

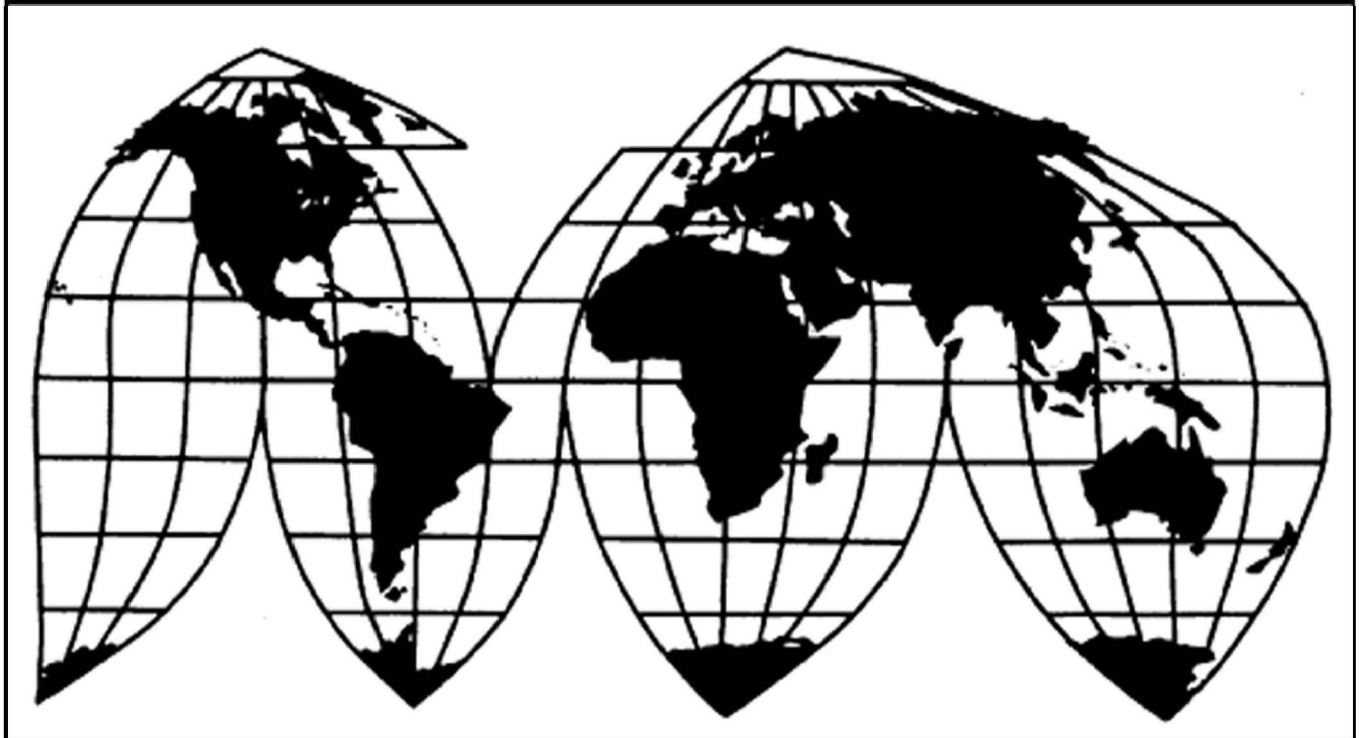
Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago

Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, and 961
(Third Review)

Publication 5100

August 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Jason E. Kearns, Chair
Randolph J. Stayin, Vice Chair
David S. Johanson
Rhonda K. Schmidlein
Amy A. Karpel

Staff assigned

Celia Feldpausch, Investigator
Jordan Harriman, Investigator
Alexander Melton, Industry Analyst
Kyle Westmoreland, Economist
Joanna Lo, Accountant
Christine Lee, Statistician
Brian Allen, Attorney
Douglas Corkran, Supervisory Investigator

Special Assistance from

John Benedetto, Economist

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago

Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, and 961
(Third Review)

Publication 5100



August 2020

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Part I: Introduction	I-1
Background.....	I-1
First five-year reviews	I-5
Second five-year reviews.....	I-6
Previous and related investigations.....	I-7
Title VII investigations	I-7
Safeguard investigation.....	I-9
Summary data	I-10
Statutory criteria	I-15
Organization of report.....	I-17
Commerce’s reviews	I-18
Administrative reviews.....	I-18
Anti-circumvention findings	I-19
Changed circumstances reviews	I-20
Five-year reviews.....	I-20
The subject merchandise	I-25
Commerce’s scope	I-25
Tariff treatment.....	I-27
Section 232 treatment.....	I-28
The product.....	I-30
Description and uses	I-30
Manufacturing process.....	I-32
Domestic like product issues.....	I-38

CONTENTS

	Page
Part I: Introduction--Continued	
U.S. market participants.....	I-40
U.S. producers	I-40
U.S. importers.....	I-42
U.S. purchasers.....	I-45
Apparent U.S. consumption	I-45
Part II: Conditions of competition in the U.S. market.....	II-1
U.S. market characteristics.....	II-1
Channels of distribution	II-5
Geographic distribution	II-6
Supply and demand considerations.....	II-7
U.S. supply	II-7
U.S. demand	II-11
Substitutability issues.....	II-17
Lead times	II-18
Knowledge of country sources	II-18
Factors affecting purchasing decisions.....	II-19
Comparisons of domestic products, subject imports, and nonsubject imports.....	II-23
Comparison of U.S.-produced and imported wire rod.....	II-26
Elasticity estimates.....	II-30
U.S. supply elasticity.....	II-30
U.S. demand elasticity	II-30
Substitution elasticity.....	II-30

CONTENTS

	Page
Part III: Condition of the U.S. industry.....	III-1
Overview	III-1
Changes experienced by the industry	III-4
Anticipated changes in operations.....	III-7
U.S. production, capacity, and capacity utilization.....	III-8
Constraints on capacity	III-12
U.S. producers' U.S. shipments and exports.....	III-13
U.S. producers' inventories.....	III-15
U.S. producers' imports and purchases	III-15
U.S. employment, wages, and productivity	III-17
Financial experience of U.S. producers.....	III-18
Background.....	III-18
Operations on wire rod	III-20
Net sales	III-30
Cost of goods sold and gross profit or (loss)	III-31
SG&A expenses and operating income or (loss)	III-34
All other expenses and net income or (loss).....	III-35
Capital expenditures and research and development expenses	III-36
Assets and return on assets.....	III-37

CONTENTS

	Page
Part IV: U.S. imports and the foreign industries.....	IV-1
U.S. imports.....	IV-1
Overview.....	IV-1
Imports from subject and nonsubject countries.....	IV-3
Cumulation considerations	IV-7
Fungibility	IV-8
Geographical markets	IV-12
Presence in the market	IV-14
U.S. importers' imports subsequent to December 2019	IV-19
U.S. importers' inventories	IV-20
Subject country producers	IV-22
The industry in Brazil.....	IV-23
Overview.....	IV-23
Changes in operations.....	IV-26
Operations on wire rod	IV-27
Alternative products.....	IV-30
Exports.....	IV-31
The industry in Indonesia.....	IV-33
Overview.....	IV-33
Changes in operations.....	IV-34
Exports.....	IV-34
The industry in Mexico.....	IV-37
Overview.....	IV-37
Alternative products.....	IV-44
Exports.....	IV-45

CONTENTS

	Page
Part IV: U.S. imports and the foreign industries--Continued	
The industry in Moldova	IV-47
Overview.....	IV-47
Exports.....	IV-48
The industry in Trinidad and Tobago	IV-50
Overview.....	IV-50
Exports.....	IV-51
Antidumping or countervailing duty orders in third-country markets.....	IV-53
Global market.....	IV-54
Production	IV-54
Prices	IV-59
Part V: Pricing data.....	V-1
Factors affecting prices	V-1
Raw material costs	V-1
Transportation costs to the U.S. market.....	V-3
U.S. inland transportation costs.....	V-4
Pricing practices	V-5
Pricing methods.....	V-5
Sales terms and discounts.....	V-6
Price leadership	V-6
Price data.....	V-6
Price trends.....	V-16
Price comparisons	V-17

CONTENTS

Page

Appendixes

A. <i>Federal Register</i> notices	A-1
B. List of hearing witnesses	B-1
C. Summary data	C-1
D. Comments on effects of orders and likely effects of revocation.....	D-1
E. U.S. producers' and U.S. importers' shipments by product type	E-1
F. Section 232 actions	F-1

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 Nos. 701-TA-417 and 731-TA-953, 957-959, and 961 (Third Review)

Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and
Trinidad and Tobago

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on carbon and certain alloy steel wire rod from Brazil and the antidumping duty orders on carbon and certain alloy steel wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on June 3, 2019 (84 FR 25564) and determined on September 6, 2019 that it would conduct full reviews (84 FR 50474, September 25, 2019). Notice of the scheduling of the Commission’s reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on March 12, 2020 (85 FR 14506). In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, and in accordance with 19 U.S.C. 1677c(a)(1), the Commission conducted its hearing on June 16, 2020 by video conference and written witness testimony as set forth in procedures provided to the parties. All persons who requested the opportunity were permitted to participate.

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

Views of the Commission

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

I. Background

Original Investigations. In response to petitions filed on August 31, 2001, by four domestic producers of wire rod, the Commission determined in October 2002 that an industry in the United States was materially injured by reason of subject imports of wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine.¹ The Department of Commerce (“Commerce”) issued countervailing and antidumping duty orders covering the subject merchandise on October 22 and October 29, 2002, respectively.²

The only litigation concerning the Commission’s determinations on subject imports at issue in these reviews was an appeal of the Commission’s affirmative determination on subject

¹ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Inv. Nos. 701-TA-417–419 and 731-TA-953, 954, 956–959, 961, and 962 (Final), USITC Pub. 3546 (Oct. 2002) (“Original Determinations”) (title corrected). The Commission found that subject imports from Germany were negligible. *Id.* at 2.

² *Notice of Countervailing Duty Orders: Carbon and Certain Alloy Steel Wire Rod From Brazil and Canada*, 67 Fed. Reg. 64871 (Oct. 22, 2002); *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 Fed. Reg. 65944 (Oct. 29, 2002); *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 Fed. Reg. 65945 (Oct. 29, 2002).

imports from Trinidad and Tobago.³ After two remands, the Commission reached an affirmative determination that was subsequently affirmed.⁴

First Reviews. In September 2007, the Commission instituted its first five-year reviews of the orders and in December 2007 determined to conduct full reviews.⁵ In those reviews, the Commission determined that revocation of the countervailing duty order on subject imports from Brazil and antidumping duty orders on subject imports from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶ Commerce issued a continuation of the antidumping and countervailing duty orders covering the merchandise from these subject countries on July 30, 2008.⁷

³ Original Determinations, USITC Pub. 3546 at 36–38.

