

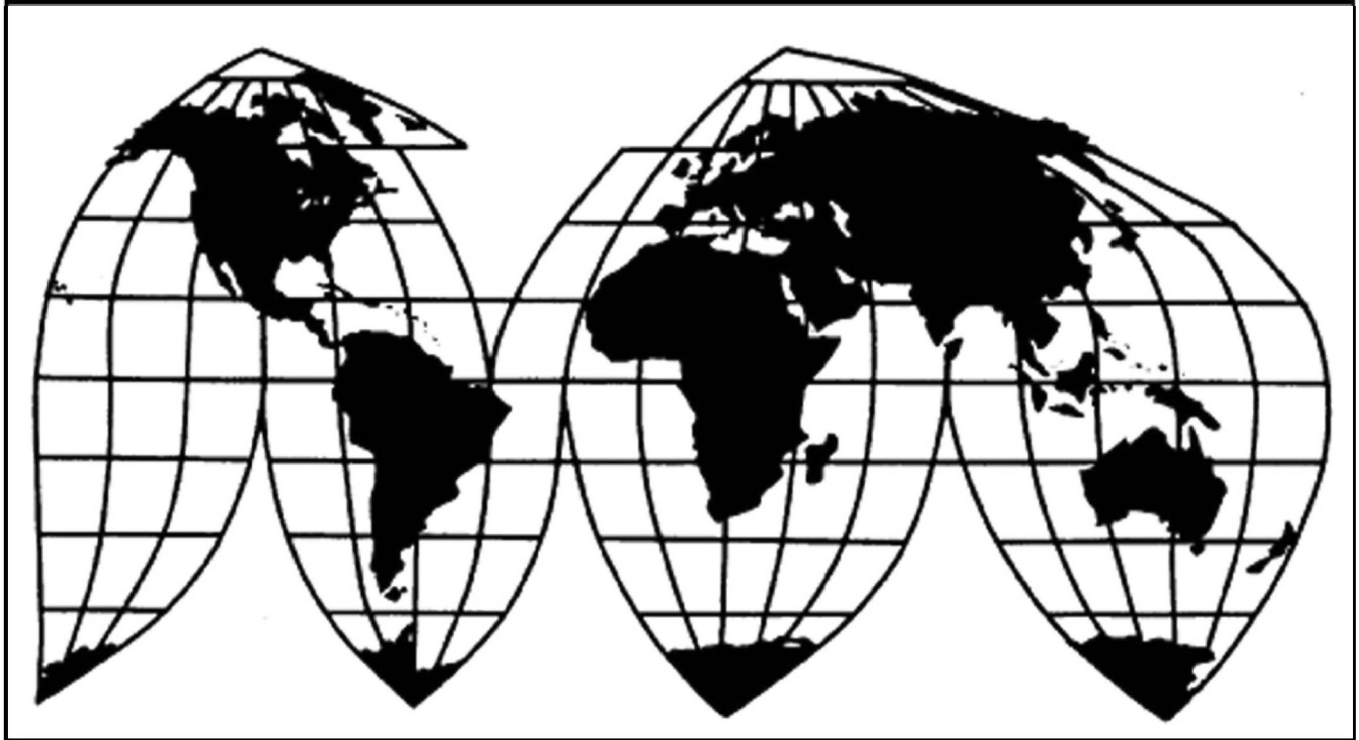
# **Steel Threaded Rod from China**

Investigation No. 731-TA-1145 (Second Review)

**Publication 5019**

**February 2020**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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---

Catherine DeFilippo

*Director of Operations*

---

*Staff assigned*

Jason Duncan, Investigator

Gregory LaRocca, Industry Analyst

Andrew Knipe, Economist

William Kent, Attorney

Keysha Martinez, Supervisory Investigator

Address all communications to  
Secretary to the Commission  
United States 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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (\*\*\*) in public reports.

# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1145 (Second Review)

Steel Threaded Rod from China

## DETERMINATION

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

## BACKGROUND

The Commission instituted this review on July 1, 2019 (84 FR 31341) and determined on October 4, 2019 that it would conduct an expedited review (85 FR 2147, January 14, 2020).

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





## Views of the Commission

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

### I. Background

*Original Investigation:* On March 5, 2008, Vulcan Threaded Products Inc. (“Vulcan”), a U.S. producer of CSTR, filed an antidumping duty petition on imports of CSTR from China.<sup>1</sup> The Commission made a final affirmative material injury determination on April 6, 2009.<sup>2</sup> Commerce issued an antidumping duty order covering CSTR from China on April 14, 2009.<sup>3</sup>

*First Review:* The Commission instituted its first five-year review on March 3, 2014.<sup>4</sup> After conducting an expedited review, the Commission reached an affirmative determination in August 2014.<sup>5</sup> Effective August 19, 2014, Commerce issued a continuation of the antidumping duty order on imports of CSTR from China.<sup>6</sup>

*Current Review.* The Commission instituted this second five-year review effective July 1, 2019.<sup>7</sup> Vulcan filed the sole response to the notice of institution. On October 4, 2019, the Commission determined that the domestic interested party group response to the notice of institution was adequate and the respondent interested party group response to the notice of

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<sup>1</sup> *Certain Steel Threaded Rod from China*, Inv. No. 731-TA-1145 (Final), USITC Pub. 4070 (April 2009) at 3 (“*Original Determination*”).

<sup>2</sup> *Original Determination*, USITC Pub. 4070 at 3; *Certain Steel Threaded Rod from China Determination*, 74 Fed. Reg. 16427 (April 10, 2009).

<sup>3</sup> *Certain Steel Threaded Rod from the People’s Republic of China; Notice of Antidumping Duty Order*, 74 Fed. Reg. 17154 (April 14, 2009) (“*Order*”).

<sup>4</sup> *Steel Threaded Rod From China*, Inv. No. 731-TA-1145 (Review), USITC Pub. 4483 (Aug. 2014) (“*First Review Determination*”) at 3; see *Certain Steel Threaded Rod from China: Institution of Five-Year Review*, 79 Fed. Reg. 11827 (Mar. 3, 2014).

<sup>5</sup> *First Review Determination*, USITC Pub. 4483 at 3; see *Certain Steel Threaded Rod From China*, 79 Fed. Reg. 46450 (Aug 8, 2014).

<sup>6</sup> *Certain Steel Threaded Rod From the People’s Republic of China: Continuation of Antidumping Duty Order*, 79 Fed. Reg. 49050 (Aug. 19, 2014).

<sup>7</sup> *Steel Threaded Rod From China; Institution of a Five-Year Review*, 84 Fed. Reg. 31341 (July 1, 2019).

institution was inadequate. Finding that no other circumstances warranted conducting a full review, the Commission determined to conduct an expedited review.<sup>8</sup> On January 16, 2020, Vulcan filed comments pursuant to Commission rule 207.62(d)(1) on the determination the Commission should reach.<sup>9</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>10</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>11</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>12</sup>

Commerce has defined the scope of the antidumping duty order in this five-year review as follows:

{S}teel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise coldfinished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or

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<sup>8</sup> *Explanation of Commission Determination on Adequacy*, EDIS Doc. 691661 (filed Oct. 21, 2019); see *Steel Threaded Rod From China; Scheduling of an Expedited Five-Year Review*, 85 Fed. Reg. 2147 (Jan. 14, 2020).

<sup>9</sup> Vulcan Final Comments, EDIS Doc. 699494 (filed on Jan. 16, 2020) (“Final Comments”).

<sup>10</sup> 19 U.S.C. § 1677(4)(A).

<sup>11</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>12</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

studs subject to the order are non-headed and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Included in the scope of the *Order* are steel threaded rod, bar, or studs, in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

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

Steel threaded rod is currently classifiable under subheading 7318.15.5051, 7318.15.5056, 7318.15.5090, and 7318.15.2095 of the United States Harmonized Tariff Schedule (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the Order are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (“ASTM”) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, or ASTM A320 Grade L7.<sup>13</sup>

Commerce has completed eight scope rulings since the imposition of the order.<sup>14</sup> Additionally, as a result of a circumvention inquiry, Commerce determined in 2013 that imports from China of CSTR containing greater than 1.25 percent chromium, by weight, produced by Gem-Year Industrial Co., Ltd., and otherwise meeting the description of in-scope merchandise, are subject to the antidumping duty order.<sup>15</sup>

CSTR is fully threaded along its entire length and is made from low- and medium-carbon steel for strength and ease of cutting. It is primarily used in commercial construction for suspension of: electrical conduits; pipes for plumbing; heating, ventilation, and air-conditioning ductwork; and sprinkler systems for fire protection. It may also be used for hanging suspended ceilings and elevated conveyor belts; joint restraint systems for underground piping; structural tie-downs in earthquake- and hurricane-restraint systems for roofing; and headless screws in general fastener applications.<sup>16</sup>

## 1. The Original Investigation

In the original investigation, the Commission found a single domestic like product consisting of CSTR, which was coextensive with the scope of Commerce’s investigation.<sup>17</sup>

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<sup>13</sup> Memorandum from James Maeder to Jeffrey I. Kessler, Case No. A-570-932 at 4-5 (Oct. 28, 2019) (Commerce Issues and Decisions Memorandum in second five-year review); *Certain Steel Threaded Rod From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 84 Fed. Reg. 65780, 65781 (Nov. 29, 2019).

