reported terms of ***. Importers also reported terms of ***.

Independent Steel Alliance

In January 2013, several U.S. and Canadian independent rebar fabricators began a purchasing cooperative called the Independent Steel Alliance (“ISA”) in order to increase negotiating leverage when making purchases from steel suppliers and to earn rebates based on purchase volumes. The ISA also was established to allow its suppliers an avenue to reach new purchasers and increase sales.⁴ In the Commission’s most recent rebar investigations, 8 of 10 responding producers and 3 of 16 responding importers reported that they had sold rebar to ISA members (at the time only 5 of 28 responding purchasers reported that they were members of the ISA). The majority of responding producers and importers reported no differences between sales to ISA members and other sales and that the ISA had not affected prices or purchaser patterns.⁵

At the October 11, 2016 staff conference, Byer stated that it is currently a supplier to the association, but Byer has not sold any rebar to its members.⁶ Byer stated that the ISA has made it easier for smaller fabricators in outer markets to buy imported rebar.⁷ Several importers are currently suppliers to the association.⁸ ***.⁹

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following rebar products shipped to unrelated U.S. customers during January 2013 – June 2016.

⁴ Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 878-880, and 882 (Second Review), USITC Publication 4409, July 2013, p. II-21.

⁵ USITC, Steel Concrete Reinforcing Bar from Mexico and Turkey, Inv. No. 701-TA-502 and 731-TA-1227 (Final), USITC Pub. 4496 at V-5 to V-6 (Oct. 2014).

⁶ Conference transcript, pp. 106-107 (Byer).

⁷ *Id.*

⁸ Nat Rudarakanchana, *ISA Inks Supplier Deal with Ferrostaal Steel*, American Metal Market, March 25, 2016). Importers include ***.

⁹ Turkish respondents’ postconference brief, p. 40.

Product 1.-- Straight ASTM A615, No. 3, grade 60 rebar

Product 2.-- Straight ASTM A615, No. 4, grade 60 rebar

Product 3.-- Straight ASTM A615, No. 5, grade 60 rebar

Product 4.— Straight ASTM A615, No. 6, grade 60 rebar

Seven U.S. producers and 15 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹⁰ Price data reported by these firms accounted for approximately *** percent of U.S. producers' commercial shipments of rebar, *** percent of U.S. commercial shipments of imports from Japan, *** percent of U.S. commercial shipments of imports from Taiwan, and *** percent of U.S. commercial shipments of imports from Turkey in 2015.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-2 to V-5.

Table V-3

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2013-June 2016

* * * * *

Table V-4

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2013-June 2016

* * * * *

Table V-5

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 2013-June 2016

* * * * *

Table V-6

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2013-June 2016

* * * * *

¹⁰ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

Figure V-2

Rebar: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2013-June 2016

* * * * *

Figure V-3

Rebar: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2013-June 2016

* * * * *

Figure V-4

Rebar: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2013-June 2016

* * * * *

Figure V-5

Rebar: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2013-June 2016

* * * * *

Price trends

In general, prices decreased during January 2013 – June 2016. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price decreases ranged from *** to *** percent during this period while import price decreases ranged from *** to *** percent.

Table V-7

Rebar: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and Japan, Taiwan, and Turkey

* * * * *

Price comparisons

As shown in table V-8, prices for rebar imported from Japan, Taiwan, and Turkey were below those for U.S.-produced rebar in 117 of 118 instances (2.3 million short tons); margins of underselling ranged from 0.4 to 30.2 percent. In the remaining one instance (388 short tons), the price of rebar from Taiwan was 0.8 percent above the price of the domestic rebar.

Table V-8

Rebar: Instances of underselling/overselling and the range and average of margins, by country, January 2013-June 2016

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Japan	46	***	***	***	***
Taiwan	15	***	***	***	***
Turkey	56	***	***	***	***
Total, underselling	117	2,300,364	12.9	0.4	30.2
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Japan	0	***	***	***	***
Taiwan	1	***	***	***	***
Turkey	0	***	***	***	***
Total, overselling	1	388	(0.8)	(0.8)	(0.8)

¹ These data include only quarters in which there is a comparison between the U.S. and subject product.

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

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of rebar to report purchasers where they experienced instances of lost sales or revenue due to competition from imports of rebar from Japan, Taiwan, and Turkey during January 2013 to June 2016. All seven responding U.S. producers reported that they had to either reduce prices or roll back announced price increases, and all seven firms reported that they had lost sales. Four U.S. producers submitted lost sales and lost revenue allegations. The four responding U.S. producers identified 27 independent firms where they lost sales or revenue (one involving lost sales allegations, nine involving of lost revenue allegations, and 23 involving of both types of allegations). *** producers identified Japan, Taiwan, or Turkey as the country of origin for their lost sales and lost revenue allegations. U.S. producers were also asked to provide information regarding the timing, method of sale, and product type related to the lost sales and lost revenue allegations. *** producers stated that sales were lost and/or prices reduced between ***, on *** for ***. *** producer stated that sales were lost between ***.

Staff contacted 27 purchasers and received responses from 11 purchasers. Responding purchasers reported purchasing 1.2 million short tons of rebar during 2015 (table V-9). During 2015, purchasers purchased *** percent from U.S. producers, *** percent from Japan, Taiwan,

and Turkey, and *** percent from all other countries. Of the responding purchasers, six reported decreasing purchases from domestic producers and four reported increasing purchases.¹¹ Explanations for increasing purchases of domestic rebar included increased demand as the economy improved and domestic mills becoming more competitive with imports. Explanations for decreasing purchases of domestic rebar included lower-priced foreign rebar¹² and loss of market share due to domestic mill competition.

Table V-9
Rebar: Purchasers' responses to purchasing patterns

* * * * *

Of the 11 responding purchasers, nine reported that, since 2013, they had purchased imported rebar from Japan, Taiwan, and Turkey instead of U.S.-produced rebar. *** purchasers reported switching to Japanese rebar, *** purchasers reported switching to Taiwan rebar, and *** purchasers reported switching to Turkish rebar. Nine of these purchasers reported that subject import prices were lower than U.S.-produced rebar, and eight of these purchasers reported that price was a primary reason for the decision to purchase imported rebar rather than U.S.-produced rebar. The reported estimated quantities that these firms purchased from subject imports sources rather than domestic sources ranged from *** to *** short tons (table V-10). Purchasers identified quality, availability, relationship with suppliers, timely delivery, and nation of origin as non-price reasons for purchasing imported rather than U.S.-produced rebar. *** stated that price *** for purchases, while *** stated the importance of ***.

Table V-10
Rebar: Purchasers' responses to shifting supply sources

* * * * *

Table V-11
Rebar: Purchasers' responses to shifting supply sources, by country

* * * * *

Of the 11 responding purchasers, five reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries (table V-12; three reported that they did not know). The reported estimated price reduction ranged from ***. In

¹¹ Of the ten responding purchasers, two purchasers indicated that they did not know the source of the rebar they purchased.

¹² Four of 11 purchasers cited lower-priced foreign rebar as a reason for decreasing purchases of domestic rebar.

describing the price reductions, purchasers indicated that U.S. producers met imported rebar prices irregularly and they never got to the same price levels as imported rebar.

Table V-12

Rebar: Purchasers' responses to U.S. producer price reductions

* * * * *

Table V-13

Rebar: Purchasers' responses to U.S. producer price reductions, by subject country

* * * * *

Responding U.S. purchasers identified various methods they use in purchasing rebar, including ***. Most purchasers make *** for ***.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Rebar manufacturing in the United States is relatively concentrated with the three largest volume producers (***) accounting for *** percent of total sales volume.¹ The remaining U.S. producers range from *** percent (***) of total sales volume to *** percent (***)².