⁴ The Court of International Trade (“CIT”) affirmed the initial determination. *Caribbean Ispat Ltd. v. United States*, 366 F. Supp. 2d 1300 (Ct. Int’l Trade 2005). The Federal Circuit vacated and remanded so that the Commission could: (1) ascertain whether imports from subject countries other than Trinidad and Tobago were an alternative cause of injury to the domestic industry and (2) conduct the analysis required by the Federal Circuit’s decision in *Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006). *Caribbean Ispat Ltd. v. United States*, 450 F.3d 1336 (Fed. Cir. 2006). On remand, the Commission reached a negative determination applying the replacement/benefit test it perceived was mandated by the Federal Circuit. *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago*, Inv. No. 731-TA-961 (Final) (Remand), USITC Pub. 3903 (Jan. 2007). The CIT affirmed that determination. *Mittal Steel Point Lisas Ltd. v. United States*, 495 F. Supp. 2d 1374 (Ct. Int’l Trade 2007). On appeal, the Federal Circuit vacated and remanded. *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867 (Fed. Cir. 2008). On second remand, the Commission reached an affirmative determination. *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago*, Inv. No. 731-TA-961 (Final) (Second Remand), USITC Pub. 4170 (June 2010) (“Second Remand Determination”). The CIT affirmed. *Mittal Steel Point Lisas Ltd. v. United States*, Slip Op. 10-97 (Ct. Int’l Trade 2010). There were no further proceedings.

⁵ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 72 Fed. Reg. 73880 (Dec. 28, 2007).

⁶ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 956–959, 961, and 962 (Review), USITC Pub. 4014 (June 2008) (“First Review Determinations”). The Commission found that revocation of the order on wire rod from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *Id.*

⁷ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 73 Fed. Reg. 44218 (July 30, 2008).

Second Reviews. In June 2013, the Commission instituted its second five-year reviews of the orders and in October 2013 determined to conduct full reviews.⁸ In those reviews, the Commission determined that revocation of the countervailing duty order on subject imports from Brazil and antidumping duty orders on subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁹ Commerce issued a continuation of the antidumping and countervailing duty orders covering the merchandise from these subject countries on July 3, 2014.¹⁰

Current Reviews. In June 2019, the Commission instituted these third five-year reviews.¹¹ Two groups of domestic interested parties—Charter Steel; Liberty Steel USA; Optimus Steel, LLC; and Evraz Rocky Mountain Steel (collectively, “CLOE”) and Nucor Corporation and Commercial Metals Company (collectively, “Nucor and CMC”)—submitted responses to the notice of institution. The Commission also received a joint response to the notice of institution from respondent interested parties Deacero S.A.P.I. de C.V. and Deacero USA, Inc. (collectively, “Deacero”), respectively a producer of subject merchandise in Mexico and its U.S. importing subsidiary. On September 6, 2019, the Commission determined that the domestic interested party group response was adequate for all orders and the respondent interested party group response was adequate for the review of the order on subject imports from Mexico and inadequate for all other orders.¹² In light of the Commission’s determination

⁸ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Notice of Commission Determination To Conduct Full Five-Year Reviews*, 78 Fed. Reg. 60316 (Oct. 1, 2013).

⁹ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine*, Inv. Nos. 701-TA-417 and 731-TA-953, 957–959, 961, and 962 (Second Review), USITC Pub. 4472 (June 2014) (“Second Review Determinations”). The Commission found that revocation of the antidumping duty order on wire rod from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *Id.* Commissioner Johanson dissented with respect to subject imports from Mexico and Ukraine. Commissioner Schmidlein did not participate in those reviews. *Id.*

¹⁰ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Continuation of Antidumping and Countervailing Duty Orders*, 79 Fed. Reg. 38008 (July 3, 2014).

¹¹ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Institution of Five-Year Reviews*, 84 Fed. Reg. 25564 (June 3, 2019).

¹² *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Notice of Commission Determinations To Conduct Full Five-Year Reviews*, 84 Fed. Reg. 50474 (Sept. 25, 2019).

to conduct a full review of the order on Mexico, and notwithstanding the inadequate respondent interested party group responses, the Commission determined to conduct full reviews of the orders on wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago in order to promote administrative efficiency.¹³

The Commission received prehearing and posthearing briefs from CLOE and Nucor and CMC.¹⁴ The Commission also received prehearing and posthearing briefs from Deacero.¹⁵ Representatives of each of these parties appeared at the Commission's hearing accompanied by counsel.¹⁶ A representative from the Embassy of Mexico also appeared at the Commission hearing.¹⁷

U.S. industry data are based on the questionnaire responses from 10 U.S. producers of wire rod that are believed to account for virtually all U.S. production of wire rod in 2019.¹⁸ The Commission received usable questionnaire data from 22 U.S. importers of wire rod, representing virtually all U.S. imports of wire rod from Mexico in 2019 and approximately two-thirds of U.S. imports of wire rod from nonsubject countries.¹⁹ There were no reported subject imports from Brazil, Indonesia, or Moldova during the 2017–2019 period of review ("POR"), and the only subject imports from Trinidad and Tobago were minimal quantities in 2018.²⁰ U.S. import data for the POR are based on questionnaire responses for wire rod imported from

¹³ 84 Fed. Reg. 50474.

¹⁴ CLOE Prehearing Brief, June 8, 2020 (misabeled as a posthearing brief) ("CLOE Prehear. Br."); CLOE Posthearing Brief, June 25, 2020 ("CLOE Posthear. Br."); Nucor and CMC Prehearing Brief, June 8, 2020 ("Nucor and CMC Prehear. Br."); Nucor and CMC Posthearing Brief, June 25, 2020 ("Nucor and CMC Posthear. Br."). Nucor and CMC joined the prehearing brief submitted by CLOE and addressed certain issues in their joint separate brief. See Nucor and CMC Prehear. Br. at 2 n.1. CLOE and Nucor and CMC will be referenced collectively as "Domestic Producers."

¹⁵ Deacero Prehearing Brief, June 8, 2020 ("Deacero Prehear. Br."); Deacero Posthearing Brief, June 25, 2020 ("Deacero Posthear. Br.").

¹⁶ In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its hearing by videoconference and written witness testimony as set forth in procedures provided to the parties.

¹⁷ Hearing Tr. at 8–14 (statement of Gerardo Lameda, Head of the Office of the Secretary of the Economy in Washington, DC).

¹⁸ Confidential Report, Memorandum INV-SS-080 (July 14, 2020) ("CR") at III-1; Public Report, *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, Inv. Nos. 701-TA-417 and 731-TA-953, 957–959, and 961 (Third Review), USITC Pub. 5100 (Aug. 2020) ("PR") at III-1.

¹⁹ CR/PR at I-43.

²⁰ CR/PR at Table IV-1.

Mexico, and on official Commerce import statistics for all other sources.²¹ The Commission also received foreign producers' questionnaire responses from three firms in Brazil estimated to account for *** percent of that country's wire rod production in 2019 and from three producers in Mexico estimated to account for *** percent of that country's wire rod production in 2019.²² The Commission received no questionnaire response from any producer in Indonesia, Moldova, or Trinidad and Tobago.²³

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."²⁴ 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."²⁵ 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.²⁶

Commerce has defined the merchandise subject to the antidumping and countervailing duty orders as follows:

²¹ CR/PR at IV-1 n.3.

²² CR/PR at IV-27, IV-40.

²³ CR/PR at I-17. The only known wire rod-producing mill in Trinidad and Tobago was the Point Lisas facility operated by ArcelorMittal, and it was idled in 2016. *Id.* at I-17 to I-18.

²⁴ 19 U.S.C. § 1677(4)(A).

²⁵ 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, 96th Cong., 1st Sess. 90–91 (1979).

²⁶ *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).

certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.²⁷

This definition is subject to several lengthy exclusions. Among the items excluded from the scope are rebar; articles made with stainless steel, tool steel, high nickel steel, ball bearing steel, and free machining steel;²⁸ grade 1080 tire cord quality rod;²⁹ and grade 1080 tire bead quality rod.³⁰

²⁷ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 84 Fed. Reg. 53763, 53674 (Oct. 8, 2019) (referencing the detailed description found in “Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago,” Oct. 2, 2019 (“AD I&D Memo”), pp. 2–4); *Carbon and Certain Alloy Steel Wire Rod From Brazil: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order*, 84 Fed. Reg. 53765, 53676 (Oct. 8, 2019) (referencing the detailed description found in “Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order on Carbon and Certain Alloy Steel Wire Rod from Brazil,” Oct. 2, 2019 (“CVD I&D Memo”), pp. 2–4).

²⁸ As the scope definition states:

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).

AD I&D Memo at 2; CVD I&D Memo at 2.

²⁹ Grade 1080 tire cord quality wire rod is defined as:

Prior Proceedings. In the original determinations, the Commission included in the domestic like product grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, which Commerce had excluded from the scope.³¹ The Commission observed that Commerce had included tire cord wire rod and tire bead wire rod of both higher and lower grades in the scope, and that the record did not contain information indicating that there were significant differences among grades of tire bead wire rod or tire cord wire rod.³² Instead, it found that other domestic tire cord wire rod and tire bead wire rod articles that corresponded

(...Continued)

(i) grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

AD I&D Memo at 2–3; CVD I&D Memo at 2–3.

³⁰ Grade 1080 tire bead quality wire rod is defined as:

(i) grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

AD I&D Memo at 3; CVD I&D Memo at 3.

³¹ Original Determinations, USITC Pub. 3546 at 13.

³² Original Determinations, USITC Pub. 3546 at 8–9.

directly to products within the scope closely shared physical characteristics, uses, prices, channels of distribution, and production processes with the excluded grade 1080 articles.³³

The Commission rejected arguments by respondents that tire cord quality wire rod, cold heading quality wire rod meeting Industrial Fasteners Institute specification IFI-140, and clean steel precision bar in coils should each be defined as a distinct domestic like product.³⁴ The Commission found that, although each of these products was a high-end product that met exacting quality requirements, there was no clear dividing line between any one of these products and other wire rod products.³⁵ Instead, the Commission concluded that “the wire rod industry is composed of so many different products, used in so many different applications, that the only clear dividing line is between wire rod and other steel products.”³⁶ Accordingly, the Commission defined a single domestic like product consisting of wire rod within the scope definition and grade 1080 tire cord wire rod and grade 1080 tire bead wire rod that Commerce had excluded from the scope.³⁷

In both prior reviews, no party argued that the Commission should depart from the domestic like product definition in the original investigations, and the record indicated no material changes in pertinent product characteristics from the original investigations to warrant revisiting the domestic like product definition.³⁸ Consequently, the Commission continued to define the domestic like product to encompass all wire rod, including the grade 1080 tire cord wire rod and grade 1080 tire bead wire rod.³⁹

Current Reviews. Domestic Producers urge the Commission again to define the domestic like product as it had in the original investigations and both prior reviews.⁴⁰ Deacero has not argued that the Commission should depart from the definition in those proceedings.⁴¹

³³ Original Determinations, USITC Pub. 3546 at 9.

³⁴ Original Determinations, USITC Pub. 3546 at 9–13.

³⁵ Original Determinations, USITC Pub. 3546 at 13.

³⁶ Original Determinations, USITC Pub. 3546 at 13.

³⁷ Original Determinations, USITC Pub. 3546 at 13.

³⁸ First Review Determinations, USITC Pub. 4014 at 7–8; Second Review Determinations, USITC Pub. 4472 at 9.