<sup>14</sup> Confidential Report, Memorandum INV-RR-098 (Sep. 23, 2019) (“CR”) and Public Report (“PR”) at I-6, Table I-2.

<sup>15</sup> CR/PR at I-6; see *Certain Steel Threaded Rod from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 78 Fed. Reg. 12728 (Feb. 25, 2013).

<sup>16</sup> CR/PR at I-9.

<sup>17</sup> *Original Determination*, USITC Pub. 4070 at 6. The definition of the domestic like product was not contested in either the preliminary or final phase of the original investigation. *Id.*

## **2. First Five-Year Review**

In the first expedited review, there was no new information that suggested the Commission should revisit the domestic like product definition from the original investigation, and the responding domestic interested parties agreed with that definition. Consequently, the Commission defined the domestic like product in the prior review to be CSTR, coextensive with Commerce's scope definition.<sup>18</sup>

## **3. The Current Review**

In this second five-year review, the record contains no information suggesting that the characteristics and uses of domestically produced CSTR have changed since the prior proceedings in any manner that would warrant revisiting the definition.<sup>19</sup> Vulcan agrees with the Commission's definition of the domestic like product from the prior proceedings.<sup>20</sup> We therefore define the domestic like product to be CSTR, coextensive with Commerce's scope definition.

### **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>21</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original determination, the Commission considered the exclusion of two domestic producers, Bay Standard and Vulcan, from the domestic industry pursuant to the related parties provision.<sup>22</sup> It found that although each firm was a related party because it imported subject

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<sup>18</sup> *First Review Determination*, USITC Pub. 4483 at 6.

<sup>19</sup> *See generally* CR/PR at I-9-10.

<sup>20</sup> Vulcan's Substantive Response to the Notice of Institution, EDIS Doc. 683791 (filed on July 31, 2019) ("Vulcan Response") at 17.

<sup>21</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

<sup>22</sup> *Original Determination*, USITC Pub. 4070 at 7-9.

merchandise, appropriate circumstances did not exist to exclude either firm from the domestic industry.<sup>23</sup> The Commission defined the domestic industry as consisting of all domestic producers of CSTR.<sup>24</sup> In the first review, the Commission identified no related party issues, and defined the domestic industry to include all domestic producers of CSTR.<sup>25</sup>

In the current review, Vulcan agrees with the Commission's prior definitions of the domestic industry.<sup>26</sup> Vulcan indicates that it does not import CSTR and that it is not related to an importer or foreign producer of subject merchandise.<sup>27</sup> The record does not indicate that there are any related parties issues in this review.<sup>28</sup> Accordingly, we define the domestic industry to include all domestic producers of CSTR.

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

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

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."<sup>29</sup> The Uruguay Round Agreement Act Statement of Administrative Action (SAA) states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."<sup>30</sup> Thus, the likelihood standard is prospective in

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<sup>23</sup> *Original Determination*, USITC Pub. 4070 at 7-9.

<sup>24</sup> *Original Determination*, USITC Pub. 4070 at 9.

<sup>25</sup> *First Review Determination*, USITC Pub. 4483 at 7.

<sup>26</sup> Vulcan Response at 17.

<sup>27</sup> Vulcan Response at 16.

<sup>28</sup> See CR/PR at I-13.

<sup>29</sup> 19 U.S.C. § 1675a(a).

<sup>30</sup> SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury,

nature.<sup>31</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>32</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>33</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>34</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated.”<sup>35</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if

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(...Continued)

threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>31</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>32</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>33</sup> 19 U.S.C. § 1675a(a)(5).

<sup>34</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>35</sup> 19 U.S.C. § 1675a(a)(1).

the order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>36</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.<sup>37</sup>

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>38</sup> In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>39</sup>

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>40</sup>

In evaluating the likely impact of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow,

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<sup>36</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings regarding imports of CSTR from China. CR/PR at I-5.

<sup>37</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>38</sup> 19 U.S.C. § 1675a(a)(2).

<sup>39</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>40</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.



inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>41</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>42</sup>

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the CSTR industry in China. There also is limited information regarding the CSTR market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and first review, and the limited new information on the record in this second five-year review, including data submitted in the response to the notice of institution.

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

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>43</sup> The following conditions of competition inform our determinations.

### **1. Demand Conditions**

In the original investigation and first five-year review, the Commission found that overall demand for CSTR was derived from demand for its end-use applications, primarily in commercial construction.<sup>44</sup>

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<sup>41</sup> 19 U.S.C. § 1675a(a)(4).

<sup>42</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>43</sup> 19 U.S.C. § 1675a(a)(4).

<sup>44</sup> *Original Determination*, USITC Pub. 4070 at 13; *First Review Determination*, USITC Pub. 4483 at 10.

In the original investigation, apparent U.S. consumption of CSTR increased overall from 169.7 million pounds in 2005 to 171.6 million pounds in 2007, and was higher in January-September (interim) 2008 than in interim 2007.<sup>45</sup> In the expedited first review, apparent U.S. consumption in 2013 was \*\*\* pounds, lower than the 2007 figure.<sup>46</sup>

In the current review, the available information indicates that CSTR continues to be used primarily in commercial construction.<sup>47</sup> Apparent U.S. consumption of CSTR was \*\*\* pounds in 2018.<sup>48</sup>

## 2. Supply Conditions

In the original investigation, the Commission observed that the domestic industry's capacity remained stable from 2005 to 2006, and then decreased in 2007, with one plant closure during the period of investigation ("POI").<sup>49</sup> The domestic industry's share of the U.S. market declined from 58.8 percent in 2005 to 43.8 percent in 2007.<sup>50</sup> Subject imports increased their share of the U.S. market by quantity from 34.8 percent in 2005 to 50.4 percent in 2007.<sup>51</sup> Nonsubject imports' share of the U.S. market by quantity declined from 6.4 percent in 2005 to 5.8 percent in 2007.<sup>52</sup>

In the first review, the domestic industry's market share was higher than in 2007. During 2013, the domestic industry accounted for \*\*\* percent of apparent U.S. consumption by quantity.<sup>53</sup> In 2013, subject imports accounted for \*\*\* percent of apparent U.S. consumption,

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<sup>45</sup> *Original Determination*, USITC Pub. 4070 at 13.

<sup>46</sup> *First Review Determination*, USITC Pub. 4483 at 10; see Confidential First Review Determination, EDIS Doc. 683658, at 14.

<sup>47</sup> CR/PR at I-9.

<sup>48</sup> CR/PR at Table I-6. Apparent U.S. consumption is based on U.S. shipments as reported by Vulcan, which estimates that it accounted for \*\*\* percent of U.S. production of CSTR in 2018, and official statistics under HTS 7318.15.5060. CR/PR at Tables I-1, I-6. Thus, apparent consumption and domestic industry market share data in this review are understated and import market share data are overstated. Domestic industry data are also not fully comparable to those in the first review, in which all three known domestic producers of CSTR responded to the notice of institution. *First Review Determination*, USITC Pub. 4483 at I-7.

<sup>49</sup> *Original Determination*, USITC Pub. 4070 at 14.

<sup>50</sup> *Original Determination*, USITC Pub. 4070 at 14.

<sup>51</sup> *Original Determination*, USITC Pub. 4070 at 14.

<sup>52</sup> *Original Determination*, USITC Pub. 4070 at 14.