The majority of U.S. producers own and/or are related to affiliates with ferrous scrap operations: Cascade purchases all of its scrap from a related supplier (Schnitzer Steel's Auto and Metals Recycling segment);³ CMC operates ten scrap metal processing plants which directly support the company's overall mill operations;⁴ Gerdau's parent company operates 37 scrap recycling facilities (including joint ventures and associate companies) in North America;⁵ Nucor operates 70 scrap recycling facilities;⁶ SDI's metals recycling operations supplied 37 percent of its steel operations' ferrous scrap requirements during 2015.⁷ At the Commission's staff conference, U.S. producers generally indicated that the primary benefit of having related scrap operations is security of supply, as opposed to reduced cost of the underlying scrap.⁸ As noted in the *Cost of goods sold and gross profit* section below, U.S. producers reported that raw material purchased from related suppliers was based on *** (see footnote 14).

In addition to purchasing raw material from related scrap suppliers, large-volume producers also sell their rebar to related downstream fabrication operations and related distributors. *** percent of *** total rebar sales quantity for the full-year 2013-15 and

¹ Rebar operations of the large-volume U.S. producers reflect multiple mills whose product focus and individual cost profiles can vary. For example, CMC's Arizona minimill utilizes a "continuous continuous" process in which metal flows uninterrupted from melting to casting to rolling. The company's other rebar minimills (South Carolina and Texas) produce billets which are then rolled. The company's Arkansas minimill mill, which does not have a melt shop or continuous casting equipment, uses purchased billet from related or unrelated sources or used rail as its raw material input. CMC 2015 10-K, pp. 5-6.

² This section of the report presents the rebar financial results of seven U.S. producers. The majority of U.S. producers reported their financial results for calendar-year periods and on the basis of generally accepted accounting principles (GAAP). ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

³ Schnitzer 2015 10-K, p. 7.

⁴ CMC 2015 10-K, p. 6.

⁵ Gerdau 2015 20-F, p. 29.

⁶ Nucor 2015 10-K, p. 5.

⁷ SDI 2015 10-K, p. 3.

⁸ Conference transcript, p. 84 (Porter, Barney, Campo). In addition to security of supply, which is a primary focus, other aspects of the relationship appear to provide indirect benefits. For example and with regard to a U.S. joint venture between a scrap supplier and Turkish-owned steel distributor, a company official stated that "{s}ince our U.S. partner is in the scrap metal trade, it gives us an advantage or edge to be ahead of the market when price is becoming bearish or bullish, which gives us a good advantage to predict movement and act accordingly." Petitioners' postconference brief, Exhibit 26.

January-June 2015 and January-June 2016 periods reflects transfers, while *** and *** transfers accounted for *** percent and *** percent of their total sales quantity, respectively. As shown in table VI-3, average company-specific transfer values were in the same range as average commercial sales value but were consistently lower for ***.⁹

***.¹⁰

OPERATIONS ON REBAR

Income-and-loss data for the U.S. industry's rebar operations are presented in table VI-1. A variance analysis of these financial results is presented in table VI-2.¹¹ Selected company-specific financial results information is presented in table VI-3.

Revenue

Total rebar revenue was at its highest level in 2014, declined in 2015, and was lower in interim 2016 compared to interim 2015. The revenue section of the variance analysis (see table VI-2) indicates that period-to-period changes in total revenue reflect different factors: higher revenue in 2014 was principally due to a positive sales volume variance, the decline in 2015 was due to a negative price variance, the principal factor, as well as a negative sales volume variance, and lower revenue in interim 2016 compared to interim 2015 was due to a negative price variance that was partially offset by a small positive sales volume variance.

On a company-specific basis, U.S. producers were directionally similarly uniform in terms of reporting increases in sales volume in 2014 and declines in 2015 (see table VI-3). Comparing interim 2015 and interim 2016 the pattern was more mixed. Among the larger-volume producers, *** reported *** percent and *** percent higher sales volume, respectively, in interim 2016 compared to interim 2015. ***, in contrast, reported *** percent lower sales volume.

⁹ ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions. ***. Ibid.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

¹⁰ Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

¹¹ The Commission's variance analysis is calculated in three parts: sales variance, cost of goods sold (COGS) variance, and SG&A expenses variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expenses variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. As summarized at the bottom of table VI-2, the price variance is from sales, the cost/expense variance is the sum of those items from the COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expenses variances. In general, the utility of the Commission's variance analysis is enhanced when product mix remains the same throughout the period.

Table VI-1

Rebar: Results of operations of U.S. firms, 2013-15, January-June 2015, and January-June 2016

Item	Fiscal year			January to June	
	2013	2014	2015	2015	2016
	Quantity (short tons)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	6,705,496	7,155,081	6,744,983	3,380,458	3,478,784
	Value (\$1,000)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	4,223,189	4,545,742	3,838,945	1,998,108	1,613,089
Cost of goods sold.--					
Raw materials	2,590,850	2,815,412	1,940,837	1,017,213	797,637
Direct labor	304,022	323,592	311,983	158,184	152,503
Other factory costs	1,061,969	1,079,082	1,116,506	546,604	564,218
Total COGS	3,956,841	4,218,086	3,369,326	1,722,001	1,514,358
Gross profit	266,348	327,656	469,619	276,107	98,731
SG&A expense	178,716	192,817	184,520	94,718	87,658
Operating income or (loss)	87,632	134,839	285,099	181,389	11,073
Interest expense	49,432	48,419	47,295	23,063	16,766
All other expenses	52	65	244	122	222
All other income	21,655	149	147	70	58
Net income or (loss)	59,803	86,504	237,707	158,274	(5,857)
Depreciation/amortization	140,916	135,498	108,712	55,744	50,393
Cash flow	200,719	222,002	346,419	214,018	44,536
	Ratio to net sales (percent)				
Cost of goods sold.--					
Raw materials	61.3	61.9	50.6	50.9	49.4
Direct labor	7.2	7.1	8.1	7.9	9.5
Other factory costs	25.1	23.7	29.1	27.4	35.0
Average COGS	93.7	92.8	87.8	86.2	93.9
Gross profit	6.3	7.2	12.2	13.8	6.1
SG&A expense	4.2	4.2	4.8	4.7	5.4
Operating income or (loss)	2.1	3.0	7.4	9.1	0.7
Net income or (loss)	1.4	1.9	6.2	7.9	(0.4)

Table continued on next page.

Table VI-1--Continued

Rebar: Results of operations of U.S. firms, 2013-15, January-June 2015, and January-June 2016

Item	Calendar year			January to June	
	2013	2014	2015	2015	2016
	Ratio to total COGS (percent)				
Cost of goods sold.--					
Raw materials	65.5	66.7	57.6	59.1	52.7
Direct labor	7.7	7.7	9.3	9.2	10.1
Other factory costs	26.8	25.6	33.1	31.7	37.3
Average COGS	100.0	100.0	100.0	100.0	100.0
	Unit value (dollars per short ton)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	630	635	569	591	464
Cost of goods sold.--					
Raw materials	386	393	288	301	229
Direct labor	45	45	46	47	44
Other factory costs	158	151	166	162	162
Average COGS	590	590	500	509	435
Gross profit	40	46	70	82	28
SG&A expense	27	27	27	28	25
Operating income or (loss)	13	19	42	54	3
Net income or (loss)	9	12	35	47	(2)
	Number of firms reporting				
Operating losses	2	3	3	2	4
Net losses	2	3	3	2	4
Data	7	7	7	7	7

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

Item	Between fiscal years			Between partial year period
	2013-15	2013-14	2014-15	2015-16
Total net sales	(61)	6	(66)	(127)
Cost of goods sold.--				
Raw materials	(99)	7	(106)	(72)
Direct labor	1	(0)	1	(3)
Other factory costs	7	(8)	15	0
Average COGS	(91)	(1)	(90)	(74)
Gross profit	30	6	24	(53)
SG&A expense	1	0	0	(3)
Operating income or (loss)	29	6	23	(50)
Net income or (loss)	26	3	23	(49)

Source: Calculated from the data in table VI-1.