³⁹ First Review Determinations, USITC Pub. 4014 at 8; Second Review Determinations, USITC Pub. 4472 at 9.

⁴⁰ CLOE Prehear. Br. at 4–5; Nucor and CMC Prehear. Br. at 2 n.1.

There is no new information obtained during these reviews that would suggest any reason for revisiting the Commission’s domestic like product definition in the original investigations and the prior reviews.⁴² Consequently, we again define a single domestic like product consisting of wire rod products described in the scope of the reviews and grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod.

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

(...Continued)

⁴¹ Deacero argued in its comments on the draft questionnaires that the Commission should gather data collectively on wire rod with an actual diameter of 4.75 mm to 5.00 mm (“small diameter wire rod”) and with an actual diameter of less than 4.75 mm (“smaller diameter wire rod”). Deacero Comments on Draft Questionnaires, EDIS Doc. 703407 (Feb. 25, 2020) at 6. The Commission did not collect separate data on any discrete wire rod product because Deacero did not provide in its questionnaire comments sufficient basis for the Commission to do so. Furthermore, Deacero abandoned any argument regarding like product treatment of small diameter and smaller diameter wire rod by not asserting in its briefs that, with reference to the six factors that the Commission usually considers in its domestic like product analysis, the Commission should define either multiple domestic like products or define the domestic like product more broadly than it did in the prior proceedings.

Small diameter and smaller diameter wire rod have been the subject of separate circumvention determinations by Commerce. Commerce found that Deacero’s importations of small diameter and smaller diameter wire rod from Mexico circumvented the order. *See Carbon and Certain Alloy Steel Wire Rod From Mexico: Notice of Court Decision Not in Harmony With Amended Final Determination and Notice of Second Amended Final Determination*, 81 Fed. Reg. 46051 (July 15, 2016); *Carbon and Certain Alloy Steel Wire Rod From Mexico: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 Fed. Reg. 9089 (March 13, 2019). As a result of Commerce’s circumvention orders, imports of small diameter wire rod were subject to the order during the POR and are categorized as subject imports in our data. Imports of smaller diameter wire rod became subject to the order as of February 7, 2018, and are categorized as subject imports in our data beginning on that date. 84 Fed. Reg. at 9090.

⁴² Only one domestic producer reported producing wire rod with a diameter of less than 5 mm during the POR and its reported production was very small. CR/PR at I-39 n.66. The limited information on the record in these reviews does not support a finding that there is a clear dividing line between these smaller wire rod products and wire rod with a diameter of greater than 5mm. *See generally* CR/PR at I-35, Hearing Tr. at 61 (Zernikow), 64 (Goettl), 204–05; *see also* Second Review Determinations, USITC Pub. 4472 at 26.

the product.”⁴³ 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.

Prior Proceedings. In the original determinations, the Commission defined the domestic industry to encompass all domestic producers of wire rod.⁴⁴ The Commission found that three domestic producers were subject to exclusion pursuant to the related parties provision because they had imported subject merchandise during the period examined.⁴⁵ It concluded, however, that appropriate circumstances did not exist to exclude any of these producers from the domestic industry.⁴⁶

In the first reviews, the Commission again defined the domestic industry to encompass all domestic producers of wire rod.⁴⁷ The Commission found that domestic producers ArcelorMittal and Gerdau Ameristeel were subject to exclusion because they were affiliated with exporters or importers of subject merchandise and that a third domestic producer was subject to exclusion because it imported subject merchandise during the period examined.⁴⁸ The Commission concluded, however, that appropriate circumstances did not exist to exclude any of these producers from the domestic industry.⁴⁹

In the second reviews, the Commission again defined the domestic industry to encompass all domestic producers of wire rod.⁵⁰ The Commission found that domestic producers Gerdau AmeriSteel and Republic Steel were subject to exclusion because each was

⁴³ 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.

⁴⁴ Original Determinations, USITC Pub. 3546 at 14.

⁴⁵ Original Determinations, USITC Pub. 3546 at 14–15; Confidential Original Determinations, EDIS Doc. 684736 (Aug. 8, 2019) at 18–20. The Commission further concluded that a fourth producer that purchased subject merchandise during the period examined was not a related party because its purchases were insufficient to constitute direct or indirect control of an importer. Original Determinations, USITC Pub. 3546 at 15; Confidential Original Determinations at 19–20.

⁴⁶ Original Determinations, USITC Pub. 3546 at 15.

⁴⁷ First Review Determinations, USITC Pub. 4014 at 10.

⁴⁸ First Review Determinations, USITC Pub. 4014 at 9–10; Confidential First Review Determinations, EDIS Doc. 684755 (Aug. 8, 2019) at 11–15.

⁴⁹ First Review Determinations, USITC Pub. 4014 at 9–10; Confidential First Review Determinations at 14. The Commission further concluded that a fourth producer that purchased subject merchandise during the period examined was not a related party because its purchases were insufficient to constitute direct or indirect control of an importer. First Review Determinations, USITC Pub. 4014 at 8–9 n.39; Confidential First Review Determinations at 12–13 n.39.

⁵⁰ Second Review Determinations, USITC Pub. 4472 at 12.

affiliated with subject producers in Brazil and Mexico, respectively, and that domestic producer ArcelorMittal USA was subject to exclusion because it was affiliated with exporters and importers of subject merchandise during the period examined.⁵¹ The Commission concluded, however, that appropriate circumstances did not exist to exclude any of these producers from the domestic industry.⁵²

Current Reviews. In the current reviews, Domestic Producers argue that the domestic industry should be defined to include all domestic wire rod producers.⁵³ Deacero did not address this issue. There are no related parties or other domestic industry issues in these reviews.⁵⁴ Based on the foregoing, we define the domestic industry to include all U.S. producers of wire rod.

III. Cumulation

A. Legal Standard and the Prior Proceedings

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁵⁵

⁵¹ Second Review Determinations, USITC Pub. 4472 at 11–12.

⁵² Second Review Determinations, USITC Pub. 4472 at 11–12.

⁵³ CLOE Prehear. Br. at 5.

⁵⁴ No domestic producer reported importing subject merchandise. CR/PR at III-15. Although domestic producer *** is ***, that producer responded to the Commission's questionnaire and reported no exports of subject merchandise to the U.S. market during the POR. CR/PR at Tables I-13, IV-7, IV-9. Consequently, *** is not a related party.

⁵⁵ 19 U.S.C. § 1675a(a)(7).

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.⁵⁶ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future. The statutory threshold for cumulation is satisfied in these reviews because all reviews were initiated on the same day: June 4, 2019.⁵⁷

In the original determinations, for purposes of the determinations on subject imports from Brazil, Canada, Indonesia, Mexico, Moldova, and Ukraine, the Commission cumulated imports from these six subject countries and subject imports from Trinidad and Tobago.⁵⁸ With respect to fungibility, it found that domestically produced wire rod and wire rod from each of the subject sources was generally interchangeable.⁵⁹ It also found that there was a reasonable overlap in product types between the domestic like product and the subject imports and among subject imports from each of the subject countries.⁶⁰ The Commission found sufficient geographic overlap because the domestic like product and imports from all subject countries were generally marketed throughout the United States.⁶¹ The Commission also found an overlap of channels of distribution because the domestic like product and imports from each

⁵⁶ 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int’l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337–38 (Ct. Int’l Trade 2008).

⁵⁷ *Initiation of Five-Year (Sunset) Reviews*, 84 Fed. Reg. 25741 (June 4, 2019).

⁵⁸ Original Determinations, USITC Pub. 3546 at 24. For purposes of the determination on subject imports from Trinidad and Tobago, the Commission did not cumulate subject imports from Trinidad and Tobago with any other subject imports. The statute precluded such cumulation because Trinidad and Tobago is a beneficiary country under the Caribbean Basin Economic Recovery Act (“CBERA”). *Id.* at 19. *See* 19 U.S.C. § 1677(7)(G)(ii).

⁵⁹ Original Determinations, USITC Pub. 3546 at 20.

⁶⁰ Original Determinations, USITC Pub. 3546 at 20–22.

⁶¹ Original Determinations, USITC Pub. 3546 at 23.

subject country were sold to end users.⁶² The domestic like product and imports from all subject countries were present in the U.S. market throughout the period of investigation (“POI”).⁶³

In the first reviews, imports from all seven subject countries were eligible for cumulation for all determinations.⁶⁴ The Commission did not find that subject imports from any of the subject countries were likely to have no discernible adverse impact on the domestic industry in the event of revocation of the orders covering those imports.⁶⁵ The Commission found that, during the period examined, each of the subject industries had exported substantial quantities of subject merchandise; most of these industries had substantial excess capacity; and several of the industries had expanded their capacity during this time.⁶⁶

The Commission also found that there would likely be a reasonable overlap of competition among subject imports from each subject country and the domestic like product, as well as between subject imports from each country.⁶⁷ With respect to fungibility, it found that domestically produced wire rod and wire rod from each of the subject sources was at least sometimes interchangeable.⁶⁸ The Commission found sufficient geographic overlap and an overlap of channels of distribution as the domestic like product and imports from all subject sources other than Trinidad and Tobago were predominantly sold directly to end users and sold throughout the United States.⁶⁹ The Commission stated that the absence of imports from several of the subject countries from the U.S. market during the bulk of the period examined was influenced by the imposition of the orders, and that upon revocation subject imports would likely be simultaneously present in the market as they were during the original investigations.⁷⁰

The Commission also found that there were no significant differences in the likely conditions of competition between imports from all subject sources other than Canada.⁷¹ The Commission stated that record information indicated that the industry in each of these

⁶² Original Determinations, USITC Pub. 3546 at 23.

⁶³ Original Determinations, USITC Pub. 3546 at 24.

⁶⁴ First Review Determinations, USITC Pub. 4014 at 12. This was because the CBERA exception to cumulation is only applicable to original investigations. *See* 19 U.S.C. § 1677(7)(G)(ii).

⁶⁵ First Review Determinations, USITC Pub. 4014 at 12.

⁶⁶ First Review Determinations, USITC Pub. 4014 at 14.

⁶⁷ First Review Determinations, USITC Pub. 4014 at 16.

⁶⁸ First Review Determinations, USITC Pub. 4014 at 16.

⁶⁹ First Review Determinations, USITC Pub. 4014 at 16.

⁷⁰ First Review Determinations, USITC Pub. 4014 at 16.

⁷¹ First Review Determinations, USITC Pub. 4014 at 19.

countries produced a product mix focusing heavily on low-carbon and high-carbon industrial-grade products, that imports from each of the subject countries had largely similar volume trends during the period examined, that the market penetration for imports from five of the six countries increased during the original investigations and the remaining country's market penetration was unchanged, and that industries in each of the subject countries has significant quantities of unused capacity during portions of the period examined.⁷² Thus, it exercised its discretion to cumulate the subject imports from all of the subject countries, except for Canada.⁷³

In the second reviews, the Commission did not find that subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago were likely to have no discernible adverse impact on the domestic industry in the event of revocation.⁷⁴ The Commission found that, during the period examined, each of these countries' industries had various combinations of substantial excess capacity, capacity expansions, and significant export orientation.⁷⁵

The Commission found that there would likely be a reasonable overlap of competition among subject imports from each of the five subject countries pertinent to the current reviews and the domestic like product, as well as among subject imports from each country.⁷⁶ With respect to fungibility, it found that domestically produced wire rod and wire rod from each of the subject sources was at least sometimes interchangeable.⁷⁷ The Commission found sufficient geographic overlap and an overlap of channels of distribution as the domestic like product and imports from Mexico were sold throughout the United States and predominantly sold directly to end users.⁷⁸ The Commission stated that the absence of imports from several of the subject countries from the U.S. market during the bulk of the period examined was

⁷² First Review Determinations, USITC Pub. 4014 at 19.