<sup>53</sup> *First Review Determination*, USITC Pub. 4483 at 11; Confidential First Review Determination at 15.

and nonsubject imports accounted for \*\*\* percent.<sup>54</sup> India, Thailand, Taiwan, and Malaysia were the leading sources of nonsubject imports.<sup>55</sup>

In the current review, Vulcan accounted for \*\*\* percent of reported apparent U.S. consumption by quantity in 2018.<sup>56</sup> Vulcan asserts that there have been no significant changes in technology, production methods, development efforts, or the ability to increase or shift production since the previous five-year review.<sup>57</sup>

In 2018, subject imports accounted for \*\*\* percent of apparent U.S. consumption, and nonsubject imports, the largest reported source of supply to the U.S. market, accounted for \*\*\* percent.<sup>58</sup> India has been the largest source of imports since 2015.<sup>59</sup> Other sources of imports during the period of review include Taiwan and Thailand.<sup>60</sup> Additionally, in February 2019, Vulcan filed antidumping and countervailing duty petitions on imports of carbon and alloy steel threaded rod from India, Taiwan, and Thailand, an antidumping duty petition on alloy steel threaded rod from China, and a countervailing duty petition on carbon and alloy steel threaded rod from China.<sup>61</sup> The Commission reached affirmative preliminary determinations in these investigations in April 2019, and the final phase of the investigations was pending at the time the record in this review closed.<sup>62</sup>

### 3. Substitutability and Other Conditions

In the original investigation and first expedited review, the Commission found that the domestic like product and subject imports were highly interchangeable and that price was an

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<sup>54</sup> *First Review Determination*, USITC Pub. 4483 at 11; Confidential First Review Determination at 15-16.

<sup>55</sup> *First Review Determination*, USITC Pub. 4483 at 11.

<sup>56</sup> CR/PR at Table I-6. As noted above, domestic industry market share data in this review are understated, import market share data are overstated, and domestic industry data are not fully comparable to those in the first review.

<sup>57</sup> Vulcan Response at 17.

<sup>58</sup> CR/PR at Table I-6.

<sup>59</sup> CR/PR at Table I-4.

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

<sup>61</sup> Vulcan Response at 17.

<sup>62</sup> *Carbon and Alloy Steel Threaded Rod from China, India, Taiwan, and Thailand*, Inv. Nos. 701-TA-618-619 and 731-TA-1441-1444 (Preliminary), USITC Pub. 4885 (April 2019) at 3. CSTR subject to the order under review here was excluded from the scope of the antidumping duty investigation on steel threaded rod from China, but was subject to the countervailing duty investigation. *See id.* at 5-6.

important factor in purchasing decisions.<sup>63</sup> The Commission further found in the original investigation that carbon steel wire rod was the principal raw material used to produce CSTR.<sup>64</sup>

There is no indication on the current record that these conditions have changed since the original investigation.<sup>65</sup> Accordingly, we again find that there is a high degree of substitutability between domestic CSTR and subject imports and that price continues to be an important factor in purchasing decisions.

An additional 25 percent *ad valorem* tariff has been levied on subject imports pursuant to Section 301 of the Trade Act of 1974 (“section 301 tariffs”).<sup>66</sup>

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

#### **1. Original Investigation and Prior Five-Year Review**

In the original investigation, subject import volume increased by 80.9 percent from 2005 to 2007. Subject import market share by quantity increased from 34.8 percent in 2005 to 41.8 percent in 2006 and 50.4 percent in 2007.<sup>67</sup> The Commission found that subject imports gained market share largely at the expense of the domestic industry; the domestic industry’s market share declined from 58.8 percent in 2005 to 43.8 percent in 2007.<sup>68</sup> The Commission found the volume of subject imports and the increase in that volume to be significant, both in absolute terms and relative to consumption and production in the United States.<sup>69</sup>

In the expedited first review, the Commission found that the volume of subject imports had declined significantly since the imposition of the order. Although there was no information on the record concerning the levels of production capacity in China, available data suggested that subject producers continued to manufacture CSTR and were highly export-oriented. The

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<sup>63</sup> *Original Determination*, USITC Pub. 4070 at 15; *First Review Determination*, USITC Pub. 4483 at 12.

<sup>64</sup> *Original Determination*, USITC Pub. 4070 at 14.

<sup>65</sup> Vulcan Response at 17.

<sup>66</sup> 19 U.S.C. § 2411; United States Trade Representative (“USTR”), *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sep. 21, 2018). CSTR from China is not subject to additional duties under section 232 of the Trade Adjustment Act of 1962, 19 U.S.C. § 1862. See generally CR/PR at I-8 n.22.

<sup>67</sup> *Original Determination*, USITC Pub. 4070 at 15. The ratio of subject imports to U.S. production rose from 55.7 percent in 2005 to 79.9 percent in 2006 and 117.9 percent in 2007. *Id.* at 16.

<sup>68</sup> *Original Determination*, USITC Pub. 4070 at 16.

<sup>69</sup> *Original Determination*, USITC Pub. 4070 at 16.

Commission also found that China was by far the largest global exporter from 2008 to 2013 of a broader classification of threaded screws and bolts encompassing the subject merchandise.<sup>70</sup> The Commission found that the United States remained an attractive market for subject producers. There were substantial volumes of subject imports in the U.S. market during the period of review, and those volumes had increased since 2009.<sup>71</sup> Additionally, Commerce's determination that a Chinese exporter was circumventing the antidumping duty order in efforts to supply U.S. customers provided further evidence that the U.S. market was attractive.<sup>72</sup>

In light of these considerations, the Commission found that the subject producers were likely, absent the restraining effects of the order, to direct increasing volumes of CSTR to the U.S. market, as they did during the original POI. Accordingly, the Commission found that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.<sup>73</sup>

## 2. Current Review

The record of the current review shows that subject imports have remained in the U.S. market at fluctuating annual volumes throughout the period of review, declining from 12.4 million pounds in 2014 to a period low of 1.7 million pounds in 2016 and then increasing to 4.4 million pounds in 2018.<sup>74</sup> Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2018, which was lower than their \*\*\* percent share in 2013.<sup>75</sup>

The record contains no current data specific to capacity or production of the subject CSTR industry because subject producers in China did not participate in this review. Nonetheless, the data available in the record indicate that producers in China continue to manufacture CSTR and are highly export-oriented. Vulcan identified 444 Chinese producers of CSTR.<sup>76</sup> Available data show that throughout the period of review, China was the world's largest exporter of threaded screws and bolts, a category that includes the subject merchandise but also out-of-scope products.<sup>77</sup>

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<sup>70</sup> *First Review Determination*, USITC Pub. 4483 at 12.

<sup>71</sup> *First Review Determination*, USITC Pub. 4483 at 13.

<sup>72</sup> *First Review Determination*, USITC Pub. 4483 at 13.

<sup>73</sup> *First Review Determination*, USITC Pub. 4483 at 13.

<sup>74</sup> CR/PR at Table I-4.

<sup>75</sup> CR/PR at Table I-6.

<sup>76</sup> Vulcan Response at Ex. 5.

<sup>77</sup> CR/PR at Table I-8.

The United States remains an attractive market to Chinese producers. As indicated above, subject imports have remained in the U.S. market throughout the period of review in appreciable quantities. Throughout the period of review, the United States also has been the leading market for China's threaded screws and bolts, the broader category that includes subject merchandise.<sup>78</sup> Additionally, Vulcan asserts that, to maintain a presence in the U.S. market, producers in China have shifted exports from carbon steel threaded rod subject to the order to out-of-scope alloy steel threaded rod,<sup>79</sup> further demonstrating the attractiveness of the U.S. market.<sup>80</sup>

Based on the significant increase in the volume of subject imports during the original investigation, the continued presence of subject imports in the U.S. market during the period of review, China's substantial exports of the related category of threaded screws and bolts, and the attractiveness of the U.S. market to Chinese producers, we find that Chinese producers would be likely to export significant volumes of subject merchandise to the United States if the order were revoked.<sup>81</sup> Therefore, we find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the order were revoked.<sup>82</sup>

#### **D. Likely Price Effects**

##### **1. Original Investigation and Prior Five-Year Review**

In the original investigation, the Commission found that the domestic like product and the subject imports were largely substitutable and that price was an important factor in purchasing decisions.<sup>83</sup> The Commission observed that there was underselling by the subject merchandise in 99 of 105 quarterly price comparisons, with margins of underselling ranging up

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<sup>78</sup> CR/PR at Table I-7.

<sup>79</sup> As noted above, alloy steel threaded rod from China is the subject of an antidumping duty investigation initiated pursuant to a petition filed in February 2019.

<sup>80</sup> Final Comments at 9.

<sup>81</sup> For all of these reasons, and particularly given the attractiveness of the U.S. market and their ability to supply it, we are not persuaded that the section 301 duties would deter a significant volume of subject imports from China from entering the U.S. market if the order were revoked.