Table VI-2**Rebar: Variance analysis of financial results of U.S. producer, 2013-15, January-June 2015, and January-June 2016**

Item	Between fiscal years			Between partial year period
	2013-15	2013-14	2014-15	2015-15
Net sales:				
Price variance	(409,113)	39,400	(446,255)	(443,137)
Volume variance	24,869	283,153	(260,542)	58,118
Net sales variance	(384,244)	322,553	(706,797)	(385,019)
COGS:				
Cost variance	610,816	4,050	606,998	257,730
Volume variance	(23,301)	(265,295)	241,762	(50,087)
COGS variance	587,515	(261,245)	848,760	207,643
Gross profit variance	203,271	61,308	141,963	(177,376)
SG&A expenses:				
Cost/expense variance	(4,752)	(2,119)	(2,754)	9,815
Volume variance	(1,052)	(11,982)	11,051	(2,755)
Total SG&A expense variance	(5,804)	(14,101)	8,297	7,060
Operating income variance	197,467	47,207	150,260	(170,316)
Summarized as:				
Price variance	(409,113)	39,400	(446,255)	(443,137)
Net cost/expense variance	606,064	1,932	604,243	267,545
Net volume variance	516	5,875	(7,728)	5,276

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

Table VI-3**Rebar: Results of operations of U.S. firms, by firm, 2013-15, January-June 2015, and January-June 2016**

* * * * *

Changes in average sales value, which yield the price variances noted above, were for the most part directionally consistent among the U.S. producers and generally in a similar range in terms of percentage change. Average rebar sales values and raw material costs followed the same directional pattern throughout full year 2013-15 and when comparing January-June 2015 and January-June 2016.¹²

¹² Petitioners attribute little (or none) of the changes in rebar prices to changes in raw material prices, emphasizing instead supply conditions, demand conditions, and competitive prices in the rebar market. Petitioner's postconference brief, exhibit 2.

Cost of goods sold and gross profit

As shown in table VI-1, total raw material costs, a large share of which represents ferrous scrap, ranged from a low of *** percent of COGS in interim 2016 to a high of *** percent of COGS in 2014.¹³ As noted below and while average direct labor and other factory costs were somewhat higher in 2015 compared to 2013 and 2014, the decline in raw material cost as a share of total COGS is primarily a function of declines in the cost of ferrous scrap.^{14 15}

Conversion costs (combined direct labor and other factory costs) ranged from *** percent in 2014 to *** percent of total COGS in interim 2016. Average other factory costs, the primary component of conversion costs, fluctuated somewhat during the period but remained within a relatively narrow range. In general, the directional pattern of average other factory costs (declining in 2014, increasing in 2015, and about the same in interim 2016 compared to interim 2015) is consistent with statements made by U.S. producers indicating that changes in capacity utilization were an important factor in terms of explaining the pattern of average conversion costs during the period.¹⁶ As noted below and with respect to interim 2016 specifically, some aspects of the increase in *** appear to be less clearly linked to changes in capacity utilization.

¹³ In general, raw material costs can be interpreted as primary raw material, namely ferrous scrap of varying grades, and additional non-scrap materials (depending on cost classification). The extent to which related conversion costs (i.e., direct labor and other factory costs) are included directly in raw material costs, as opposed to reported separately as part of other factory costs, also varies. In some instances, raw material reflects billets and/or other raw materials (not requiring a separate melting and casting stage) purchased from outside sources; e.g., ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

¹⁴ As noted previously, a number of U.S. producers source ferrous scrap from related suppliers. The Commission's practice requires that relevant cost information associated with inputs purchased from related suppliers correspond to the manner in which this information is reported in the U.S. producer's accounting books and records. See *1,1,1,2-Tetrafluoroethane from China*, Inv. Nos. 701-TA-509 and 731-TA-1244 (Final), USITC Publication 4503, December 2014, pp. 23 and 37.

. *** U.S. producer questionnaire, response to III-7. *** U.S. producer questionnaire, response to III-7. *** U.S. producer questionnaire, response to III-7. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions. *** U.S. producer questionnaire, response to III-7. *** U.S. producer questionnaire, response to III-7. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. *** U.S. producer questionnaire, response to III-7.

¹⁵ With regard to the 2015 decline in scrap prices in general, SDI stated that "{s}crap prices declined sharply in 2015 due to domestic scrap competition, the strong U.S. dollar tempering scrap exports, lower steel mill utilization rates resulting from excessive steel imports, and decreasing global pig iron prices." SDI 2015 10-K, p. 15.

¹⁶ As shown in table VI-3, however, the directional trend and magnitude of change of company-specific average other factory costs was not uniform. When asked to describe the factors that impacted the pattern of conversion costs in general, of which the primary component is other factory costs, U.S. producers provided similar descriptions. For example, ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

Table VI-1 shows that overall gross profit (on an absolute basis and as a share of sales) increased in 2014 and in 2015. As indicated in the summary of changes in average unit values below table VI-1, the increase in the U.S. industry's gross profit ratio in 2014 reflects an increase in average sales value which was amplified by a decline in average COGS. In contrast, the increase in gross profit ratio in 2015 reflects a decline in average sales value which was more than offset by a larger corresponding decline in average COGS. While conversion costs, primarily the other factory costs component, drove the decline in average COGS in 2014, lower average raw material cost was the primary factor in 2015. Lower gross profit in interim 2016 compared to interim 2015 reflects a decline in average sales values that was only partially offset by a corresponding decline in average COGS, principally the average raw material component. The absence of a decline in average other factory costs, which might be expected given marginally higher total sales volume, also contributed to lower gross profit in interim 2016 (see footnote 19).

On a company-specific basis, U.S. producers reported a relatively wide range of gross profit ratios (see table VI-3). The degree/magnitude of period-to-period change in gross profit and directional pattern was also mixed.¹⁷ *** U.S. producers to report gross losses for the majority of the period.¹⁸ ***.¹⁹

SG&A expenses and operating income or (loss)

The U.S. industry's overall SG&A expense ratios (total SG&A expenses divided by total revenue) remained within a relatively narrow range throughout the period. In the absence of an increase in SG&A expenses at the end of the period, the higher interim 2016 SG&A expense ratio compared to interim 2015 can be attributed to lower revenue (see *Revenue* section above). While higher SG&A ratios reduced corresponding operating income to some extent, the overall pattern of operating income was primarily determined at the gross level.

As shown in table VI-3, most U.S. producers reported lower operating income, or higher operating losses, in interim 2016 compared to interim 2015. The magnitude of ***.²⁰ ²¹

Interest expense, other expenses, and net income or loss

As shown in table VI-1, the primary item below operating income is interest expense, the majority of which was accounted for by ***. The pattern of declining interest expense, which continued into the interim period, was largely attributable to ***.

Notwithstanding reduced interest expense in interim 2016 compared to interim 2015, the substantially lower operating income generated by the U.S. industry in interim 2016 yielded

¹⁷ ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

¹⁸ ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

¹⁹ ***. October 18, 2016 e-mail from Wiley Rein on behalf of *** to USITC auditor.

²⁰ ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

²¹ ***. USITC auditor preliminary-phase notes.

a net loss. In contrast, positive and increasing operating income exceeded interest expense during full-year 2013-15.

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

Table VI-4 presents company-specific capital expenditures and research and development (R&D) expenses related to U.S. rebar operations.