⁷³ First Review Determinations, USITC Pub. 4014 at 19. The Commission determined that subject imports from Canada were likely to compete in the U.S. market under sufficiently different conditions of competition than imports from the other subject countries and therefore declined to exercise its discretion to cumulate subject imports from Canada with any other subject imports. *Id.* at 18. The Commission concluded that subject imports from Canada had exhibited different volume trends since the imposition of the orders, different trends in capacity, different pricing patterns, and a different product mix of more specialized products. *Id.* at 18–19.

⁷⁴ Second Review Determinations, USITC Pub. 4472 at 15–19.

⁷⁵ Second Review Determinations, USITC Pub. 4472 at 15–19. By contrast, the Commission found that revocation of the antidumping duty order on wire rod from Ukraine would have no discernible adverse impact on the domestic industry. *Id.* at 19–22.

⁷⁶ Second Review Determinations, USITC Pub. 4472 at 25.

⁷⁷ Second Review Determinations, USITC Pub. 4472 at 25.

⁷⁸ Second Review Determinations, USITC Pub. 4472 at 25.

influenced by the imposition of the orders, and that upon revocation, subject imports would likely be simultaneously present in the market as they were during the original investigations and would likely be sold in overlapping channels of distribution and geographic markets.⁷⁹

The Commission also found that there were no significant differences in the likely conditions of competition between imports from any of the subject countries pertinent to the current reviews.⁸⁰ It stated that record information indicated that the industry in each of these countries produced a product mix focusing heavily on low-carbon and high-carbon industrial-grade products, that the market penetration for four of the five countries increased during the original POI and the remaining country's market penetration was unchanged, and that each of the subject countries had significant quantities of unused capacity during portions of the period examined.⁸¹ In addition, the Commission observed that imports from each of the subject countries predominantly undersold the domestic like product in the original investigations and the first reviews, except for subject imports from Mexico, but that in the second reviews, subject imports from Mexico undersold the domestic like product in 30 of 37 instances.⁸²

The Commission rejected Deacero's argument that the Commission should exercise its discretion not to cumulate subject imports from Mexico.⁸³ It did not find that Deacero's sales of what was then considered out-of-scope small diameter wire rod differentiated Mexico from the other subject countries.⁸⁴ The Commission observed that Deacero itself acknowledged that small diameter wire rod was "substitutable" with subject 5.5 mm wire rod, a product that all U.S. producers and other subject producers sold.⁸⁵ It stated that Deacero's production of small diameter wire rod represented only a small fraction of the Mexican industry's total production capacity and its actual production of subject merchandise.⁸⁶ It observed that the pricing data showed that Deacero's small diameter wire rod undersold the domestic like product in *** instances, that Deacero testified that it undersold the domestic like product to gain sales and market share in the United States, and that Deacero would ship subject wire rod to the United

⁷⁹ Second Review Determinations, USITC Pub. 4472 at 25.

⁸⁰ Commissioner Johanson did not join the Commission's discussion of likely conditions of competition. Second Review Determinations, USITC Pub. 4472 at 26 n.164.

⁸¹ Second Review Determinations, USITC Pub. 4472 at 26.

⁸² Second Review Determinations, USITC Pub. 4472 at 26.

⁸³ Second Review Determinations, USITC Pub. 4472 at 26.

⁸⁴ Second Review Determinations, USITC Pub. 4472 at 26.

⁸⁵ Second Review Determinations, USITC Pub. 4472 at 26–27.

⁸⁶ Second Review Determinations, USITC Pub. 4472 at 27.

States if the order was revoked.⁸⁷ The Commission stated that Deacero's shipments of small diameter wire rod to the United States during the period examined did not distinguish it from producers in Brazil that also shipped large volumes of out-of-scope wire rod to the United States during this period.⁸⁸ It also noted that Mexico's geographic proximity to the United States by itself did not present a significant difference in likely conditions of competition.⁸⁹ Thus, the Commission exercised its discretion to cumulate the subject imports from five of the six subject countries, but not Ukraine.⁹⁰

B. Parties' Arguments

Domestic Producers argue that the Commission should cumulate subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago on the basis that there is no indication that subject imports from each country are likely to have no discernible adverse impact on the domestic industry if the orders were revoked, there would likely be a reasonable overlap of competition between subject imports from each country and between subject imports and the domestic like product, and no other differences in conditions of competition warrant not cumulating subject imports.⁹¹

Deacero argues that the Commission should not cumulate subject imports from Mexico with any other subject imports. It first argues that revocation of the antidumping duty order on wire rod from Mexico will have no discernible adverse impact on the domestic industry.⁹² It asserts that the volume of subject imports from Mexico during the current POR was low and stable.⁹³ Deacero notes that import volumes from Mexico remained small even with low antidumping duty deposit rates applied.⁹⁴ It contends that *** of exports by the Mexican

⁸⁷ Second Review Determinations, USITC Pub. 4472 at 27; Confidential Second Review Determinations at 41.

⁸⁸ Second Review Determinations, USITC Pub. 4472 at 27.

⁸⁹ Second Review Determinations, USITC Pub. 4472 at 27 n.175.

⁹⁰ Second Review Determinations, USITC Pub. 4472 at 27. Commissioner Johanson exercised his discretion to cumulate subject imports from Brazil, Indonesia, Moldova, Trinidad and Tobago, and Ukraine. *Id.* at 27 n.177.

⁹¹ Nucor and CMC Prehear. Br. at 3, 35–36, 40. *See* CLOE Prehear. Br. at 5–10.

⁹² Deacero Prehear. Br. at 3.

⁹³ Deacero Prehear. Br. at 3.

⁹⁴ Deacero Prehear. Br. at 3–4; Deacero Posthear. Br. at 3. The duty deposit rates applicable to exports from Deacero fluctuated during the POR. *See* CR/PR at Table I-3.

industry were shipped to third-country markets.⁹⁵ Furthermore, Deacero contends that the likely import volumes will be constrained under the terms of a joint agreement with the United States that permits additional 25 percent *ad valorem* duties authorized pursuant to section 232 of the Trade Expansion Act of 1962, as amended⁹⁶ (“section 232 tariffs”), to be immediately reimposed if imports of wire rod from Mexico surge.⁹⁷ It further argues that the high capacity utilization and low export orientation of the Mexican industry effectively constrains the level of subject imports from Mexico.⁹⁸ Deacero argues that it sells in all markets to customers with long-term commitments and aligns production with actual sales, declining to increase production or inventories without customer commitments. Deacero thus argues that its high capacity utilization indicates that any excess capacity is unlikely to be diverted to the U.S. market.⁹⁹ Deacero also argues that its low export orientation reflects a focus on producing downstream wire products and that it will continue to devote the majority of its wire rod production to internal consumption.¹⁰⁰

Deacero further argues that subject imports from Mexico would compete under different conditions of competition than subject imports from the other subject countries upon revocation.¹⁰¹ It argues that it is the *** Mexican producer that shipped to the United States during the POR and that it has the *** capacity utilization rate of reporting Mexican producers.¹⁰² Deacero asserts that during the POR, the Mexican industry’s reported capacity utilization rate was higher than the only other reporting subject industry (Brazil).¹⁰³ It argues that Domestic Producers submitted data ***.¹⁰⁴

Deacero argues that despite the COVID-19 pandemic and related economic concerns, Mexican domestic demand for wire rod is projected to remain stable.¹⁰⁵ It asserts that the government of Mexico considers construction and automobile manufacturing to be “essential” activities that have continued to operate since mid-May and anticipates continuing to direct

⁹⁵ Deacero Prehear. Br. at 5.

⁹⁶ 19 U.S.C. § 1862. See CR/PR at I-28, F-3 to F-4.

⁹⁷ Deacero Prehear. Br. at 4, exh. 1. For a further discussion of section 232 tariffs, see section IV.C.3.

⁹⁸ Deacero Prehear. Br. at 4; Deacero Posthear. Br. at 2–3; Deacero Final Comments at 2–5.

⁹⁹ Deacero Posthear. Br. at 2–3.

¹⁰⁰ Deacero Posthear. Br. at 3.

¹⁰¹ Deacero Prehear. Br. at 6.

¹⁰² Deacero Prehear. Br. at 6; Deacero Posthear. Br. at 10.

¹⁰³ Deacero Prehear. Br. at 6–7; Deacero Posthear. Br. at 9.

¹⁰⁴ Deacero Prehear. Br. at 7. See Deacero Posthear. Br. at 4.

¹⁰⁵ Deacero Prehear. Br. at 8–9; Deacero Posthear. Br. at 12–13.

output to satisfy this home market demand.¹⁰⁶ It asserts that exports were primarily destined for Central and South America, which is consistent with data reported by the Mexican industry in both prior reviews, and that it remains committed to its long-standing established customer relationships in the region.¹⁰⁷

Deacero argues that the section 232 joint agreement is a constraint unique to subject imports from Mexico.¹⁰⁸ It contends that freight costs for wire rod shipments from Mexico via land are greater than freight costs for wire rod shipped via sea from Europe and Asia.¹⁰⁹

C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.¹¹⁰ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.¹¹¹ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders were to be revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from Brazil, Indonesia, Mexico, Moldova, or Trinidad and Tobago would likely have no discernible adverse impact on the domestic industry if the order(s) on subject imports from those countries were revoked.

Brazil. During the original POI, the volume of subject imports from Brazil increased from *** short tons in 1999 to *** short tons in 2001, and market penetration increased from ***

¹⁰⁶ Deacero Posthear. Br. at 12–13.

¹⁰⁷ Deacero Prehear. Br. at 8; Deacero Posthear. Br., Answers to Commissioners Questions at 38.

¹⁰⁸ Deacero Prehear. Br. at 9; Deacero Posthear. Br. at 11–12.

¹⁰⁹ Deacero Posthear. Br. at 12.

¹¹⁰ 19 U.S.C. § 1675a(a)(7).