<sup>82</sup> Due to the failure of any foreign producer, exporter, or importer of subject merchandise from China to participate in this review, the record does not contain current information regarding inventories of subject merchandise. The record does not indicate the existence of trade measures specific to CSTR from China in any other export markets. CR/PR at I-18.

<sup>83</sup> *Original Determination*, USITC Pub. 4070 at 16.

to 46.1 percent.<sup>84</sup> Based on these data, the Commission found that there was significant underselling of the domestic like product by subject imports during the POI.<sup>85</sup>

The Commission also found that subject imports depressed and suppressed domestic prices to a significant degree during the POI.<sup>86</sup> It found that the domestic industry's prices declined as the volume of subject imports increased, and that there was a correlation between the two factors given that CSTR is a highly substitutable, price-competitive product.<sup>87</sup> Moreover, the domestic industry experienced higher production costs, yet was unable to offset its higher costs with an increase in prices, resulting in a cost-price squeeze at a time of stable to increasing demand.<sup>88</sup> Consequently, the Commission found that the significant underselling by the increasing volumes of subject imports that depressed and suppressed domestic prices to a significant degree had significant price effects on the domestic industry during the POI.<sup>89</sup>

In the expedited first review, the Commission found that the record did not permit pricing comparisons for the review period due to the expedited nature of the review. Nonetheless, the Commission found that that the domestic like product and the subject imports were largely substitutable and that price continued to be an important factor in purchasing decisions. Consequently, the Commission found that, if the order were revoked, the significant underselling observed during the original investigation would likely recur. In addition, the likely significant volumes of subject imports in the event of revocation would likely cause the domestic producers to lose sales volume, cut prices, or restrain price increases. Thus, the Commission found that, in the event of revocation, increasing volumes of low-priced subject imports would likely have significant price effects on the domestic industry.<sup>90</sup>

## 2. Current Review

Due to the expedited nature of this review, the record does not contain price data that would allow pricing comparisons for the review period. We continue to find, in the absence of record evidence indicating changes in the conditions of competition, that the domestic like product and subject imports are highly substitutable and that price is an important factor in

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<sup>84</sup> *Original Determination*, USITC Pub. 4070 at 17 n.96.

<sup>85</sup> *Original Determination*, USITC Pub. 4070 at 17.

<sup>86</sup> *Original Determination*, USITC Pub. 4070 at 19.

<sup>87</sup> *Original Determination*, USITC Pub. 4070 at 17.

<sup>88</sup> *Original Determination*, USITC Pub. 4070 at 18.

<sup>89</sup> *Original Determination*, USITC Pub. 4070 at 19.

<sup>90</sup> *First Review Determination*, USITC Pub. 4483 at 14.

purchasing decisions. Consequently, if the order were revoked, subject imports would likely be priced lower than the domestic like product to gain sales volume, as occurred in the original investigation. We therefore find that if the antidumping duty order were revoked, there is likely to be significant price underselling by imports of the subject merchandise as compared to the domestic like product. This underselling and the likely significant volume of subject imports in the event of revocation would likely cause the domestic producers to lose sales volume, cut prices, and/or restrain price increases.

For the foregoing reasons and given the likely significant volumes of subject imports, we conclude that significant underselling of the domestic like product by subject imports to gain market share is likely and that these imports would likely have significant adverse price effects on the domestic industry.

## **E. Likely Impact**

### **1. Original Investigation and Prior Five-Year Review**

In the original investigation, the Commission found that the domestic industry's trade, employment, and financial indicators showed sharp declines from 2005 to 2007.<sup>91</sup> The domestic industry's production, capacity utilization, and shipments all declined overall during the POI.<sup>92</sup> Domestic producers' market share declined each year from 2005 to 2007. The number of production and related workers, aggregate hours worked, and aggregate wages paid all decreased sharply over the POI, although the Commission acknowledged that there were some improvements in hourly wages and productivity.<sup>93</sup>

The Commission found that the domestic industry's financial indicators – net sales measured by quantity and value, operating income, and operating margins – also decreased sharply over the POI. The Commission observed that many of the domestic industry's financial indicators and some of its employment indicators showed improvements in interim 2008 due to the effect of the pendency of the investigation, which allowed the domestic industry to raise prices and regain customers.<sup>94</sup>

The Commission concluded that subject imports had an adverse impact on the condition of the domestic industry during the POI. It found that subject imports increased significantly,

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<sup>91</sup> *Original Determination*, USITC Pub. 4070 at 19-20.

<sup>92</sup> *Original Determination*, USITC Pub. 4070 at 19-20.

<sup>93</sup> *Original Determination*, USITC Pub. 4070 at 20.

<sup>94</sup> *Original Determination*, USITC Pub. 4070 at 21.



both absolutely and relative to domestic production and consumption, and that subject imports had gained market share at the expense of the domestic industry, undersold the domestic like product to a significant degree, and depressed and suppressed prices to a significant degree.<sup>95</sup> The Commission found that the increase in subject imports and their adverse effects on U.S. prices had caused decreases in the domestic industry's trade, employment, and financial performance until interim 2008.<sup>96</sup> In its non-attribution analysis, the Commission found that the injury caused by subject imports was distinct from and not the result of nonsubject imports, which were present in the market at relatively low and declining volume levels.<sup>97</sup>

During the first review, the Commission concluded that the limited record was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>98</sup> However, based on the information on the record, the Commission found that should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry.<sup>99</sup> The Commission found that these declines would likely have a direct adverse impact on the domestic industry within a reasonably foreseeable time.<sup>100</sup>

In its non-attribution analysis, the Commission acknowledged that nonsubject imports had generally been increasing. However, it emphasized that it had previously found in separate antidumping and countervailing duty investigations that imports of CSTR from two large nonsubject sources, India and Thailand, were not injuring or threatening injury to the domestic industry.<sup>101</sup> It further found that any increase in subject imports if the antidumping duty order were revoked would likely be in substantial part at the expense of the domestic industry.<sup>102</sup>

## 2. Current Review

Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance, consisting of data that Vulcan provided in

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<sup>95</sup> *Original Determination*, USITC Pub. 4070 at 21.

<sup>96</sup> *Original Determination*, USITC Pub. 4070 at 21.

<sup>97</sup> *Original Determination*, USITC Pub. 4070 at 21-22.

<sup>98</sup> *First Review Determination*, USITC Pub. 4483 at 16.

<sup>99</sup> *First Review Determination*, USITC Pub. 4483 at 16.

<sup>100</sup> *First Review Determination*, USITC Pub. 4483 at 16.

<sup>101</sup> *First Review Determination*, USITC Pub. 4483 at 16.

<sup>102</sup> *First Review Determination*, USITC Pub. 4483 at 16-17.

response to the notice of institution. The limited record is insufficient for us to make a finding on whether the domestic industry is vulnerable to the likely continuation or recurrence of material injury in the event of revocation of the order.

In 2018, Vulcan's capacity was \*\*\* pounds, its production was \*\*\* pounds, and its capacity utilization was \*\*\* percent.<sup>103</sup> Vulcan's U.S. shipments of CSTR were \*\*\* pounds, and it reported an operating income of \$\*\*\* on net sales of \$\*\*\*, resulting in an operating income margin of \*\*\* percent.<sup>104</sup>

As discussed above, we have found that, upon revocation of the order, subject import volume would likely be significant and subject imports would likely have significant price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

We also have considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports have been present in large quantities in the U.S. market during the period of review and accounted for \*\*\* percent of apparent U.S. consumption during 2018.<sup>105</sup> In light of the general substitutability of CSTR from all sources, we find that upon revocation the significant volume of low-priced subject imports would likely take at least some market share from the domestic industry. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.<sup>106</sup>

Accordingly, we conclude that, if the order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

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<sup>103</sup> CR/PR at Table I-3.

<sup>104</sup> CR/PR at Table I-3.

<sup>105</sup> CR/PR at Table I-7.

<sup>106</sup> This is irrespective of any restraining effect that the antidumping and countervailing duty investigations pending as of the time the record closed may have on the principal sources of nonsubject imports.

#### **IV. Conclusion**

For the foregoing reasons, we determine that revocation of the antidumping duty order on CSTR from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.