*** accounted for the largest share of total capital expenditures (***) percent), followed by *** (***) percent), and Gerdau (***) percent).²² The remaining U.S. producers accounted for the following shares: *** (***) percent), SDI (***) percent), *** (***) percent), and *** (***) percent).²³ While the U.S. industry's total capital expenditures were at their highest level in 2013 and subsequently declined, table VI-4 shows that the directional pattern of company-specific capital expenditures was mixed; e.g., *** (see footnote 22).

*** U.S. producers, ***, reported R&D expenses during the period. ***.²⁴ ***.²⁵

Table VI-4
Rebar: Capital expenditures and research and development (R&D) expenses, by firm, 2013-15, January-June 2015, and January-June 2016

Item	Fiscal year			January to June	
	2013	2014	2015	2015	2016
	Capital expenditures (\$1,000)				
	*	*	*	*	*
Total capital expenditures	123,159	93,509	79,199	26,905	81,737
	Research and development expenses (\$1,000)				
	*	*	*	*	*

ASSETS AND RETURN ON INVESTMENT

Table VI-5 presents data on the U.S. producers' rebar total assets, asset turnover (sales divided by total assets), and return on assets.²⁶

²² ***. *** U.S. producer questionnaire, III-13 (note 1).

***. *** U.S. producer questionnaire, III-13 (note 1).

***. *** U.S. producer questionnaire, III-13 (note 1).

²³ ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

. Petitioner's postconference brief, exhibit 2 () responses to follow-up questions.

***. *** U.S. producer questionnaire, III-13 (note 1).

²⁴ *** U.S. producer questionnaire, III-13 (note 2). ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. ***.

²⁵ Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

Table VI-5

Rebar: U.S. producer's total assets, asset turnover, and return on assets, 2013-15

Firm	Fiscal years		
	2013	2014	2015
	Total net assets (\$1,000)		
*	*	*	*
Total net assets	1,798,509	1,588,194	1,499,048
	Asset turnover ratio (multiple)		
*	*	*	*
Average asset turnover	2.3	2.9	2.6
	Operating return on assets (percent)		
*	*	*	*
Average operating return on assets	4.9	8.5	19.0

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

CAPITAL AND INVESTMENT

The Commission requested the U.S. producers of rebar to describe any actual or potential negative effects on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of rebar from Japan, Taiwan, and Turkey. Table VI-6 tabulates the responses of U.S. producers regarding actual negative effects on investment, growth and development, as well as anticipated negative effects. Table VI-7 presents U.S. producers' narrative responses regarding actual and anticipated negative effects on investment, growth and development.

(...continued)

²⁶ With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line value on the asset side of a company's balance sheet) reflects an aggregation of a number of assets which, in many instances, are not product specific. To some extent, high-level allocation factors were likely necessary in order to report total asset values specific to U.S. producers' rebar operations. The ability to assign total asset values to a discrete product line in turn affects the accuracy of calculated asset turnover and corresponding product-specific return on assets.

Table VI-6

Rebar: Negative effects of imports from subject sources on investment, growth, and development since January 1, 2013

Item	No	Yes
Negative effects of imports on investment:	0	7
Cancellation, postponement, or rejection of expansion projects		1
Denial or rejection of investment proposal		1
Reduction in the size of capital investments		3
Return on specific investments negatively impacted		1
Other		3
Does investment response differ by country?		7
Negative effects of imports on growth and development:	0	7
Rejection of bank loans		0
Lowering of credit rating		1
Problem related to the issue of stocks or bonds		1
Ability to service debt		1
Other		5
Does growth and development response differ by country?	7	0
Anticipated negative effects of imports	0	7
Does anticipated effect response differ by country?	7	0

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

Table VI-7

Rebar: Narrative responses of U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2013

* * * * *

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*

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

- (V) *inventories of the subject merchandise,*
- (VI) *the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
- (VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

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

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

THE INDUSTRY IN JAPAN

The Commission issued foreign producers' or exporters' questionnaires to 20 firms believed to produce and/or export rebar from Japan.³ Useable responses to the Commission's questionnaire were received from eight firms: Chiyoda Steel Co. Ltd. ("Chiyoda"); Jonan; Kanto Steel Ltd. ("Kanto"); Kishiwada; Kyoei; Mukoyama Steel Works Co. Ltd. ("Mukoyama"); Nakayama Steel Products Co. Ltd. ("Nakayama"); and Sanko.⁴ These firms' estimated that their exports to the United States accounted for all U.S. imports of rebar from Japan in 2015, and their reported exports to the United States are equivalent to 96.9 percent of official U.S. imports from Japan in 2015. According to estimates requested of the responding Japanese producers, the production reported in this Part of the report accounts for approximately *** percent of overall production of rebar in Japan. Table VII-1 presents information on the rebar operations of the responding producers and exporters in Japan.

Table VII-1
Rebar: Summary data on firms in Japan, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Chiyoda	***	***	***	***	***	***
Jonan	***	***	***	***	***	***
Kanto	***	***	***	***	***	***
Kishiwada	***	***	***	***	***	***
Kyoei	***	***	***	***	***	***
Mukoyama	***	***	***	***	***	***
Nakayama	***	***	***	***	***	***
Sanko	***	***	***	***	***	***
Total	3,226,227	100.0	257,447	100.0	3,235,662	8.0

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

³ These firms were identified through a review of information submitted in the petitions and contained in *** records.

⁴ ***.

Operations on rebar

Two out of eight responding producers in Japan reported changes in their rebar operations since 2013. Their responses are presented in table VII-2 below.

Table VII-2

Rebar: Reported changes in operations by producers in Japan, since January 1, 2013

* * * * *

Table VII-3 presents data on the rebar operations of the eight responding producers in Japan. Reported capacity in Japan remained at the same levels from 2013 to 2015 and in January-June 2016 compared with January-June 2015, and is projected to be the same in full calendar years 2016 and 2017. Reported production in Japan decreased by 3.3 percent, from 2013 to 2015 and was 1.9 percent lower in January-June 2016 than in January-June 2015. Production is projected to increase from 2016 to 2017, by 1.7 percent. Capacity utilization also experienced a decline, from a high of 77.8 percent in 2013 to a low of 75.2 percent in 2015.

Table VII-3

Rebar: Data on the industry in Japan, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2016 and 2017

Item	Actual experience					Projections	
	Calendar year			January to June		Calendar year	
	2013	2014	2015	2015	2016	2016	2017
	Quantity (short tons)						
Capacity	4,287,755	4,287,755	4,287,755	2,143,427	2,143,427	4,287,755	4,287,755
Production:							
In straight lengths	3,335,534	3,270,316	3,226,227	1,628,912	1,597,618	3,146,050	3,200,894
In coils	0	0	0	0	0	0	0
Total production	3,335,534	3,270,316	3,226,227	1,628,912	1,597,618	3,146,050	3,200,894
End-of-period inventories	177,893	212,964	202,628	190,892	180,569	192,076	197,786
Shipments:							
Home market shipments:							
Internal consumption/ transfers	57,326	50,580	44,436	23,361	23,972	46,352	45,952
Commercial shipments	3,074,651	2,989,785	2,807,698	1,415,836	1,339,467	2,759,750	2,983,887
Subtotal, home market shipments	3,131,977	3,040,365	2,852,134	1,439,197	1,363,439	2,806,102	3,029,839
Export shipments to:							
United States	48,424	114,168	257,447	170,878	202,604	256,966	0
All other markets	152,653	80,212	126,081	40,409	53,533	93,534	165,345
Total exports	201,077	194,380	383,528	211,287	256,137	350,500	165,345
Total shipments	3,333,054	3,234,745	3,235,662	1,650,484	1,619,576	3,156,602	3,195,184
	Ratios and shares (percent)						
Share production in straight lengths	23.4	23.2	22.4	22.4	21.9	21.5	21.8
Share production in coils	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capacity utilization	77.8	76.3	75.2	76.0	74.5	73.4	74.7
Inventories/production	5.3	6.5	6.3	5.9	5.7	6.1	6.2
Inventories/total shipments	5.3	6.6	6.3	5.8	5.6	6.1	6.2
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	1.7	1.6	1.4	1.4	1.5	1.5	1.4
Home market shipments	92.2	92.4	86.8	85.8	82.7	87.4	93.4
Subtotal, home market shipments	94.0	94.0	88.1	87.2	84.2	88.9	94.8
Export shipments to:							
United States	1.5	3.5	8.0	10.4	12.5	8.1	0.0
All other markets	4.6	2.5	3.9	2.4	3.3	3.0	5.2
Total exports	6.0	6.0	11.9	12.8	15.8	11.1	5.2
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Alternative products

Table VII-4 presents data on the total capacity and production of products made on the same equipment and machinery used to produce rebar. Three (***) out of eight responding producers in Japan reported producing other products on the same equipment and machinery used to produce rebar.