¹¹¹ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994); see *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, Inv. Nos. 731-TA-770–773 and 775 (Third Review), USITC Pub. 4623 (July 2016).

percent in 1999 to *** percent in 2001.¹¹² There were no subject imports from Brazil from 2004 to 2013.¹¹³ During the current POR, there were no subject imports from Brazil.¹¹⁴

The Commission received usable questionnaire data from three firms in Brazil, which accounted for *** percent of wire rod production in Brazil in 2019.¹¹⁵ The reported production capacity of the wire rod industry in Brazil increased from *** short tons in 2017 to *** short tons in 2019.¹¹⁶ Total shipments of wire rod by the Brazilian industry increased irregularly from *** short tons in 2017 to *** short tons in 2019.¹¹⁷ The industry's capacity utilization rate declined irregularly from *** percent in 2017 to *** percent in 2019.¹¹⁸ The reporting producers indicated that, during the POR, they exported on an annual basis between *** and *** percent of their shipments.¹¹⁹ According to Global Trade Atlas ("GTA") data, exports of wire rod from Brazil decreased steadily from 565,065 short tons in 2017 to 449,461 short tons in 2019.¹²⁰ The largest export markets for wire rod from Brazil in 2019 were the United States, Colombia, and Ecuador.¹²¹ All exports to the U.S. market were out-of-scope merchandise.¹²² While GTA data indicate that Brazil had the largest global exports during the POR of any subject country, it was not among the top ten global exporters.¹²³

Subject imports from Brazil undersold the domestic like product in 38 of 47 comparisons in the original investigations by an average margin of underselling of *** percent.¹²⁴ There were no pricing comparisons in the current reviews.

In light of the foregoing, including the Brazilian industry's growing and substantial available capacity, as well as its continued interest in the U.S. market in the form of exports of

¹¹² CR/PR at C-11.

¹¹³ CR/PR at C-11, C-14.

¹¹⁴ CR/PR at Table IV-1.

¹¹⁵ CR/PR at IV-27.

¹¹⁶ CR/PR at Table IV-9.

¹¹⁷ CR/PR at Table IV-9.

¹¹⁸ CR/PR at Table IV-9.

¹¹⁹ CR/PR at Table IV-9.

¹²⁰ CR/PR at Table IV-11. GTA data include grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, which are not subject merchandise. *Id.*

¹²¹ CR/PR at Table IV-11.

¹²² CR/PR at IV-24 n.13. These exports were 162,869 short tons in 2017, 109,864 short tons in 2018, and 105,429 short tons in 2019. *Id.* at Table IV-11.

¹²³ CR/PR at Table IV-23. According to data from the World Steel Association, Brazil also had the largest wire rod production (for a category broader than the scope definition) of any of the subject countries, and in 2016 its industry was the sixth-largest wire rod producer globally. *Id.* at Table IV-22.

¹²⁴ CR/PR at Table V-8 note.

out-of-scope wire rod products, we do not find that subject imports from Brazil would likely have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders covering these imports were revoked.

Indonesia. During the original POI, the volume of subject imports from Indonesia increased from 69,805 short tons in 1999 to 86,940 short tons in 2000, then declined to 60,065 short tons in 2001. Market penetration ranged from *** percent to *** percent.¹²⁵ During the period of the first reviews, subject imports from Indonesia declined from 40,863 short tons in 2002 to zero in 2006 and 2007; the highest market penetration was 0.5 percent in 2002.¹²⁶ There were no subject imports from Indonesia from 2006 to 2013.¹²⁷ During the current POR, there were no subject imports from Indonesia.¹²⁸

No producer of wire rod in Indonesia responded to the Commission's questionnaire in these reviews. The estimated production capacity of the wire rod industry in Indonesia was *** short tons in 2020, an increase from *** short tons in 2007.¹²⁹ The capacity utilization rate for what is believed to be the second-largest wire rod producer in Indonesia ranged between *** percent during 2015–2017.¹³⁰ According to GTA data, exports of wire rod from Indonesia increased from 69,982 short tons in 2017 to 94,723 short tons in 2018, then declined to 44,238 short tons in 2019.¹³¹ The largest export markets for wire rod from Indonesia in 2019 were Bangladesh, Australia, and Thailand.¹³²

Subject imports from Indonesia undersold the domestic like product in all three comparisons in the original investigation by an average margin of underselling of *** percent.¹³³ There were no pricing comparisons for the current reviews.

In light of the foregoing, including the Indonesian industry's growing and substantial available capacity, including excess capacity, we do not find that subject imports from Indonesia would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

¹²⁵ CR/PR at C-11.

¹²⁶ CR/PR at C-11.

¹²⁷ CR/PR at C-11, C-14.

¹²⁸ CR/PR at Table IV-1.

¹²⁹ Derived from CR/PR at IV-33 and n.23, Table IV-12 (data for PT Ispat Indo, PT Krakatau Steel, and PT Master Steel).

¹³⁰ CR/PR at Table IV-12.

¹³¹ CR/PR at Table IV-13. GTA data include grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, which are not subject merchandise. *Id.*

¹³² CR/PR at Table IV-13.

¹³³ CR/PR at Table V-8 note.

Mexico. During the original POI, the volume of subject imports from Mexico increased steadily from 122,038 short tons in 1999 to 266,925 short tons in 2001; market penetration increased from *** percent in 1999 to *** percent in 2001.¹³⁴ During the first reviews, subject imports from Mexico declined irregularly from 123,380 short tons in 2002 to 8,244 short tons in 2007 and were present in the U.S. market in each year; market penetration ranged between 0.1 and 1.6 percent.¹³⁵ During the second reviews, subject imports from Mexico increased irregularly from *** short tons in 2008 to 10,333 short tons in 2013 and were present in the U.S. market in each year; market penetration ranged from *** percent to *** percent.¹³⁶ During the current POR, subject imports from Mexico increased steadily from *** short tons in 2017 to *** short tons in 2018 and to *** short tons in 2019.¹³⁷ The share of apparent U.S. consumption of subject imports from Mexico increased steadily from *** percent in 2017 to *** percent in 2018 and to *** percent in 2019.¹³⁸

The Commission received usable questionnaire data from three firms in Mexico that accounted for *** percent of production of subject merchandise in that country in 2019.¹³⁹ The capacity of the responding producers in Mexico increased steadily from *** short tons in 2017 to *** short tons in 2019.¹⁴⁰ Total shipments of wire rod by the responding producers in Mexico decreased steadily from *** short tons in 2017 to *** short tons in 2019.¹⁴¹ The responding producers' capacity utilization rate declined steadily from *** percent in 2017 to *** percent in 2019.¹⁴² On an annual basis during 2017–2019, between *** and *** percent of reporting producers' shipments were exported; no more than *** percent of reporting

¹³⁴ CR/PR at C-11. Data concerning subject import volume from Mexico from the original investigations and both prior reviews do not include the small diameter and smaller diameter wire rod products that Commerce determined respectively in 2016 and 2019 are within the scope of the order on imports of wire rod from Mexico. 81 Fed. Reg. 46051; 84 Fed. Reg. 9089. See CR/PR at C-11, C-14. Imports of small diameter wire rod were subject to the order during the POR and are categorized as subject imports in our data. Imports of smaller diameter wire rod became subject to the order as of February 7, 2018, and are categorized as subject imports in our data beginning on that date.

¹³⁵ CR/PR at C-11.

¹³⁶ CR/PR at C-14.

¹³⁷ CR/PR at Table IV-1.

¹³⁸ CR/PR at Table I-14.

¹³⁹ CR/PR at IV-40.

¹⁴⁰ CR/PR at Table IV-16.

¹⁴¹ CR/PR at Table IV-16.

¹⁴² CR/PR at Table IV-16.

producers' shipments during any year were directed to the United States.¹⁴³ Internal consumption by the Mexican industry as a share of total shipments declined irregularly over the POR from *** percent in 2017 to *** percent in 2019.¹⁴⁴

Subject imports from Mexico undersold the domestic like product in 37 of 46 comparisons in the original investigations by an average margin of underselling of *** percent.¹⁴⁵ In these reviews, subject imports from Mexico undersold the domestic like product in seven of 10 instances by an average margin of underselling of *** percent.¹⁴⁶

We are unpersuaded by Deacero's argument that the record indicates that subject imports from Mexico will likely be constrained to current levels upon revocation. The joint agreement between the United States and Mexico that exempted subject imports from Mexico from additional section 232 duties beginning in May 2019 does not contain quantitative restrictions and instead refers generally to a "surge meaningfully beyond historic volumes of trade over a period of time" as the potential trigger for re-imposing section 232 duties.¹⁴⁷ The record contains no information to support a finding that the joint agreement effectively limits imports of subject merchandise to their current levels.¹⁴⁸ In any event, record data indicate that subject imports from Mexico increased each year of the POR, including 2019, the year the joint agreement became effective.¹⁴⁹ The record also demonstrates that the industry in

¹⁴³ CR/PR at Table IV-16. GTA data, which concern a broader product category than the scope or questionnaire data, indicate that Mexico's largest export markets for wire rod in 2019 were Colombia, Guatemala, and El Salvador. *Id.* at Table IV-18.

¹⁴⁴ CR/PR at Table IV-16.

¹⁴⁵ CR/PR at Table V-8 note.

¹⁴⁶ CR/PR at Table V-8 note.

¹⁴⁷ FR Notices for Section 232 Duties, EDIS Doc. 714736 (July 15, 2020); Deacero Prehear. Br. at exh. 1 (containing a copy of the Joint Statement by the United States and Mexico on Section 232 Duties on Steel and Aluminum). The Joint Statement sets out an agreement between Mexico and the United States that provides for the removal of section 232 duties on imports from Mexico. However, the joint agreement establishes the condition that, "in the event that imports of ... steel products surge meaningfully beyond historic volumes of trade over a period of time, with consideration of market share," the United States may request consultations with Mexico and thereafter reimpose duties of 25 percent for steel in respect of the products that surged. The joint agreement does not specify the mechanism for monitoring whether there is an import surge as described in the agreement. For a discussion of the section 232 tariffs applicable to other subject imports, see section IV.B.4.

¹⁴⁸ Deacero Prehear. Br. at exh. 1, para. 5.

¹⁴⁹ CR/PR at Table IV-1.

Mexico—particularly Deacero—has a continued interest in the U.S. market.¹⁵⁰ Data indicating that the Mexican industry has increased capacity and reduced total shipments (though increased shipments to the United States), and currently has ample excess capacity, belies any conclusion that subject imports from Mexico will likely be constrained to current levels upon revocation.

In light of these considerations, we do not find that subject imports from Mexico would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

Moldova. During the original POI, the volume of subject imports from Moldova decreased irregularly from 190,239 short tons in 1999 to 187,370 short tons in 2001; market penetration increased from *** percent in 1999 and 2000 to *** percent in 2001.¹⁵¹ There were no subject imports from Moldova from 2003 to 2013.¹⁵² During the current POR, there were no subject imports from Moldova.¹⁵³

The lone identified producer of wire rod in Moldova did not respond to the Commission's questionnaire in these reviews. The most recent information concerning the Moldovan producer, which is for all steel products it produces and not merely wire rod, indicates that its capacity utilization was about *** percent in 2017.¹⁵⁴ According to GTA data, exports of wire rod from Moldova increased from 190,764 short tons in 2017 to 249,307 short tons in 2018, then declined to 167,660 short tons in 2019.¹⁵⁵ The largest export markets for wire rod from Moldova in 2019 were Romania, Poland, and Ukraine.¹⁵⁶

¹⁵⁰ In 2017, while such imports were not covered by Commerce's circumvention orders, Deacero USA imported 38,871 tons of smaller diameter wire. CR/PR at Table IV-1 note. This was *** than subject import volumes from Mexico during any year of the POR. CR/PR at Table IV-1.