# Information obtained in this review

## Background

On July 1, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on steel threaded rod (“CSTR” or “threaded rod”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
July 1, 2019	Notice of institution by Commission (84 FR 31341, July 1, 2019)
July 1, 2019	Notice of initiation by Commerce (84 FR 31304, July 1, 2019)
October 4, 2019	Commission’s vote on adequacy
November 29, 2019	Commerce’s results of its expedited review
February 20, 2020	Determination and views to Commerce

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

<sup>2</sup> *Steel Threaded Rod From China; Institution of a Five-Year Review*, 84 FR 31341, July 1, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrent with the Commission’s notice of institution. *Initiation of Five-Year (Sunset) Reviews*, 84 FR 31304, July 1, 2019. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

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

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

## **Responses to the Commission’s notice of institution**

### **Individual responses**

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of Vulcan Threaded Products Inc. (“Vulcan”), a domestic producer of CSTR (referred to herein as “domestic interested party”).

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

**Table I-1**

**CSTR: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***% <sup>1</sup>

<sup>1</sup> Vulcan believes that it accounts for the majority of domestic production of threaded rod, based on information reasonably available. The coverage figure is the estimated share of total U.S. production of CSTR in 2018 accounted for by Vulcan. The estimate was calculated as the quantity of reported production (\*\*\*) divided by total U.S. production (\*\*\*) pounds, which was based on a ratio of \*\*\* percent applied to total 2018 U.S. production of carbon and alloy steel threaded rod, which includes products that are not subject to this review (145.2 million pounds). *Domestic interested party’s response to cure letter*, August 16, 2019, pp. 2-3.

### **Party comments on adequacy**

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The submission was filed on behalf of the domestic interested party, Vulcan.

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no complete submission by any respondent interested party. Therefore, because of the inadequate response by the respondent interested parties and the fact that there have been no major changes in the conditions of competition in the market since the Commission’s last five-year review, it requests that the Commission conduct an expedited review of the antidumping duty order on CSTR from China.<sup>5</sup>

## **The original investigation and subsequent reviews**

### **The original investigation**

The original investigation resulted from a petition filed on March 5, 2008 with Commerce and the Commission by Vulcan, Pelham, Alabama. On February 27, 2009, Commerce determined that imports of CSTR from China were being sold at less than fair value (“LTFV”).<sup>6</sup> The Commission determined on April 6, 2009, that the domestic industry was materially injured

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<sup>5</sup> *Domestic Interested Party’s Comments on Adequacy*, September 12, 2019, pp. 2 and 3.

<sup>6</sup> *Certain Steel Threaded Rod from the People’s Republic of China: Final Determination of Sales at Less than Fair Value*, 74 FR 8907, February 27, 2009.

by reason of LTFV imports of CSTR from China.<sup>7</sup> On April 14, 2009, Commerce issued its antidumping duty order on CSTR from China with the final weighted-average margins ranging from 55.16 to 206.00 percent.<sup>8</sup>

### **The first five-year review**

On June 6, 2014, the Commission determined that it would conduct an expedited review of the antidumping duty order on CSTR from China.<sup>9</sup> On June 26, 2014, Commerce published its determination that revocation of the antidumping duty order on CSTR from China would be likely to lead to continuation or recurrence of dumping.<sup>10</sup> On August 4, 2014, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>11</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective August 19, 2014, Commerce issued a continuation of the antidumping duty order on imports of CSTR from China.<sup>12</sup>

### **Previous and related investigations**

CSTR was subject to one prior antidumping duty investigation and is currently undergoing the final phase of antidumping and countervailing duty investigations.

On June 27, 2013, All American Threaded Products, Inc., Bay Standard Manufacturing Inc., and Vulcan filed a countervailing duty petition against imports of certain threaded rod from India and antidumping duty petitions against imports of certain threaded rod from India and Thailand. On May 1, 2014, the Commission determined that the U.S. threaded rod industry was not materially injured or threatened with material injury, and the establishment of an

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<sup>7</sup> *Certain Steel Threaded Rod From China Determination*, 74 FR 16427, April 10, 2009.

<sup>8</sup> *Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 17154, April 14, 2009. As a result of litigation before the U.S. Court of International Trade ("CIT"), Commerce recalculated the weighted-average dumping margin for exporter RMB Fasteners Ltd., and IFI & Morgan Ltd. ("RMB/IFI Group") to 47.37 percent. *Certain Steel Threaded Rod From the People's Republic of China: Notice of Court Decision Not in Harmony With the Final Determination of Sales at Less-Than-Fair-Value and Notice of Amended Final Determination of Sales at Less-Than-Fair-Value and Amended Antidumping Duty Order Pursuant to Court Decision*, 76 FR 27304, May 11, 2011.

<sup>9</sup> *Steel Threaded Rod From China; Scheduling of an Expedited Five-Year Review*, 79 FR 34783, June 18, 2014.

<sup>10</sup> *Certain Steel Threaded Rod from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 79 FR 36288, June 26, 2014.

<sup>11</sup> *Certain Steel Threaded Rod From China*, 79 FR 46450, August 8, 2014.

<sup>12</sup> *Certain Steel Threaded Rod From the People's Republic of China: Continuation of Antidumping Duty Order*, 79 FR 49050, August 19, 2014.



industry in the United States was not materially retarded by reason of imports of certain steel threaded rod from Thailand that had been found by Commerce to be sold in the United States at LTFV.<sup>13</sup> On August 18, 2014, the Commission determined that the U.S. threaded rod industry was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded by reason of imports of certain steel threaded rod from India that had been found by Commerce to be sold in the United States at LTFV and subsidized by the government of India.<sup>14</sup>

On February 21, 2019, Vulcan 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 carbon and alloy steel threaded rod from China and India and LTFV imports of carbon and alloy steel threaded rod from China, India, Taiwan, and Thailand.<sup>15</sup> On April 8, 2019, the Commission determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon and alloy steel threaded rod from China, India, Taiwan, and Thailand that are alleged to be sold in the United States at LTFV and by reason of subject imports from China and India that are alleged to be subsidized by their respective governments.<sup>16</sup> On August 27, 2019, the Commission published notice of the scheduling of its final phase investigations.<sup>17</sup>

## **Actions at Commerce**

Commerce has not conducted any changed circumstances reviews, or issued anti-circumvention findings, since the completion of the last five-year review. In addition, Commerce has not issued any duty absorption findings or any company revocations since the imposition of the order.

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<sup>13</sup> *Certain Steel Threaded Rod From Thailand*, 79 FR 26267, May 7, 2014.

<sup>14</sup> *Certain Steel Threaded Rod From India*, 79 FR 49810, August 22, 2014.

<sup>15</sup> Excluded from the scope of this antidumping duty investigation is any merchandise covered by the existing antidumping duty order subject to the current expedited five-year review. *Carbon and Alloy Steel Threaded Rod From India, Taiwan, Thailand, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 10034, 10039-40, March 19, 2019.

<sup>16</sup> *Carbon and Alloy Steel Threaded Rod From China, India, Taiwan, and Thailand*, 84 FR 14971, April 12, 2019.

<sup>17</sup> *Carbon and Alloy Steel Threaded Rod From China, India, Taiwan, and Thailand; Scheduling of the Final Phase of Countervailing and Anti-Dumping Duty Investigations*, 84 FR 44916, August 27, 2019.

## Scope rulings

As presented in table I-2, Commerce has completed eight scope rulings since the imposition of the order. In addition, as a result of a circumvention inquiry, Commerce determined in 2013 that imports from China of CSTR containing greater than 1.25 percent chromium, by weight, produced by Gem-Year Industrial Co., Ltd., and otherwise meeting the description of in-scope merchandise, are subject to the antidumping duty order.<sup>18</sup>

**Table I-2**  
**CSTR: Commerce's scope rulings**

Requestor	Product to be excluded	Commerce ruling	Federal Register cite
Mid-State Bolt & Nut Co., Inc.	Concrete wedge anchors	Granted	75 FR 38081 July 1, 2010
Elgin Fastener Group	Hex collared stud	Granted	76 FR 10558 February 25, 2011
Hubbell Power Systems, Inc.	Double Arming Bolt	Denied	76 FR 10558 February 25, 2011
Powerline Hardware, LLC	Spool bolts and shank pins	Granted	77 FR 9893 February 21, 2012
A.L. Patterson	Engineered steel coil rod	Granted <sup>1</sup>	80 FR 18200 April 3, 2015
IMSS, LLC	Threaded rod <sup>2</sup>	Granted	79 FR 19057 April 7, 2014
Colonial Elegance Inc.	Baluster Fasteners with a driver and Newel Fasteners	Denied	79 FR 73552 December 11, 2014
Star Pipe Products	Steel threaded rod components of 216 joint restraint kits	Denied	84 FR 9295 March 14, 2019

<sup>1</sup> Commerce's initial scope ruling found that the product imported by A.L. Patterson was within the scope of the antidumping duty order. Following appeals by A.L. Patterson, first to the CIT and later to the CAFC, Commerce amended its final scope ruling and found steel coil rod imported by A.L. Patterson to be outside the scope of the antidumping duty order. See *Notice of Scope Rulings*, 77 FR 9893, February 21, 2012; and *Steel Threaded Rod From the People's Republic of China: Notice of Court Decision Not in Harmony With the Final Results of Scope Ruling on Antidumping Duty Order and Notice of Amended Final Results of Scope Ruling on Antidumping Duty Order*, 80 FR 18200, April 3, 2015.