Table VII-4

Rebar: Overall capacity and production on the same equipment as subject merchandise by producers in Japan, 2013-15, January to June 2015, and January to June 2016

* * * * *

Table VII-5 presents data on exports from Japan of rebar by destination country. In 2015, the United States was the leading destination for rebar from Japan, followed by Korea and Canada.⁵

⁵ As discussed in greater detail below, Canadian imports of rebar from Japan are currently subject to an antidumping duty investigation.

Table VII-5

Rebar: Exports from Japan by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Exports from Japan to the United States	37,619	88,283	247,693
Exports from Japan to other major destination markets.--			
Korea	189,819	91,576	145,913
Canada	0	0	22,375
Guam	5,828	5,374	15,481
Peru	5,463	11,258	12,119
Puerto Rico (U.S.)	5,601	11,159	11,092
China	4,170	3,436	1,988
Vietnam	1,093	1,593	1,741
Myanmar	0	0	787
All other destination markets	14,683	5,048	2,235
Total Japan exports	264,276	217,728	461,425
	Value (1,000 dollars)		
Exports from Japan to the United States	18,669	42,315	95,074
Exports from Japan to other major destination markets.--			
Korea	88,204	40,706	52,706
Canada	0	0	8,957
Guam	3,528	3,164	8,769
Peru	2,742	5,542	4,880
Puerto Rico (U.S.)	2,781	5,035	3,518
China	2,401	2,070	937
Vietnam	685	1,039	834
Myanmar	0	0	344
All other destination markets	8,002	3,891	1,162
Total Japan exports	127,012	103,762	177,181

Table continued

Table VII-5--Continued

Rebar: Japan's exports by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Exports from Japan to the United States	496	479	384
Exports from Japan to other major destination markets.--			
Korea	465	445	361
Canada	0	0	400
Guam	605	589	566
Peru	502	492	403
Puerto Rico (U.S.)	497	451	317
China	576	602	471
Vietnam	626	652	479
Myanmar	0	0	437
All other destination markets	545	771	520
Total Japan exports	481	477	384
	Share of quantity (percent)		
Exports from Japan to the United States	14.2	40.5	53.7
Exports from Japan to other major destination markets.--			
Korea	71.8	42.1	31.6
Canada	0.0	0.0	4.8
Guam	2.2	2.5	3.4
Peru	2.1	5.2	2.6
Puerto Rico (U.S.)	2.1	5.1	2.4
China	1.6	1.6	0.4
Vietnam	0.4	0.7	0.4
Myanmar	0.0	0.0	0.2
All other destination markets	5.6	2.3	0.5
Total Japan exports	100.0	100.0	100.0

Source: Official export statistics under HTS subheadings 7213.10 and 7214.20 as reported by Japan's Ministry of Finance in the IHS, Inc. /GTA database, accessed September 26, 2016.

THE INDUSTRY IN TAIWAN

The Commission issued foreign producers' or exporters' questionnaires to eight firms believed to produce and/or export rebar from Taiwan.^{6 7} Useable responses to the Commission's questionnaire were received from six firms: Feng Hsin; Hai Kwang Enterprise Corp. ("Hai Kwang"); Lo-Toun Steel and Iron Works Co. Ltd. ("Lo-Toun"); Power Steel Co. Ltd. ("Power Steel"); Tung Ho; and Wei Chih Steel Industrial Co. Ltd. ("Wei Chih"). These firms estimated that their exports to the United States accounted for all U.S. imports of rebar from Taiwan from 2013 to 2015, and reported exports to the United States exceed official U.S. imports from Taiwan in 2015 (likely due to timing differences). According to estimates requested of the responding producers in Taiwan, the production of rebar in Taiwan reported in this Part of the report accounts for approximately 63 percent of overall production of rebar in Taiwan. Table VII-6 presents information on the rebar operations of the responding producers and exporters in Taiwan.

Table VII-6
Rebar: Summary data on firms in Taiwan, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Feng Hsin	***	***	***	***	***	***
Hai Kwang	***	***	***	***	***	***
Lo-Toun	***	***	***	***	***	***
Power Steel	***	***	***	***	***	***
Tung Ho	***	***	***	***	***	***
Wei Chih	***	***	***	***	***	***
Total	3,105,276	100.0	***	100.0	3,092,407	1.5

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

⁶ These firms were identified through a review of information submitted in the petitions and contained in *** records.

⁷ ***.

Operations on rebar

Five out of six responding producers in Taiwan reported changes in their rebar operations since 2013. Their responses are presented in table VII-7 below.

Table VII-7

Rebar: Reported changes in operations by producers in Taiwan, since January 1, 2013

* * * * *

Table VII-8 presents data on the rebar operations of the six responding producers in Taiwan. Reported capacity in Taiwan increased by *** percent from 2013 to 2015 but was lower in January-June 2016 than in January-June 2015.⁸ Reported production in Taiwan increased by *** percent from 2013 to 2015 and was *** percent lower in January-June 2016 than in January-June 2015. Capacity utilization rose by *** percent from 2013 to 2014 before declining by *** percent from 2014 to 2015, and was lower in January-June 2016 than in January-June 2015.

⁸ One producer in Taiwan, ***, did not report projected data for 2017. In response to staff inquiry, *** stated that it is not able to calculate any projections for 2017 at this time, but that projections may be available later this year. E-mail from ***. As shown in table VII-7, ***. Staff has used ***'s reported projections for 2016 as a placeholder for its missing projections for 2017.

Table VII-8

Rebar: Data on the industry in Taiwan, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2016 and 2017

Item	Actual experience					Projections	
	Calendar year			January to June		Calendar year	
	2013	2014	2015	2015	2016	2016	2017 ⁷
	Quantity (short tons)						
Capacity	3,251,573	3,250,112	3,498,281	1,767,135	1,620,613	3,365,375	3,264,360
Production.--							
In straight lengths	***	***	***	***	***	***	***
In coils	***	***	***	***	***	***	***
Total production	2,990,443	3,116,635	3,105,276	1,624,515	1,382,967	2,906,918	2,918,056
End-of-period inventories	***	***	***	***	***	***	***
Shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial shipments	***	***	***	***	***	***	***
Subtotal, home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	2,995,764	3,108,233	3,092,407	1,569,426	1,361,393	2,908,914	2,894,388
	Ratios and shares (percent)						
Share production in straight lengths	***	***	***	***	***	***	***
Share production in coils	***	***	***	***	***	***	***
Capacity utilization	92.0	95.9	88.8	91.9	85.3	86.4	89.4
Inventories/production	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Subtotal, home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.—Data for producers in Taiwan may not reconcile due to inventories being measured in actual weight while shipments are measured in theoretical weight.