¹⁵¹ CR/PR at C-11.

¹⁵² CR/PR at C-11, C-14.

¹⁵³ CR/PR at Table IV-1.

¹⁵⁴ CR/PR at IV-47. The most recent information about wire rod operations in Moldova is from 2007, indicating capacity of *** short tons, production of *** short tons, and capacity utilization rate of *** percent; *** percent of shipments were exported. *Id.* at I-47 n.37. The World Steel Association does not report data concerning the wire rod industry in Moldova. *See id.* at Table IV-22.

¹⁵⁵ CR/PR at Table IV-19. GTA data include grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, which are not subject merchandise. *Id.*

¹⁵⁶ CR/PR at Table IV-19.

Subject imports from Moldova undersold the domestic like product in 19 of 22 comparisons in the original investigation by an average margin of underselling of *** percent.¹⁵⁷ There were no pricing comparisons for the current review.

In light of the foregoing, including the Moldovan industry's substantial unused capacity, we do not find that subject imports from Moldova would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

Trinidad and Tobago. During the original POI, the volume of subject imports from Trinidad and Tobago increased irregularly from 341,815 short tons in 1999 to 355,089 short tons in 2001; market penetration increased from *** percent in 1999 to *** percent in 2001.¹⁵⁸ During the first reviews, subject imports from Trinidad and Tobago declined irregularly from 386,419 short tons in 2002 to 95,325 short tons in 2007; market penetration ranged from 1.6 percent to 5.0 percent.¹⁵⁹ During the second reviews, subject imports from Trinidad and Tobago were *** short tons in 2008 (with a *** percent market share) and zero short tons from 2009 to 2013.¹⁶⁰ During the current POR, subject imports from Trinidad and Tobago were *** short tons in 2017 and 2019, and *** short tons in 2018.¹⁶¹

As discussed above, the lone known wire rod-producing mill in Trinidad and Tobago is in liquidation and did not respond to the Commission's questionnaire in this review; the record indicates that production at its facility was idled and its workers were released from their jobs in 2016.¹⁶² ***.¹⁶³ ***.¹⁶⁴

The most recent data concerning the wire rod mill in Trinidad and Tobago is from 2007. These data indicated capacity of *** short tons, capacity utilization of *** percent, and that *** percent of shipments were exported.¹⁶⁵ According to GTA data, exports of wire rod from

¹⁵⁷ CR/PR at Table V-8 note.

¹⁵⁸ CR/PR at C-11.

¹⁵⁹ CR/PR at C-11.

¹⁶⁰ CR/PR at C-14.

¹⁶¹ CR/PR at Table IV-1.

¹⁶² CR/PR at IV-50.

¹⁶³ CR/PR at IV-50. See email from ***, EDIS doc. 711822 (June 3, 2020).

¹⁶⁴ Nucor and CMC Posthear. Br. at exh. 1, pp. 74–75; exh. 16, p. 3 (statement of ***); exh. 18 (letter of ***).

¹⁶⁵ CR/PR at IV-50 n.43. Steel Statistical Yearbook reported wire rod capacity for Trinidad and Tobago in 2015 of 455,000 short tons. *Id.* at Table IV-22.

Trinidad and Tobago were 25 short tons in 2017, 42 short tons in 2018, and 9 short tons in 2019.¹⁶⁶

Subject imports from Trinidad and Tobago undersold the domestic like product in 36 of 52 comparisons in the original investigation by an average margin of underselling of *** percent.¹⁶⁷ There were no pricing comparisons in the current reviews.

We find that the record indicates that there is a likelihood of the wire rod mill in Trinidad and Tobago reopening in the reasonably foreseeable future and resuming its exports to the United States if the order is revoked. We consequently do not find that subject imports from Trinidad and Tobago would likely have no discernible adverse impact on the domestic industry if the antidumping duty order covering these imports were revoked.

D. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.¹⁶⁸ Only a “reasonable overlap” of competition is required.¹⁶⁹ In five-year reviews, the

¹⁶⁶ CR/PR at Table IV-20. GTA data include grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, which are not subject merchandise. *Id.*

¹⁶⁷ CR/PR at Table V-8 note.

¹⁶⁸ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹⁶⁹ *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812–13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom. Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761–62 (Final), USITC Pub. 3098 at 13–15 (Apr. 1998).

relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.¹⁷⁰

In the original investigations, the Commission found that all four factors indicated a likely reasonable overlap of competition.¹⁷¹ Similarly, in both prior reviews, the Commission concluded that there likely would be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the orders were revoked.¹⁷²

Fungibility. In the current reviews, all U.S. producers and majorities of importers and purchasers reported wire rod to be “always” or “frequently” interchangeable in all comparisons involving domestic and subject sources.¹⁷³ In comparing domestic and subject wire rod among 15 factors, pluralities or majorities of purchasers rated the domestic product as comparable to subject imports from Brazil with respect to 11 factors, to subject imports from Indonesia with respect to five, to subject imports from Mexico with respect to 12, to subject imports from Moldova with respect to five, and to subject imports from Trinidad and Tobago with respect to eight.¹⁷⁴ During the POR, most subject imports from Mexico, and most shipments of the domestic like product, were of low industrial/standard wire rod, not specialty grades.¹⁷⁵

Geographic Overlap. In the current reviews, U.S. producers reported selling wire rod to all regions in the contiguous United States, and four of these U.S. producers sold nationwide.¹⁷⁶ The sole responding importer from Mexico during 2017–2019 reported selling ***.¹⁷⁷

Channels of Distribution. In the current reviews, the overwhelming majority of domestically produced wire rod was sold directly to end users.¹⁷⁸ *** wire rod imported from Mexico was also sold directly to end users.¹⁷⁹

¹⁷⁰ See generally *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

¹⁷¹ Original Determinations, USITC Pub. 3546 at 24.

¹⁷² First Review Determinations, USITC Pub. 4014 at 16; Second Review Determinations, USITC Pub. 4472 at 25.

¹⁷³ CR/PR at Table II-12.

¹⁷⁴ CR/PR at Table II-11. There were no purchaser-reported comparisons between imports from different subject countries. *Id.* See *id.* at II-23 (“Purchaser responses were sparse except for comparisons between U.S.-Brazil, U.S.-Mexico, and U.S.-nonsubject.”).

¹⁷⁵ CR/PR at Table IV-2. There were no reported data for imports from the other four subject countries.

¹⁷⁶ CR/PR at Table II-3.

¹⁷⁷ CR/PR at Table II-3.

¹⁷⁸ CR/PR at Table II-2.

Simultaneous Presence in Market. During the 41-month period from January 2017 to May 2020, subject imports from Mexico were reported in 35 months, subject imports from Trinidad and Tobago were reported in one month (April 2018), and subject imports from Brazil, Indonesia, and Moldova were not reported in any month.¹⁸⁰ The domestic like product was present throughout the POR.¹⁸¹

Conclusion. The record in these reviews indicates that there has not been any significant change in the considerations that led the Commission in the original investigations and prior reviews to conclude that there was a reasonable overlap of competition among subject imports and between subject imports and the domestic like product. In particular, the domestic like product and imports from each subject country remain generally interchangeable. There is no indication in the current record that overlaps in channels of distribution, geographic presence in the United States, and simultaneous presence in the market that were present during the original investigations would not recur upon revocation. In light of this and the lack of any contrary argument, we find that there will be a likely reasonable overlap of competition between the domestic like product and subject imports, and among imports from the different subject countries, should the orders be revoked.

E. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would likely compete under similar or different conditions of competition. The record in these reviews continues to indicate a lack of significant distinctions in conditions of competition among these subject countries insofar as they might impact competition in the U.S. market.

Cumulated subject imports continue to be concentrated primarily in low-carbon and high-carbon industrial grade wire rod.¹⁸² The market penetration of four of the five subject

(...Continued)

¹⁷⁹ CR/PR at Table II-2.

¹⁸⁰ CR/PR at Table IV-4.

¹⁸¹ See generally CR/PR at Tables V-3 to V-6.

¹⁸² CR/PR at Table IV-2. No producer or exporter of subject merchandise from Indonesia, Moldova, or Trinidad and Tobago participated in these reviews. Information available does not indicate that production facilities in these countries, as well as in Brazil, have changed their focus from this type of wire rod since the prior reviews. First Review Determinations, USITC Pub. 4014 at 19; Second Review Determinations, USITC Pub. 4472 at 26.

countries increased during the original POI, and the remaining country's market penetration was unchanged.¹⁸³ Under the discipline of the orders, imports from each of these subject countries have been considerably below pre-order levels.¹⁸⁴ Moreover, imports from each of the subject countries predominantly undersold the domestic like product in the original investigations and both prior reviews, except in the first reviews for subject imports from Mexico, which undersold the domestic like product in 26 of 54 possible comparisons.¹⁸⁵ In these reviews, subject imports from Mexico, the only subject imports for which the Commission received pricing product data, undersold the domestic like product in seven of 10 instances.¹⁸⁶ Finally, the facts available indicate that each of the subject industries continues to have significant and, in certain instances, growing quantities of unused capacity.¹⁸⁷

We considered Deacero's arguments that the Commission should exercise its discretion not to cumulate subject imports from Mexico, but find them unpersuasive in light of the considerations discussed above. As explained, the industry in Mexico has some degree of excess capacity, as do the other subject industries currently engaged in production.¹⁸⁸ The availability of excess capacity, as well as its continuing interest in the U.S. market described above in the no discernible adverse impact analysis, indicate that notwithstanding its stated focus on captive production, home market shipments, and exports to Central and South American markets, it has the ability and incentive to increase exports to the U.S. market upon revocation.¹⁸⁹ Furthermore, we disagree that the section 232 joint agreement is a constraint unique to subject imports from Mexico and thus supports decumulating subject imports from Mexico. As discussed above, we are unpersuaded that the record indicates that subject imports from Mexico will likely be constrained to current levels upon revocation. In addition, subject imports from Indonesia, Moldova, and Trinidad and Tobago have generally been subject to section 232 tariffs since March 23, 2018,¹⁹⁰ and subject imports from Brazil have been exempted from additional tariffs under section 232, but since June 1, 2018, have been subject

¹⁸³ Second Review Determinations, USITC Pub. 4472 at 26.

¹⁸⁴ CR/PR at C-11, Table IV-1.

¹⁸⁵ CR/PR at Table V-8 note.

¹⁸⁶ CR/PR at Table V-8.

¹⁸⁷ CR/PR at IV-33 n.23, IV-47 n.37, IV-50 n.43, Tables IV-9, IV-16. This will include the industry in Trinidad and Tobago upon its likely resumption of operation.

¹⁸⁸ The capacity utilization rate of the industry in Mexico declined steadily from *** percent in 2017 to *** percent in 2019. CR/PR at Table IV-16.

¹⁸⁹ During the current POR, subject imports from Mexico increased steadily from *** short tons in 2017 to *** short tons in 2018 and to *** short tons in 2019. CR/PR at Table IV-1.