<sup>2</sup> IMSS produced threaded rod that met specific exclusion requirements in the scope language of the order.

Source: Cited *Federal Register* notices.

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<sup>18</sup> *Certain Steel Threaded Rod from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 78 FR 12728, February 25, 2013.

## Current five-year review

Commerce is conducting an expedited review with respect to CSTR from China and intends to issue the final results of this review based on the facts available not later than November 29, 2019.<sup>19</sup>

## The product

### Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to the order are non-headed and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Included in the scope of the *Order* are steel threaded rod, bar, or studs, in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

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

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<sup>19</sup> Letter from Steven Presing, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nanette Christ, September 3, 2019.

- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheading 7318.15.5051, 7318.15.5056, 7318.15.5090, and 7318.15.2095 of the United States Harmonized Tariff Schedule (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the *Order* are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (“ASTM”) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, or ASTM A320 Grade L7.<sup>20</sup>

## **U.S. tariff treatment**

CSTR is currently imported under HTS statistical reporting number 7318.15.5056.<sup>21</sup> CSTR imported from China enters the U.S. market at a column 1-general duty rate of “free.”<sup>22</sup> CSTR imported from China is subject to a 25 percent ad valorem duty under Section 301 of the Trade Act of 1974.<sup>23</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

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<sup>20</sup> *Certain Steel Threaded Rod From the People’s Republic of China: Continuation of Antidumping Duty Order*, 79 FR 49050, August 19, 2014.

<sup>21</sup> Until July 1, 2009, imports of CSTR were reported for statistical purposes under 7318.15.5050 (continuously threaded rod).

<sup>22</sup> Products imported under 7318.15.50 are not subject to tariffs under Section 232. Harmonized Tariff Schedule of the United States (2019).

<sup>23</sup> United States Trade Representative (“USTR”), *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018. USTR is soliciting public comments regarding a proposed modification of the section 301 tariff rate to 30 percent. If adopted, the proposed modification is scheduled to take effect on October 1, 2019. USTR, *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 46212, September 3, 2019; and USTR, *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 46212, September 3, 2019.

## Description and uses<sup>24</sup>

Threaded rod is fully threaded along its entire length and is of low- and medium-carbon steel<sup>25</sup> for strength and ease of cutting.<sup>26</sup> Threaded rod is primarily used in commercial construction to suspend electrical conduits; pipes for plumbing; heating, ventilation, and air-conditioning ductwork; sprinkler systems for fire protection, among other applications. Normally, one end of the threaded rod is fastened to the ceiling and the other end is fastened to the support for suspending the conduits, pipes, ductwork, or sprinkler system. Threaded rod is also used for hanging suspended ceilings and elevated conveyor belts, and for joint restraint systems for underground piping. It is also used in structural tie downs in earthquake- and hurricane-restraint systems for roofing. Threaded rod may also be used as headless screws in general fastener applications or for bolting together pipe joints.

## Manufacturing process<sup>27</sup>

The primary raw material for most threaded rod is steel wire rod in coils. However, for larger diameter threaded rod, the raw material is steel bar. The basic production process is the same with either raw material, beginning with cleaning to remove surface scale (descaling).<sup>28</sup> The wire rod or bar is then cold drawn through a series of dies, each one smaller than the preceding one, to reduce the rod diameter to the required size.<sup>29</sup> The resulting rod is straightened and cut to the desired length, most often into 8- and 10-foot sections. Next, the rod sections are fed through a threading machine, which forms the threaded grooves along the

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<sup>24</sup> Unless otherwise noted, this information is based on *Certain Steel Threaded Rod from China*, Inv. No. 731-TA-1145 (Review), USITC Publication 4483, August 2014, p. I-5.

<sup>25</sup> Low-carbon rod has a carbon content between 0.04 and 0.3 percent. Medium- and high-carbon rod have a carbon content between 0.3 and 1 percent. Ultra-high carbon rod has a carbon content above 1 percent. The majority of all threaded rod produced in the United States is of low-carbon content and is produced by thread rolling. Some companies have capability to thread-roll medium-carbon rod for use in applications where strength is an important factor, such as in the petroleum, machinery, or automobile industries. There is no known U.S. production of high- or ultra-high carbon rod.

<sup>26</sup> Threaded rod is especially useful in applications where it may be cut to length on-site.

<sup>27</sup> Unless otherwise noted, this information is based on *Certain Steel Threaded Rod from China*, Inv. No. 731-TA-1145 (Review), USITC Publication 4483, August 2014, p. I-6.

<sup>28</sup> Scale is the iron oxides that form on the surface of the wire rod during the wire rod manufacturing process. This material will lower the quality of the threaded rod and therefore must be removed.

<sup>29</sup> This process is known as “cold-drawing” because no additional heat is supplied during the process.

entire length by the process of thread rolling the rod between a pair of grooved dies (i.e. thread rolling).<sup>30</sup>

Depending on the intended end use of the final product, threaded rod can also be coated with a plain oil finish during the threading process, galvanized using either a zinc plating<sup>31</sup> or a hot-dip galvanizing<sup>32</sup> process, or coated with other finishes such as paint or epoxy coatings—all processes which impart corrosion resistance.<sup>33</sup> After the threaded rod has received its oil finish or galvanizing, it is packed in paper tubes or otherwise prepared for shipment. Depending on the rod diameter, several may be packed in the same tube.

All but one of the responding domestic producers reported, in the final phase of the original investigation, that they manufacture other products on the same equipment and machinery and with the same production and related workers that they use to produce threaded rod. Other such reported products included partially threaded rod, stainless rod, alloy rod, anchor bolts, and coiled rod.

Domestic producers also reported, in the final phase of the original investigation, that threaded rod producers in China use the same basic manufacturing process, but may incur inefficiencies in feeding and off-loading their production machinery and in material movement throughout their plant, thus making their production process more labor intensive. There were also some reports, from the preliminary phase of the original investigation, that although the older Chinese plants may be inefficient, the more modern ones are very similar to those in the United States.

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<sup>30</sup> Because thread rolling does not involve cutting the steel, but rather pushes the steel into the die grooves, there is no scrap or waste material left over.

<sup>31</sup> Zinc plating is a process used to protect iron and steel product against corrosion. It involves the electrodeposition of a thin coating of zinc metal onto the surface of the product. This coating creates a barrier that prevents rusting on the underlying metal. Sharrett Plating, “The Zinc Plating Process,” <https://www.sharrettsplating.com/blog/the-zinc-plating-process/>, retrieved August 28, 2019.

<sup>32</sup> Hot-dip galvanizing is a process by which fabricated steel is dipped into a kettle or vat containing molten zinc. During this process, the steel reacts with molten zinc to produce a tightly-bonded alloy coating that enhances the corrosion resistance abilities of the steel. American Galvanizers Association, “What is Galvanizing,” <https://galvanizeit.org/hot-dip-galvanizing/what-is-galvanizing>, retrieved August 28, 2019.

<sup>33</sup> Most threaded rod is zinc electroplated.

## The industry in the United States

### U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from seven firms, which accounted for the majority of production of threaded rod during 2007.<sup>34</sup>

In response to the Commission's notice of institution during the expedited first five-year review, the domestic interested parties provided a list of three known and currently operating U.S. producers of threaded rod, which accounted for the vast majority of production of threaded rod during 2013.<sup>35</sup>

In response to the Commission's notice of institution in this current review, the domestic interested party provided a list of eight known and currently operating U.S. producers of CSTR.<sup>36</sup>

### Recent developments

Since the Commission's last five-year review, the following developments have occurred in the threaded rod industry:

- In June 2015, Vulcan announced plans to expand manufacturing operations at its Birmingham, Alabama plant.<sup>37</sup>
- In September 2015, All-Pro Threaded Products acquired production machinery related to forging operations of hexagonal bolts and a turning/milling CNC machine dedicated to high volume production of certain specially designed rod products.<sup>38</sup>
- In August 2016, Steel Dynamics, Inc. acquired Vulcan.<sup>39</sup>

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<sup>34</sup> *Certain Steel Threaded Rod From China, Inv. No. 731-TA-1145 (Final)*, USITC Publication 4070, April 2009, p. I-3.