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

Alternative products

Table VII-9 presents data on the total capacity and production of products made on the same equipment and machinery used to produce rebar. Two *** out of six responding producers in Taiwan reported producing other products on the same equipment and machinery used to produce rebar.

Table VII-9

Rebar: Overall capacity and production on the same equipment as subject merchandise by producers in Taiwan, 2013-15, January to June 2015, and January to June 2016

* * * * *

Table VII-10 presents data on exports of rebar from Taiwan by destination country. In 2015, Canada was the leading destination for rebar from Taiwan,⁹ followed by the United States.

⁹ As discussed in greater detail below, Canadian imports of rebar from Taiwan are currently subject to an antidumping duty investigation.

Table VII-10**Rebar: Exports from Taiwan by destination market, 2013-15**

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Exports from Taiwan to the United States	223	13,983	40,146
Exports from Taiwan to other major destination markets.--			
Canada	3	0	113,154
Philippines	708	439	5,902
Northern Mariana Islands	373	58	4,930
Guam	2,955	2,612	1,804
Hong Kong	11,689	51,268	731
Palau	0	0	106
Cambodia	0	19	55
Puerto Rico (U.S.)	0	0	23
All other destination markets	69,724	49,841	34
Total exports from Taiwan	85,675	118,221	166,885
	Value (1,000 dollars)		
Exports from Taiwan to the United States	131	6,973	14,137
Exports from Taiwan to other major destination markets.--			
Canada	4	0	46,187
Philippines	413	253	2,499
Northern Mariana Islands	208	33	1,738
Guam	1,717	1,485	714
Hong Kong	6,763	29,295	1,220
Palau	0	0	57
Cambodia	0	43	14
Puerto Rico (U.S.)	0	0	8
All other destination markets	40,150	26,843	20
Total exports from Taiwan	49,385	64,925	66,593

Table continued.

Table VII-10--Continued

Rebar: Exports from Taiwan by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Exports from Taiwan to the United States	587	499	352
Exports from Taiwan to other major destination markets.--			
Korea	1,125	0	408
Canada	584	578	423
Guam	558	566	353
Peru	581	568	396
Puerto Rico (U.S.)	579	571	1,669
China	0	0	539
Vietnam	0	2,315	256
Myanmar	0	0	334
All other destination markets	576	539	573
Total exports from Taiwan	576	549	399
	Share of quantity (percent)		
Exports from Taiwan to the United States	0.3	11.8	24.1
Exports from Taiwan to other major destination markets.--			
Korea	0.0	0.0	67.8
Canada	0.8	0.4	3.5
Guam	0.4	0.0	3.0
Peru	3.4	2.2	1.1
Puerto Rico (U.S.)	13.6	43.4	0.4
China	0.0	0.0	0.1
Vietnam	0.0	0.0	0.0
Myanmar	0.0	0.0	0.0
All other destination markets	81.4	42.2	0.0
Total exports from Taiwan	100.0	100.0	100.0

Source: Official exports statistics under HTS subheadings 7213.10 and 7214.20 as reported by Taiwan's Directorate General of Customs in the IHS, Inc./GTA database, accessed September 26, 2016.

THE INDUSTRY IN TURKEY

The Commission issued foreign producers' or exporters' questionnaires to 35 firms believed to produce and/or export rebar from Turkey.¹⁰ Useable responses to the Commission's questionnaire were received from four firms: Çolakoğlu Metalurji AS ("Colakoglu"); Habas; Icdas; and Izmir Demir Celik Sanayi AS ("Izmir"). Reported exports from Turkey were equivalent to 88.3 percent of U.S. imports in 2015. According to estimates requested of the responding Turkish producers, the production of rebar in Turkey reported in this Part of the report accounts for approximately 49.7 percent of overall production of rebar in Turkey in 2015. Table VII-11 presents information on the rebar operations of the responding producers and exporters in Turkey.

Table VII-11
Rebar: Summary data on firms in Turkey, 2015

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Colakoglu	***	***	***	***	***	***
Icdas	***	***	***	***	***	***
Izmir	***	***	***	***	***	***
Habas	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Operations on rebar

Table VII-12 presents data on the rebar operations of the four responding producers in Turkey. Reported capacity in Turkey increased by 1.1 percent from 2013 to 2015 and was unchanged in January-June 2016 from January-June 2015. Projected capacity for 2016 and 2017 is expected to remain at the same level as the capacity in 2015. Reported production in Turkey decreased from 2013 to 2014 before increasing from 2014 to 2015, resulting in an overall increase in capacity by 2.0 percent from 2013 to 2015. Production was higher in January-June 2016 than in January-June 2015. Production is projected to decrease from 2016 to 2017. Capacity utilization ranged from 83.5 percent to 87.2 percent in 2013 to 2015 and was higher in January-June 2016 than in January-June 2015. Projected capacity utilization is the same for 2016 and 2017, at 92.7 percent.

One responding producer in Turkey reported ***. No other producer in Turkey reported any changes in its rebar operations.

¹⁰ These firms were identified through a review of information submitted in the petitions and contained in *** records.

Table VII-12

Rebar: Data on the industry in Turkey, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2015 and 2016

* * * * *

Alternative products

Table VII-13 presents data on the total capacity and production of products made on the same equipment and machinery used to produce rebar. Two *** out of four responding producers in Turkey reported producing other products on the same equipment and machinery used to produce rebar.

Table VII-13

Rebar: Overall capacity and production on the same equipment as subject merchandise by producers in Turkey, 2013-15, January to June 2015, and January to June 2016

* * * * *

Table VII-14 presents data on exports of rebar from Turkey by destination country. In 2015, the United States was the number one destination for rebar from Turkey, followed closely by United Arab Emirates and other countries primarily in the Middle East.¹¹

¹¹ Respondents from Turkey noted that producers/exporters of rebar in Turkey exported to over 150 countries, with the Middle East region being the primary destination for rebar from Turkey. Postconference brief, pp. 23-24.

Table VII-14**Rebar: Exports from Turkey by destination market, 2013-15**

Item	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
Exports from Turkey to the United States	692,116	1,032,973	1,505,179
Exports from Turkey to other major destination markets.--			
United Arab Emirates	1,142,179	1,454,016	1,400,077
Egypt	224,430	460,188	915,131
Israel	687,172	835,036	679,570
Iraq	1,711,157	833,435	675,531
Ethiopia	280,612	257,178	334,288
Yemen	704,440	737,811	312,977
Peru	277,729	183,488	233,394
Kuwait	65,357	159,389	200,936
All other destination markets	3,377,573	2,615,773	1,820,690
Total exports from Turkey	9,162,765	8,569,286	8,077,774
	Value (1,000 dollars)		
Exports from Turkey to the United States	361,946	522,911	565,151
Exports from Turkey to other major destination markets.--			
United Arab Emirates	594,314	710,201	520,809
Egypt	118,412	232,395	322,741
Israel	367,058	425,659	261,403
Iraq	941,721	436,195	269,509
Ethiopia	155,860	131,767	122,326
Yemen	348,227	347,726	123,483
Peru	147,159	92,293	86,481
Kuwait	32,600	78,615	79,501
All other destination markets	1,802,778	1,344,148	724,009
Total exports from Turkey	4,870,075	4,321,909	3,075,413

Table continued.