¹⁹⁰ CR/PR at I-28, F-3 to F-4.

to an annual quota limit of 104,221 short tons.¹⁹¹ Thus, while the measures applicable to subject producers vary somewhat between subject countries, all are affected by section 232 actions.

Based on these considerations, we find that the record in these reviews does not indicate that there would likely be any significant difference in the conditions of competition among subject imports upon revocation of the orders.

F. Conclusion

Based on the record, we find that subject imports from each of the five subject countries would not be likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product and that imports from each of the subject countries are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹⁹² The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the

¹⁹¹ CR/PR at I-28, F-3 to F-4.

¹⁹² 19 U.S.C. § 1675a(a).

elimination of its restraining effects on volumes and prices of imports.”¹⁹³ Thus, the likelihood standard is prospective in nature.¹⁹⁴ 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.¹⁹⁵

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.”¹⁹⁶ 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.”¹⁹⁷

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended

¹⁹³ SAA at 883–84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

¹⁹⁴ 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.

¹⁹⁵ 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’”).

¹⁹⁶ 19 U.S.C. § 1675a(a)(5).

¹⁹⁷ 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.*

investigation is terminated.”¹⁹⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).¹⁹⁹ 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.²⁰⁰

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.²⁰¹ 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.²⁰²

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.²⁰³

¹⁹⁸ 19 U.S.C. § 1675a(a)(1).

¹⁹⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the imposition of the orders. CR/PR at I-18 n.27.

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

²⁰¹ 19 U.S.C. § 1675a(a)(2).

²⁰² 19 U.S.C. § 1675a(a)(2)(A–D).

²⁰³ 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.

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.²⁰⁴ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.²⁰⁵

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.”²⁰⁶ The following conditions of competition inform our determinations. Many of the conditions of competition that were relevant in the original investigations and both prior reviews remain pertinent in the current reviews.

1. Findings in the Prior Proceedings

In the original determinations, the Commission characterized wire rod as an intermediate product used to make a variety of products. It stated that there was a continuum

²⁰⁴ 19 U.S.C. § 1675a(a)(4).

²⁰⁵ 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.

²⁰⁶ 19 U.S.C. § 1675a(a)(4).

of wire rod products.²⁰⁷ Apparent U.S. consumption of wire rod, measured by quantity, declined from 1999 to 2001. Purchasers asserted that a reason for the decline in demand was increased imports of downstream products incorporating wire rod.²⁰⁸ At the time of the original determinations, the domestic industry consisted of 12 producers. The producers were dispersed geographically, and most individual producers produced a variety of products. Five domestic producers experienced bankruptcies or partial to full shutdowns of their wire rod operations late in the period examined.²⁰⁹

The Commission stated that most purchasers reported that subject imports from most sources and the domestic like product were used in the same applications. Purchasers identified quality, price, and availability, in that order, as the most important factors in selecting a supplier.²¹⁰ The share of the U.S. market held by nonsubject imports was relatively stable from 1999 to 2001. Wire rod imports from all countries except Canada and Mexico were subject to a tariff rate quota imposed effective March 1, 2000, as a safeguard measure under section 203(a)(3) of the Trade Act of 1974.²¹¹

In the first reviews, apparent U.S. consumption of wire rod, measured by quantity, was lower at the end of the period examined than at its inception, but fluctuated on an annual basis.²¹² Market participants cited several different reasons for decreases in U.S. demand, including declines in construction activity, a weakened U.S. automotive market, and increases in imports of finished downstream wire products.²¹³ Since the original investigations, several U.S. firms had declared bankruptcy or closed operations, while others had reorganized or merged.²¹⁴ Several U.S. producers had expanded or made improvements to their production operations, and as a result, domestic capacity was greater at the end of the reviews than during the original investigations.²¹⁵ Two significant domestic wire rod producers, ArcelorMittal USA and Gerdau Ameristeel, were affiliated with producers of subject merchandise.²¹⁶

²⁰⁷ Original Determinations, USITC Pub. 3546 at 23.

²⁰⁸ Original Determinations, USITC Pub. 3546 at 24.

²⁰⁹ Original Determinations, USITC Pub. 3546 at 24.

²¹⁰ Original Determinations, USITC Pub. 3546 at 25.

²¹¹ Original Determinations, USITC Pub. 3546 at 25–26.

²¹² First Review Determinations, USITC Pub. 4014 at 25.

²¹³ First Review Determinations, USITC Pub. 4014 at 25.

²¹⁴ First Review Determinations, USITC Pub. 4014 at 26.

²¹⁵ First Review Determinations, USITC Pub. 4014 at 26.

²¹⁶ First Review Determinations, USITC Pub. 4014 at 26.

The Commission stated that most market participants reported that subject imports from most sources and the domestic like product were highly substitutable, particularly for industrial grades.²¹⁷ Low carbon industrial quality wire rod constituted the majority of shipments of the domestic industry and imports from all subject countries except Canada.²¹⁸ The share of the U.S. market held by nonsubject imports dropped sharply in 2007 due to a change in Chinese export tax policies affecting wire rod.²¹⁹ Throughout the period examined, subject imports supplied smaller quantities of wire rod to the U.S. market than did either the domestic industry or nonsubject sources.²²⁰ Canada continued to be the largest supplier of subject imports.²²¹

In the second reviews, apparent U.S. consumption in 2013 was *** percent below the pre-recession levels of 2008.²²² The majority of market participants noted the negative effect of the 2009 recession, with some indicating that demand, particularly in the construction market, had not returned to the pre-recession levels despite some recovery.²²³ There were 10 U.S. producers of wire rod, with seven of these firms internally transferring some of their wire rod production for the manufacture of downstream products.²²⁴ The domestic industry's production capacity decreased to a level in 2013 that was 8.5 percent lower than that reported for 2008.²²⁵ One substantial domestic wire rod producer, ArcelorMittal USA, was affiliated with producers of subject merchandise.²²⁶

During the second reviews, the domestic industry was the largest supplier of wire rod to the U.S. market.²²⁷ The share of the U.S. market held by nonsubject imports, the next largest supplier, increased *** percentage points from 2008 to 2013.²²⁸ The leading source of nonsubject imports was China, which accounted for 36.4 percent of total imports in 2013; these

²¹⁷ First Review Determinations, USITC Pub. 4014 at 27.

²¹⁸ First Review Determinations, USITC Pub. 4014 at 27.

²¹⁹ First Review Determinations, USITC Pub. 4014 at 27.

²²⁰ First Review Determinations, USITC Pub. 4014 at 27.

²²¹ First Review Determinations, USITC Pub. 4014 at 27.

²²² Second Review Determinations, USITC Pub. 4472 at 35; Confidential Second Review Determinations at 55.

²²³ Second Review Determinations, USITC Pub. 4472 at 35.

²²⁴ Second Review Determinations, USITC Pub. 4472 at 36.

²²⁵ Second Review Determinations, USITC Pub. 4472 at 36.

²²⁶ Second Review Determinations, USITC Pub. 4472 at 11.

²²⁷ Second Review Determinations, USITC Pub. 4472 at 36.

²²⁸ Second Review Determinations, USITC Pub. 4472 at 36; Confidential Second Review Determinations at 57.

imports were subject to ongoing antidumping and countervailing duty investigations.²²⁹ The second-largest source of nonsubject imports was Canada.²³⁰ The share of the U.S. market held by subject imports from Mexico was low throughout the period examined.²³¹ There were no reported U.S. imports of subject wire rod from Brazil, Indonesia, Moldova, and Ukraine, and subject imports from Trinidad and Tobago ceased after 2008.²³²

The Commission stated that domestically produced wire rod and subject imports of the same type, particularly in the same industrial quality grades, tend to be highly substitutable.²³³ For specialty grades, however, the Commission found that not all sources could produce each product and differences in wire rod with the same specifications could limit the degree of substitution.²³⁴ Low industrial/standard and high industrial/standard constituted the majority of shipments of the domestic industry (77.0 percent) and subject imports from Mexico (100 percent) in 2013.²³⁵ The price of steel scrap fluctuated during the period examined, and electricity prices experienced no significant net changes.²³⁶

2. Demand Conditions

U.S. demand for wire rod depends on the demand for a variety of U.S.-produced downstream products.²³⁷ End uses previously identified by firms include fasteners, wire garment hangers, wire mesh, nails, concrete reinforcing mesh, baling wire, industrial wire, tire cord/bead, shelving wire, sod staples, suspension springs, and PC strand.²³⁸ Apparent U.S. consumption during the POR was *** short tons in 2017, *** short tons in 2018, and *** short

²²⁹ Second Review Determinations, USITC Pub. 4472 at 36. In January 2015, the Commission determined that a domestic industry was materially injured by reason of dumped and subsidized imports of wire rod from China. *See Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 (Jan. 2015). *See also Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Review), USITC Pub. 5064 (June 2020).

²³⁰ Second Review Determinations, USITC Pub. 4472 at 36.

²³¹ Second Review Determinations, USITC Pub. 4472 at 37.

²³² Second Review Determinations, USITC Pub. 4472 at 36–37.

²³³ Second Review Determinations, USITC Pub. 4472 at 37.

²³⁴ Second Review Determinations, USITC Pub. 4472 at 37.

²³⁵ Second Review Determinations, USITC Pub. 4472 at 37.

²³⁶ Second Review Determinations, USITC Pub. 4472 at 38.

²³⁷ CR/PR at II-11.

²³⁸ CR/PR at II-11. Twenty-six of 56 firms reported that the wire rod market was subject to business cycles. *Id.* at II-12. A majority of firms reported that the wire rod market was not subject to unique conditions of competition. *Id.* at II-15.

tons in 2019, a decrease of *** percent from 2017 to 2019.²³⁹ Apparent U.S. consumption in 2019 was the lowest of any year on record in these reviews except for the two years immediately following the 2008 financial crisis.²⁴⁰ The majority of responding U.S. producers and purchasers anticipate a decrease in future demand for wire rod within the United States due to the general continued decline in manufacturing in the United States, the effects of COVID-19, and increasing competition from imports of downstream finished products.²⁴¹

3. Supply Conditions

The domestic industry was the largest source of supply to the U.S. market during the POR. The domestic industry's market share increased steadily from *** percent in 2017 to *** percent in 2019.²⁴² The domestic industry's capacity increased steadily from 4.7 million short tons in 2017 to 5.4 million short tons in 2019.²⁴³ The industry's reported capacity utilization declined steadily from 82.3 percent in 2017 to 70.5 percent in 2019.²⁴⁴

The domestic industry has undergone several structural changes during the POR. ArcelorMittal closed its wire rod mill in Georgetown, South Carolina, in 2015.²⁴⁵ Liberty acquired that plant in 2017, as well as the facilities of another wire rod producer, Keystone, in 2019.²⁴⁶ Liberty resumed production of wire rod at the Georgetown plant in July 2018, but temporarily idled the plant in April 2020.²⁴⁷ In 2018, Optimus purchased Gerdau's wire rod mill in Beaumont, Texas; and CMC purchased Gerdau's wire rod mill in Jacksonville, Florida.²⁴⁸ Most

²³⁹ CR/PR at C-3 and Table I-15.