<sup>35</sup> *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Review)*, USITC Publication 4483, August 2014, pp. I-1 n. 4, I-8.

<sup>36</sup> The domestic interested party notes that one of the eight firms listed, Alloy & Stainless, may only produce out-of-scope alloy threaded rod. *Domestic interested party's response to the notice of institution*, July 31, 2019, p. 15 and exhibit 3.

<sup>37</sup> Vulcan Steel Products. "Vulcan Announces Expansion Plans," June 2, 2015, <http://www.vulc.com/blog/vulcan-announces-expansion-plans/>, retrieved August 27, 2019.

<sup>38</sup> All-Pro Threaded, "Forging Press Capabilities and Specialty Machining CNC Machine," September 23, 2015, <https://www.apt.com/new-capabilities-at-apt/>, retrieved September 5, 2019.

<sup>39</sup> Steel Dynamics, Inc. "Steel Dynamics Completes Acquisition of Vulcan Threaded Products," August 1, 2016,

(continued...)

- In August 2017, Steel Dynamics, Inc. purchased All America’s threaded rod plant in Indianapolis, Indiana.<sup>40</sup>

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

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.<sup>41</sup> Table I-3 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigation and expedited first five-year review.

**Table I-3**  
**CSTR: Trade and financial data submitted by U.S. producers, 2007, 2013, and 2018**

Item	2007	2013	2018
Capacity (1,000 pounds)	***	***	***
Production (1,000 pounds)	***	***	***
Capacity utilization (percent)	***	***	***
Total U.S. shipments:			
Quantity (1,000 pounds)	***	***	***
Value (\$1,000)	***	***	***
Unit value (per pound)	***	***	***
Net sales (\$1,000)	***	***	***
COGS (\$1,000)	***	***	***
COGS/net sales (percent)	***	***	***
Gross profit (loss) (\$1,000)	***	***	***
SG&A expenses (\$1,000)	***	***	***
Operating income/(loss) (\$1,000)	***	***	***
Operating income (loss)/net sales (percent)	***	***	***

Source: For the years 2007 and 2013, data are compiled using data submitted in the Commission’s original investigation and first five-year review. See app. C. For the year 2018, data are compiled using data submitted by the domestic interested party. Domestic interested party’s response to the notice of institution, July 31, 2019, Exhibit 1.

(...continued)

<http://ir.steeldynamics.com/profiles/investor/ResLibraryView.asp?ResLibraryID=82136&GoTopage=8&Category=2105&BzID=2197>, retrieved August 27, 2019.

<sup>40</sup> Industry Today, “AATP Sells Commodity Threaded Rod Business in Indiana and Focuses on Specialty Threaded Products - Industry Today,” Industry Today, August 28, 2017, <https://industrytoday.com/resources/aatp-sells-commodity-threaded-rod-business-in-indiana-and-focuses-on-specialty-threaded-products/>, retrieved August 27, 2019.

<sup>41</sup> Individual company trade and financial data are presented in app. B.



## Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.<sup>42</sup>

In its original determination, the Commission defined a single domestic like product consisting of CSTR coextensive with Commerce’s scope and it defined the domestic industry as all producers of the domestic like product.<sup>43</sup> In the original investigation, five of seven responding domestic producers imported the subject merchandise during the period of investigation and thus were related parties under the statute. In addition, responding importer Porteous Fastener Company argued that related party Bay Standard should be excluded from the domestic industry. The Commission determined that circumstances did not exist to exclude any of these U.S. producers from the domestic industry.<sup>44</sup>

In its expedited first five-year review determination, the Commission continued to define the domestic like product as CSTR coextensive with Commerce’s scope and it defined the domestic industry as all U.S. producers of the domestic like product.<sup>45</sup>

In its notice of institution for this second five-year review, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definitions of the domestic like product and domestic industry and inquired as to whether any related parties issues existed. According to its response to the notice of institution, the domestic interested party does not contest these definitions at this time.<sup>46</sup> The domestic interested party stated that it is not an importer or foreign producer of the subject merchandise.<sup>47</sup>

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<sup>42</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>43</sup> *Certain Steel Threaded Rod from China, Inv. No. 731 TA 1145 (Final)*, USITC Publication 4070, April 2009, p. 7.

<sup>44</sup> *Ibid.*, pp. 7-13.

<sup>45</sup> *Certain Steel Threaded Rod from China, Inv. No. 731-TA-1145 (Review)*, USITC Publication 4483, August 2014, pp. 6-7. There were no related party issues in the first review. *Ibid.*, p. 7.

<sup>46</sup> *Domestic interested party’s response to the notice of institution*, July 31, 2019, p. 17.

<sup>47</sup> *Ibid.*, p. 16.

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

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

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 27 firms, which accounted for more than 52.4 percent of total U.S. imports of CSTR from China during 2007.<sup>48</sup>

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested party provided a list of over 300 potential U.S. importers of CSTR.<sup>49</sup>

### **U.S. imports**

Table I-4 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity).

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<sup>48</sup> *Certain Steel Threaded Rod From China, Inv. No. 731-TA-1145 (Final)*, USITC Publication 4070, April 2009, p. IV-1.

<sup>49</sup> *Domestic interested party's response to the notice of institution*, July 31, 2019, exh. 6. The list of possible U.S. importers submitted by the domestic interested party likely overstates the actual number of U.S. importers of threaded rod because it includes numerous freight forwarding and logistics firms as well as a number of duplicate entities. *Ibid.*

**Table I-4**  
**CSTR: U.S. imports, 2014-2018**

Item	2014	2015	2016	2017	2018
	<b>Quantity (1,000 pounds)</b>				
China (subject)	12,404	4,605	1,734	3,487	4,418
India	13,784	34,482	48,237	54,424	53,470
Taiwan	24,679	14,561	16,510	14,842	20,151
Thailand	2,769	8,871	11,907	10,372	11,765
All other imports	6,998	4,077	3,133	2,862	2,962
Subtotal, nonsubject	48,231	61,991	79,787	82,501	88,348
Total imports	60,635	66,596	81,520	85,987	92,766
	<b>Landed, duty-paid value (\$1,000)</b>				
China (subject)	8,917	3,822	1,534	2,482	3,855
India	7,244	17,537	20,435	23,885	27,003
Taiwan	14,206	8,937	8,313	8,211	11,413
Thailand	1,527	4,448	5,101	4,890	6,051
All other imports	6,599	5,134	3,727	3,174	4,774
Subtotal, nonsubject	29,576	36,056	37,577	40,161	49,240
Total imports	38,493	39,878	39,111	42,643	53,095
	<b>Unit value (dollars per pound)</b>				
China (subject)	0.72	0.83	0.88	0.71	0.87
India	0.53	0.51	0.42	0.44	0.51
Taiwan	0.58	0.61	0.50	0.55	0.57
Thailand	0.55	0.50	0.43	0.47	0.51
All other imports	0.87	1.18	1.31	1.35	1.64
Subtotal, nonsubject	0.61	0.58	0.47	0.49	0.56
Total imports	0.63	0.60	0.48	0.50	0.57

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

Source: Official statistics of Commerce for HTS statistical reporting number 7318.15.5056.

## Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-6 presents data on U.S. market shares of apparent U.S. consumption.

**Table I-5**  
**CSTR: U.S. producers' U.S. shipments, U.S. imports,<sup>1</sup> and apparent U.S. consumption, 2007, 2013, and 2018**

Item	2007	2013	2018
	<b>Quantity (1,000 pounds)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	86,436	***	4,418
All other	9,943	***	88,348
Total imports	96,379	*** <sup>1</sup>	92,766
Apparent U.S. consumption	***	***	***
	<b>Value (1,000 dollars)</b>		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	53,323	***	3,855
All other	9,170	***	49,240
Total imports	62,493	***	53,095
Apparent U.S. consumption	***	***	***

<sup>1</sup> For the year 2007, apparent U.S. consumption was calculated based on U.S. shipments of imports derived from importer questionnaire data. For the years 2013 and 2018, apparent consumption was calculated based on U.S. imports derived from official Commerce statistics.

Note.--For the years 2007 and 2013, data are as originally presented.

Source: For the years 2007 and 2013, data are compiled using data submitted in the Commission's original investigation and first five-year review. See *app. C*. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7318.15.5056.