Table VII-14--Continued

Rebar: Exports from Turkey by destination market, 2013-15

Item	Calendar year		
	2013	2014	2015
	Unit value (dollars per short ton)		
Exports from Turkey to the United States	523	506	375
Exports from Turkey to other major destination markets.--			
United Arab Emirates	520	488	372
Egypt	528	505	353
Israel	534	510	385
Iraq	550	523	399
Ethiopia	555	512	366
Yemen	494	471	395
Peru	530	503	371
Kuwait	499	493	396
All other destination markets	534	514	398
Total exports from Turkey	532	504	381
	Share of quantity (percent)		
Exports from Turkey to the United States	7.6	12.1	18.6
Exports from Turkey to other major destination markets.--			
United Arab Emirates	12.5	17.0	17.3
Egypt	2.4	5.4	11.3
Israel	7.5	9.7	8.4
Iraq	18.7	9.7	8.4
Ethiopia	3.1	3.0	4.1
Yemen	7.7	8.6	3.9
Peru	3.0	2.1	2.9
Kuwait	0.7	1.9	2.5
All other destination markets	36.9	30.5	22.5
Total exports from Turkey	100.0	100.0	100.0

Source: Official exports statistics under HTS subheadings 7213.10 and 7214.20 as reported by Turkey's State Institute of Statistics in the IHS, Inc./GTA database, accessed September 26, 2016.

COMBINED OPERATIONS IN SUBJECT COUNTRIES

Table VII-15 presents combined data on rebar operations of the reporting producers in the subject countries.

Table VII-15

Rebar: Data on industry in subject sources, 2013-15, January to June 2015, and January to June 2016 and projection calendar years 2015 and 2016

* * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-16 presents data on U.S. importers' reported inventories of rebar.

Table VII-16

Rebar: U.S. importers' end-of-period inventories of imports by source, 2013-15, January to June 2015, and January to June 2016

* * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of rebar from Japan, Taiwan, and/or Turkey after June 30, 2016. Table VII-17 presents U.S. import shipments of rebar arranged for importation after June 30, 2016. One U.S. producer, ***, and one *** reported arranging for imports of rebar from Taiwan in the July-September 2016 quarter of *** short tons and *** short tons, respectively.

Table VII-17

Rebar: Arranged imports, July 2016-June 2017

* * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS¹²

Rebar from the subject countries has been subject to several trade remedy investigations in other markets. In addition to the countervailing duty order on rebar from Turkey in the United States, two countries (the Dominican Republic and Canada)¹³ have issued antidumping orders on rebar from Turkey and two countries (Egypt and Morocco)¹⁴ have implemented safeguard measures against rebar from Turkey. On October 19, 2015, Australia introduced duties on rebar from Taiwan. On August 19, 2016, Canada initiated investigations on imports of rebar from Japan and Taiwan. On October 19, 2016, Canada issued preliminary affirmative injury determinations on rebar from Japan and Taiwan.

INFORMATION ON NONSUBJECT COUNTRIES

Global exports decreased by 15.2 percent during 2013-15 (table VII-18). Turkey was not only the largest import source for the United States (see table IV-2), it was also, by far, the largest global exporter with a 31-percent share of global exports in 2015 (table VII-19). The next largest global exporters, each exporting more than 1 million short tons in 2015 were, in descending order of magnitude, Ukraine, Italy, Spain, Germany, and Portugal.

¹² Information in this section is primarily from responses by foreign producers in Japan, Taiwan, and Turkey.

¹³ On June 13, 2011, the Dominican Republic issued an antidumping duty order on imports of rebar from Turkey. On January 9, 2015, Canada issued an antidumping duty order on rebar from Turkey.

¹⁴ On May 2, 2016, Morocco implemented a safeguard measure on rebar from Turkey. On February 5, 2016, Egypt introduced a safeguard measure on rebar from Turkey.

Table VII-18
Rebar: Global exports by source, 2013-15

Reporting country	Calendar year		
	2013	2014	2015
	Quantity (short tons)		
United States	546,245	534,331	364,881
Subject exporters--			
Japan	264,276	217,728	461,425
Taiwan	85,675	118,221	166,885
Turkey	9,162,765	8,569,286	8,077,774
All subject exporters	9,512,716	8,905,235	8,706,084
All other major exporting countries.--			
Ukraine	2,739,671	2,626,460	2,247,710
Italy	2,092,013	2,034,922	1,958,970
Spain	2,005,600	1,911,481	1,626,496
Germany	1,309,542	1,217,074	1,366,060
Portugal	1,178,095	1,352,344	1,256,825
Belarus	867,589	925,086	912,862
Russia	564,894	684,892	861,127
France	636,139	707,197	622,945
Mexico	986,033	717,148	595,599
Brazil	386,926	379,264	471,907
All other exporting countries.	7,946,853	6,606,776	5,092,569
Total global exports	30,772,315	28,602,210	26,084,035

Table continued on next page.

Table VII-18--Continued
Rebar: Global exports by source, 2013-15

Reporting country	Calendar year		
	2013	2014	2015
	Value (\$1,000)		
United States	371,055	366,307	223,079
Subject exporters--			
Japan	127,012	103,762	177,181
Taiwan	49,385	64,925	66,593
Turkey	4,870,075	4,321,909	3,075,413
All subject exporters	5,046,472	4,490,596	3,319,187
All other major exporting countries.—			
Ukraine	1,436,303	1,260,915	798,997
Italy	1,175,695	1,096,696	794,114
Spain	1,106,252	1,011,158	642,715
Germany	791,831	711,403	626,965
Portugal	647,255	702,382	491,496
Belarus	433,549	425,611	301,900
Russia	293,943	334,868	304,978
France	365,796	391,042	260,278
Mexico	607,704	435,534	306,095
Brazil	260,693	257,834	235,256
All other exporting countries.	4,837,764	3,843,989	2,254,078
Total global exports	17,374,312	15,328,334	10,559,138
	Unit value (dollars per short ton)		
United States	679	686	611
Subject exporters--			
Japan	481	477	384
Taiwan	576	549	399
Turkey	532	504	381
All subject exporters	530	504	381
All other major exporting countries.--			
Ukraine	524	480	355
Italy	562	539	405
Spain	552	529	395
Germany	605	585	459
Portugal	549	519	391
Belarus	500	460	331
Russia	520	489	354
France	575	553	418
Mexico	616	607	514
Brazil	674	680	499
All other exporting countries.	609	582	443
Total global exports	565	536	405

Table continued on next page.

Table VII-18--Continued
Rebar: Global exports by source, 2013-15

Reporting country	Calendar year		
	2013	2014	2015
	Share of quantity (percent)		
United States	1.8	1.9	1.4
Subject exporters.--			
Japan	0.9	0.8	1.8
Taiwan	0.3	0.4	0.6
Turkey	29.8	30.0	31.0
All subject exporters	30.9	31.1	33.4
All other major exporting countries.—			
Ukraine	8.9	9.2	8.6
Italy	6.8	7.1	7.5
Spain	6.5	6.7	6.2
Germany	4.3	4.3	5.2
Portugal	3.8	4.7	4.8
Belarus	2.8	3.2	3.5
Russia	1.8	2.4	3.3
France	2.1	2.5	2.4
Mexico	3.2	2.5	2.3
Brazil	1.3	1.3	1.8
All other exporting countries.	25.8	23.1	19.5
Total global exports	100.0	100.0	100.0

Source: Official exports statistics under HTS subheadings 7213.10 and 7214.20 as reported by various national statistical authorities in the IHS, Inc./GTA database, accessed September 26, 2016.

Global rebar capacity was relatively stable during 2013-15 and is projected to remain relatively flat during 2016-17 (table VII-19). In 2015, China accounted for *** short tons (about *** percent of global capacity) and constitutes most of the capacity in the world. Turkey is second only to China in rebar capacity with *** short tons of capacity *** in 2015.

Table VII-19
Rebar: Global capacity, by country and region, actual and projected, 2013-17

* * * * *

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
81 FR 66294, September 27, 2016	<i>Steel Concrete Reinforcing Bar (Rebar) From Japan, Taiwan, and Turkey; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.federalregister.gov/d/2016-23207
81 FR 71702, October 18, 2016	<i>Steel Concrete Reinforcing Bar from Japan, Taiwan and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.federalregister.gov/d/2016-25171
81 FR 71705, October 18, 2016	<i>Steel Concrete Reinforcing Bar from the Republic of Turkey: Initiation of Countervailing Duty Investigation</i>	https://www.federalregister.gov/d/2016-25178

APPENDIX B
CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

Subject: Steel Concrete Reinforcing Bar (Rebar) from Japan, Taiwan, and Turkey

Inv. Nos.: 701-TA-564 and 731-TA-1338-1340 (Preliminary)

Date and Time: October 11, 2016 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in Courtroom A (Room 100), 500 E Street, S.W., Washington, DC.

OPENING REMARKS:

Petitioners (**Alan H. Price**, Wiley Rein LLP)
Respondents (**Matthew Nolan**, Arent Fox LLP)

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

Wiley Rein LLP
Washington, DC
on behalf of

Rebar Trade Action Coalition

Burke Byer, President *and* Chief Executive Officer, Byer Steel

Tracy Porter, Executive Vice President of Operations,
Commercial Metals Company

Peter Campo, President, Gerdau Long Steel North America

Marcelo Canosa, Director, Rebar and Wire Rod, Gerdau
Long Steel North America

Don Barney, Director of Sales & Marketing – Bar Mill Group,
Nucor Corporation

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

Roy Houseman, Legislative Representative, United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

Dr. Seth Kaplan, Senior Economic Advisor, Capital Trade Inc.

Alan H. Price)
) – OF COUNSEL
John R. Shane)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

Arent Fox LLP
Washington, DC
on behalf of

Turkish Steel Exporter’s Association

Namik Ekinci, President, Turkish Steel Exporter’s Association

Ebru Dursun, Specialist, Turkish Steel Exporter’s Association

Matthew Nolan) – OF COUNSEL

Harris Moure LLP
Seattle, WA
on behalf of

Taiwan Steel & Iron Industry Association

Adams Lee) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

Petitioners (**John R. Shane**, Wiley Rein LLP)
Respondents (**Matthew Nolan**, Arent Fox LLP)

APPENDIX C
SUMMARY DATA

APPENDIX D

**ADDITIONAL DATA ON U.S. IMPORTERS'
U.S. SHIPMENTS OF REBAR BY SIZE**

Table D-1

Rebar: U.S. producers' U.S. shipments by size, 2015

Item	No. 3	No. 4	No. 5	No. 6	Other sizes	All sizes
	Quantity (short tons)					
U.S. producers' U.S. shipments.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	293,269	1,371,476	1,514,475	1,048,894	2,221,684	6,449,798
	Value (1,000 dollars)					
U.S. producers' U.S. shipments.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	158,036	759,897	845,747	591,763	1,259,133	3,614,576
	Unit value (dollars per short ton)					
U.S. producers' U.S. shipments.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	539	554	558	564	567	560
	Share of quantity across, i.e., by size (percent)					
U.S. producers' U.S. shipments.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	4.5	21.3	23.5	16.3	34.4	100.0
	Share of value across, i.e., by size (percent)					
U.S. producers' U.S. shipments.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	4.4	21.0	23.4	16.4	34.8	100.0

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

Table D-2

Rebar: U.S. importers' U.S. shipments of imports from Japan by size, 2015

* * * * *

Table D-3

Rebar: U.S. importers' U.S. shipments of imports from Taiwan by size, 2015

* * * * *

Table D-4

Rebar: U.S. importers' U.S. shipments of imports from Turkey by size, 2015

* * * * *

Table D-5

Rebar: U.S. importers' U.S. shipments of imports from subject sources by size, 2015

Item	No. 3	No. 4	No. 5	No. 6	Other sizes	All sizes
	Quantity (short tons)					
U.S. importers' U.S. shipments: Subject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	222,089	504,891	330,068	117,450	191,922	1,366,420
	Value (1,000 dollars)					
U.S. importers' U.S. shipments: Subject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	101,621	232,460	148,744	53,213	85,630	621,668
	Unit value (dollars per short ton)					
U.S. importers' U.S. shipments: Subject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	458	460	451	453	446	455
	Share of quantity across, i.e., by size (percent)					
U.S. importers' U.S. shipments: Subject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	16.3	36.9	24.2	8.6	14.0	100.0
	Share of value across, i.e., by size (percent)					
U.S. importers' U.S. shipments: Subject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers To related firms	***	***	***	***	***	***
Overall U.S. shipments	16.3	37.4	23.9	8.6	13.8	100.0

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

Table D-6

Rebar: U.S. importers' U.S. shipments of imports from nonsubject sources by size, 2015

Item	No. 3	No. 4	No. 5	No. 6	Other sizes	All sizes
	Quantity (short tons)					
U.S. importers' U.S. shipments: Nonsubject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	16,605	20,127	14,731	4,000	3,547	59,010
Value (1,000 dollars)						
U.S. importers' U.S. shipments: Nonsubject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	8,727	10,883	8,212	2,305	2,007	32,134
Unit value (dollars per short ton)						
U.S. importers' U.S. shipments: Nonsubject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	526	541	557	576	566	545
Share of quantity across, i.e., by size (percent)						
U.S. importers' U.S. shipments: Nonsubject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	28.1	34.1	25.0	6.8	6.0	100.0
Share of value across, i.e., by size (percent)						
U.S. importers' U.S. shipments: Nonsubject sources.-- Commercial U.S. shipments	***	***	***	***	***	***
Internal consumption or transfers to related firms	***	***	***	***	***	***
Overall U.S. shipments	27.2	33.9	25.6	7.2	6.2	100.0

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

Table D-7**Rebar: U.S. importers' U.S. shipments of imports from all sources by size, 2015**

Item	No. 3	No. 4	No. 5	No. 6	Other sizes	All sizes
	Quantity (short tons)					
U.S. importers' U.S. shipments: All sources.-- Commercial U.S. shipments	219,398	494,041	323,099	111,589	191,829	1,339,956
Internal consumption or transfers to related firms	19,296	30,977	21,700	9,861	3,640	85,474
Overall U.S. shipments	238,694	525,018	344,799	121,450	195,469	1,425,430
	Value (1,000 dollars)					
U.S. importers' U.S. shipments: All sources.-- Commercial U.S. shipments	99,723	226,121	144,979	50,168	85,493	606,484
Internal consumption or transfers to related firms	10,625	17,222	11,977	5,350	2,144	47,318
Overall U.S. shipments	110,348	243,343	156,956	55,518	87,637	653,802
	Unit value (dollars per short ton)					
U.S. importers' U.S. shipments: All sources.-- Commercial U.S. shipments	455	458	449	450	446	453
Internal consumption or transfers to related firms	551	556	552	543	589	554
Overall U.S. shipments	462	463	455	457	448	459
	Share of quantity across, i.e., by size (percent)					
U.S. importers' U.S. shipments: All sources.-- Commercial U.S. shipments	16.4	36.9	24.1	8.3	14.3	100.0
Internal consumption or transfers to related firms	22.6	36.2	25.4	11.5	4.3	100.0
Overall U.S. shipments	16.7	36.8	24.2	8.5	13.7	100.0
	Share of value across, i.e., by size (percent)					
U.S. importers' U.S. shipments: All sources.-- Commercial U.S. shipments	16.4	37.3	23.9	8.3	14.1	100.0
Internal consumption or transfers to related firms	22.5	36.4	25.3	11.3	4.5	100.0
Overall U.S. shipments	16.9	37.2	24.0	8.5	13.4	100.0

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