**Table I-6**  
**CSTR: U.S. consumption and market shares, 2007, 2013, and 2018**

Item	2007	2013	2018
	<b>Quantity (1,000 pounds)</b>		
Apparent U.S. consumption	***	***	***
	<b>Value (1,000 dollars)</b>		
Apparent U.S. consumption	***	***	***
	<b>Share of consumption based on quantity (percent)</b>		
U.S. producer's share	***	***	***
U.S. imports from--			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***
	<b>Share of consumption based on value (percent)</b>		
U.S. producer's share	***	***	***
U.S. imports from--			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***

Source: For the years 2007 and 2013, data are compiled using data submitted in the Commission's original investigation and first five-year review. See *app. C*. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7318.15.5056.

## The industry in China

During the final phase of the original investigation, the petition identified over 400 Chinese firms believed to produce and/or export threaded rod, but the Commission did not receive any foreign producer/exporter questionnaires.<sup>50</sup>

The Commission did not receive any responses to the notice of institution from respondent interested parties in this current five-year review. The domestic interested party identified over 400 Chinese producers/exporters of CSTR in its response.<sup>51</sup>

Table I-7 presents export data for threaded screws and bolts, a category which contains threaded rod and out-of-scope products, from China in descending order of quantity for 2018.

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<sup>50</sup> *Certain Steel Threaded Rod From China, Inv. No. 731-TA-1145 (Final)*, USITC Publication 4070, April 2009, p. VII-1.

<sup>51</sup> *Domestic interested party's response to the notice of institution*, July 31, 2019, Exhibit 5.

**Table I-7**  
**Threaded screws and bolts: Exports from China, by destination, 2014-18**

Item	Calendar year				
	2014	2015	2016	2017	2018
<b>Quantity (1,000 pounds)</b>					
United States	637,378	674,902	672,406	681,381	798,520
Russia	198,863	179,304	187,433	209,528	243,282
Japan	169,981	157,569	166,091	169,044	164,062
Germany	18,944	17,750	57,211	105,108	115,501
Australia	92,737	91,462	85,833	99,635	101,674
Mexico	60,761	66,978	79,747	75,325	88,254
Korea	97,091	87,049	89,535	96,493	83,866
Vietnam	40,001	59,161	65,318	66,247	82,239
India	63,502	72,472	67,035	59,311	82,138
United Arab Emirates	87,578	102,284	93,480	80,916	80,924
All other	1,285,605	1,278,215	1,373,372	1,527,554	1,738,008
Total	2,752,440	2,787,146	2,937,461	3,170,543	3,578,467

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7318.15 (accessed September 3, 2019). These data may be overstated as HTS 7318.15 may contain product outside the scope of this review, i.e. threaded screws and bolts not elsewhere specified.

## **Antidumping or countervailing duty orders in third-China markets**

Based on available information, threaded rod from China has not been subject to other antidumping or countervailing duty investigations outside the United States.<sup>52</sup>

## **The global market**

Table I-8 presents the largest global export sources of threaded screws and bolts, a category which contains threaded rod and out-of-scope products during 2014-18.

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<sup>52</sup> World Trade Organization, "Anti-dumping," [https://www.wto.org/english/tratop\\_e/adp\\_e/adp\\_e.htm](https://www.wto.org/english/tratop_e/adp_e/adp_e.htm), retrieved August 29, 2019.

**Table I-8**  
**Threaded screws and bolts: Global exports by major sources, 2014-18**

Exporter	2014	2015	2016	2017	2018
	Quantity (1,000 pounds)				
China	2,752,439	2,787,147	2,937,460	3,170,543	3,578,469
Germany	953,419	962,625	972,037	1,071,487	1,084,184
Taiwan	1,943,395	1,878,532	1,800,423	1,880,073	1,988,397
United States	743,420	759,725	857,163	1,163,673	1,177,721
Japan	481,052	460,036	478,724	499,527	514,929
Italy	665,425	691,446	684,962	742,247	731,039
France	156,857	161,321	176,528	201,800	208,564
Netherlands	216,921	284,314	298,400	373,324	335,832
South Korea	243,297	257,689	308,477	299,808	312,672
Thailand	221,637	206,736	228,169	235,639	263,778
All other	2,516,007	2,647,555	2,174,743	7,831,286	6,594,812
Total	10,893,870	11,097,127	10,917,086	17,469,409	16,790,397
	Value (\$1,000)				
China	2,309,757	2,305,169	2,142,409	2,400,810	3,073,385
Germany	2,830,157	2,443,360	2,504,393	2,758,730	3,012,752
Taiwan	2,200,044	2,113,317	1,918,080	2,195,153	2,478,493
United States	1,844,092	1,846,456	2,033,969	2,087,145	2,045,584
Japan	1,598,150	1,388,629	1,491,961	1,572,629	1,632,991
Italy	1,252,476	1,119,677	1,110,235	1,226,090	1,334,057
France	613,054	512,416	532,610	606,234	691,546
Netherlands	380,744	408,159	447,176	554,113	551,886
South Korea	463,797	476,168	526,046	506,617	519,314
Thailand	287,652	256,035	263,266	296,183	361,067
All other	4,302,619	3,827,778	3,682,110	4,005,873	4,380,423
Total	18,082,542	16,697,163	16,652,255	18,209,575	20,081,498

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

Source: IHS Markit Inc., Global Trade Atlas database (accessed September 3, 2019), HS subheading 7318.15. These data may be overstated as HTS 7318.15 may contain products outside the scope of this review, i.e. threaded screws and bolts not elsewhere specified.





**APPENDIX A**

***FEDERAL REGISTER NOTICES***



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

<b>Citation</b>	<b>Title</b>	<b>Link</b>
84 FR 31304 July 1, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-07-01/pdf/2019-13984.pdf">https://www.govinfo.gov/content/pkg/FR-2019-07-01/pdf/2019-13984.pdf</a>
84 FR 31341 July 1, 2019	<i>Steel Threaded Rod From China; Institution of a Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2019-07-01/pdf/2019-13855.pdf">https://www.govinfo.gov/content/pkg/FR-2019-07-01/pdf/2019-13855.pdf</a>



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



**CSTR: Response Checklist for U.S. Producer**

\* \* \* \* \*





**APPENDIX C**

**SUMMARY DATA FROM ORIGINAL INVESTIGATION**



Table C-1

Threaded rod: Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

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

Item	Reported data					Period changes			
	2005	2006	2007	January-September		2005-07	2005-06	2006-07	Jan.-Sept. 2007-08
				2007	2008				
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from:									
China:									
Quantity	59,045	70,683	86,436	59,531	65,780	46.4	19.7	22.3	10.5
Value	38,163	44,775	53,323	36,656	50,561	39.7	17.3	19.1	37.9
Unit value	\$0.65	\$0.63	\$0.62	\$0.62	\$0.77	-4.6	-2.0	-2.6	24.8
Ending inventory quantity	21,856	21,295	21,678	20,790	23,410	-0.8	-2.6	1.8	12.6
All other sources:									
Quantity	10,861	10,696	9,943	7,244	6,799	-8.5	-1.5	-7.0	-6.1
Value	10,431	9,660	9,170	6,496	7,973	-12.1	-7.4	-5.1	22.7
Unit value	\$0.96	\$0.90	\$0.92	\$0.90	\$1.17	-4.0	-6.0	2.1	30.8
Ending inventory quantity	854	586	378	55	2,107	-55.7	-31.4	-35.5	3730.9
All sources:									
Quantity	69,906	81,379	96,379	66,775	72,579	37.9	16.4	18.4	8.7
Value	48,593	54,435	62,493	43,152	58,534	28.6	12.0	14.8	35.6
Unit value	\$0.70	\$0.67	\$0.65	\$0.65	\$0.81	-6.7	-3.8	-3.1	24.8
Ending inventory quantity	22,710	21,881	22,056	20,845	25,517	-2.9	-3.7	0.8	22.4
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

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

(2) Not applicable.

(3) Undefined.

Note.--Financial data are reported on a fiscal year basis for 2006-08 and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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



**APPENDIX D**  
**PURCHASER SURVEYS**



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

1. Past Changes – Have there been any significant changes in the supply and demand conditions for steel threaded rod that have occurred in the United States or in the market for steel threaded rod in China since January 1, 2014?

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

2. Anticipated Changes – Do you anticipate any significant changes in the supply and demand conditions for steel threaded rod in the United States or in the market for steel threaded rod in China within a reasonably foreseeable time?

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