²⁴⁰ CR/PR at C-10 and C-14.

²⁴¹ CR/PR at II-16 and Table II-5. See CLOE Posthear. Br. at exh. 1, pp. 10–11, 15; exh. 12; exh. 13; exh. 16.

²⁴² CR/PR at Table I-15.

²⁴³ CR/PR at Table III-4.

²⁴⁴ CR/PR at Table III-4.

²⁴⁵ CR/PR at Tables III-1, III-2.

²⁴⁶ CR/PR at Tables III-1, III-2.

²⁴⁷ CR/PR at Tables III-1, III-2.

²⁴⁸ CR/PR at Tables III-1, III-2.

U.S. producers and importers did not report any supply constraints.²⁴⁹ The majority of responding purchasers reported that they have experienced supply constraints since 2014.²⁵⁰

Nonsubject imports were the largest source of import supply to the U.S. market during the POR. Nonsubject imports' market share decreased steadily from *** percent in 2017 to *** percent in 2019.²⁵¹ The largest sources of nonsubject imports in 2019 were Canada, Japan, and Egypt.²⁵² Nonsubject imports from 11 countries are currently subject to antidumping and countervailing duty orders, and orders on imports of wire rod from 10 of those countries were imposed in 2018.²⁵³

Subject imports from Mexico were the only subject imports present in the U.S. market during each year of the POR. The market share of subject imports from Mexico was *** percent in 2017, *** percent in 2018, and *** percent in 2019.²⁵⁴ Because there was not an appreciable volume of imports from any other subject source during the POR, the market share for cumulated subject imports each year was the same as the market share for subject imports from Mexico.²⁵⁵

²⁴⁹ CR/PR at II-10.

²⁵⁰ CR/PR at II-10. Seventeen of 27 responding purchasers reported that they experienced these supply constraints. *Id.* Several purchasers reported that domestic producers were unable to supply their requirements at the onset of section 232 tariffs in 2018 and that domestic producers began allocations, resulting in a rise in price. *Id.* Purchaser *** reported that domestic producers *** refused to produce 4.75 mm wire rod. *Id.* Commission staff contacted 12 domestic producers, including all Domestic Producers, and requested that they provide data on any production of wire rod with a diameter of less than 5 mm during 2017–19. Ten firms responded, and *** reported production of the pertinent wire rod. ***. CR/PR at I-40 n.70. Optimus stated that it is an economic decision whether to produce 4.75 mm wire rod when 5.0 mm and 5.5 mm wire rod can produce the same end wire product. *Id.* at 64.

²⁵¹ CR/PR at Table I-15.

²⁵² CR/PR at I-10.

²⁵³ See *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Review), USITC Pub. 5064 (June 2020); *Carbon and Certain Alloy Steel Wire Rod from Belarus, Russia, and the United Arab Emirates*, Inv. Nos. 731-TA-1349, 1352, and 1357 (Final), USITC Pub. 4752 (Jan. 2018); *Carbon and Certain Alloy Steel Wire Rod from South Africa and Ukraine*, Inv. Nos. 731-TA-1353 and 1356 (Final), USITC Pub. 4766 (March 2018); *Carbon and Certain Alloy Steel Wire Rod from Italy, Korea, Spain, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-573–574 and 731-TA-1350–1351, 1354–1355, and 1358 (Final), USITC Pub. 4782 (May 2018).

²⁵⁴ CR/PR at Table I-15.

²⁵⁵ CR/PR at Table I-15. As previously stated, there were small amounts of subject imports from Trinidad and Tobago in 2017. There were no subject imports from Brazil, Indonesia, or Moldova any time during the POR. *Id.*

4. Substitutability and Other Conditions

As previously stated, all U.S. producers and majorities of importers and purchasers reported wire rod to be “always” or “frequently” interchangeable in all comparisons involving domestic and subject sources.²⁵⁶ Most responding purchasers reported that domestically produced wire rod and imports from each subject country were comparable, or that domestically produced wire rod was superior, on most purchasing factors except for price.²⁵⁷ Responding purchasers ranked price as one of the most important factors in purchasing decisions, along with availability and reliability of supply.²⁵⁸ Twenty-four of 28 responding purchasers reported that price was a very important factor in purchasing decisions, and 27 of 28 purchasers reported that they sometimes or usually purchase the lowest-priced product.²⁵⁹ Accordingly, we find that price is an important factor in purchasing decisions for wire rod and that there is a high degree of substitutability between domestically produced wire rod and subject imports of the same type, particularly in the same industrial-quality grades.

The primary raw materials used in the production of wire rod are billets produced from steel scrap.²⁶⁰ The ratio of domestic producers’ raw material costs to the cost of goods sold (“COGS”) was 63.6 percent in 2017, 63.6 percent in 2018, and 59.0 percent in 2019.²⁶¹ Steel scrap prices fluctuated between January 2014 and May 2020 and ended the period lower.²⁶² U.S. natural gas and electricity prices also decreased during the period.²⁶³

As discussed above in section III.E, subject imports from Indonesia, Moldova, and Trinidad and Tobago are currently subject to section 232 tariffs, and subject imports from Brazil are not currently subject to such tariffs but are subject to an annual quota.²⁶⁴ Subject imports from Mexico have been exempted from additional duties under section 232 except for the period between June 1, 2018, and May 19, 2019; the current exemption is pursuant to a joint agreement between the United States and Mexico.²⁶⁵ Commerce has granted certain exclusion

²⁵⁶ CR/PR at Table II-12.

²⁵⁷ CR/PR at Table II-11.

²⁵⁸ CR/PR at Table II-8.

²⁵⁹ CR/PR at II-20 and Table II-7.

²⁶⁰ CR/PR at V-1.

²⁶¹ CR/PR at Table III-10.

²⁶² CR/PR at V-1 and Table V-1.

²⁶³ CR/PR at V-2.

²⁶⁴ CR/PR at I-28, F-3 to F-4.

²⁶⁵ CR/PR at I-28, F-3.

requests from section 232 tariffs for select wire rod products, the greatest proportion of which has been for alloy wire rod.²⁶⁶

C. Likely Volume of Subject Imports

1. Prior Proceedings

In the original investigations, the Commission found that cumulated subject import volume and market penetration rose during the POI.²⁶⁷ The volume of subject imports increased from 2000 to 2001 despite a simultaneous decline in apparent U.S. consumption.²⁶⁸ The increase in market share by cumulated subject imports came at the expense of the domestic industry.²⁶⁹ Accordingly, the Commission found that the volume of cumulated subject imports, and the increase in that volume, to be significant in absolute terms and relative to production and consumption in the United States.²⁷⁰ In its determination on subject imports from Trinidad and Tobago, the Commission observed that Trinidad and Tobago was the second- or third-largest source of subject imports during the POI.²⁷¹ It indicated that the volume and market penetration of subject imports from Trinidad and Tobago increased during the POI and that those subject imports were concentrated in low industrial/standard products, which were very price sensitive.²⁷² The Commission found that, in light of the price-sensitive market, the volume of subject imports from Trinidad and Tobago was significant.²⁷³

In the first reviews, the Commission found that the orders had a substantial restraining effect on imports from the subject countries as the quantity of subject imports and their share of apparent U.S. consumption fell sharply after the imposition of the orders.²⁷⁴ The industries in the subject countries were substantial and had considerable unused capacity.²⁷⁵ The Commission found that the United States was the world's largest market for wire rod in 2006, that the subject countries cumulatively exported substantial quantities of wire rod during the

²⁶⁶ CR/PR at Table I-10.

²⁶⁷ Original Determinations, USITC Pub. 3546 at 28.

²⁶⁸ Original Determinations, USITC Pub. 3546 at 28.

²⁶⁹ Original Determinations, USITC Pub. 3546 at 28.

²⁷⁰ Original Determinations, USITC Pub. 3546 at 29.

²⁷¹ Original Determinations, USITC Pub. 3546 at 36.

²⁷² Original Determinations, USITC Pub. 3546 at 36.

²⁷³ Original Determinations, USITC Pub. 3546 at 36–37.

²⁷⁴ First Review Determinations, USITC Pub. 4014 at 28–29.

²⁷⁵ First Review Determinations, USITC Pub. 4014 at 29–30.

POR, and that the United States had been among the highest-priced markets during most of the POR.²⁷⁶ Accordingly, the Commission determined that producers in the subject countries would be likely to direct substantial quantities of unused and new capacity to the U.S. market if the orders were revoked.²⁷⁷

In the second reviews, there were very limited volumes of subject imports during the period examined, and the share of apparent U.S. consumption held by cumulated subject imports was *** in each year of the period.²⁷⁸ The Commission found that production capacity in the cumulated subject countries in 2013 was substantial and exceeded apparent U.S. consumption that year.²⁷⁹ The Commission also found considerable unused capacity in the cumulated subject countries and that production capacity was expected to increase in the reasonably foreseeable future.²⁸⁰

The Commission found that subject producers would likely direct significant quantities of wire rod to the U.S. market should the orders be revoked.²⁸¹ It observed that, throughout the period examined, the United States continued to be one of the largest and highest-priced

²⁷⁶ First Review Determinations, USITC Pub. 4014 at 30–31.

²⁷⁷ First Review Determinations, USITC Pub. 4014 at 32. In doing so, the Commission rejected respondents' argument that the United States was an unattractive market because prices were lower than in other markets, finding that significant excess capacity allowed producers to supply the U.S. market without diverting exports from any other markets and that no respondent had argued that a subject producer could not profitably sell subject merchandise in the United States upon revocation. *Id.* at 31. The Commission likewise rejected respondents' arguments that Gerdau and ArcelorMittal would not likely increase exports in a manner that would impair the operations of their domestic production affiliates. *Id.* at 31–32. Specifically, the Commission found that, given that Gerdau did not act as a single entity, the record did not support respondents' assertions that the affiliation with a U.S. producer would materially restrain exports to the United States. *Id.* at 31–32. Although ArcelorMittal did act as a single entity in the United States, the Commission found that, even assuming that ArcelorMittal's corporate structure would deter it from exporting large quantities of subject merchandise upon revocation, much of the unused and additional capacity in the subject countries was attributable to companies not controlled by ArcelorMittal. *Id.* at 32.

²⁷⁸ Second Review Determinations, USITC Pub. 4472 at 39; Confidential Second Review Determinations at 61. Commissioner Johanson cumulated subject imports from Brazil, Indonesia, Moldova, Trinidad and Tobago, and Ukraine. Second Review Determinations, USITC Pub. 4472 at 39 n.272. He found that there were similarly very limited volumes of these cumulated subject imports during the POR. *Id.* He found that subject imports for the subject countries he cumulated would likely be equally as significant as the countries that the majority cumulated because the aggregated capacity and excess capacity were even higher. *Id.*

²⁷⁹ Second Review Determinations, USITC Pub. 4472 at 39–40.

²⁸⁰ Second Review Determinations, USITC Pub. 4472 at 40.

²⁸¹ Second Review Determinations, USITC Pub. 4472 at 40.

markets for wire rod imports and the cumulated subject countries exported substantial quantities of wire rod.²⁸² It also observed that subject producers continued to demonstrate interest in the U.S. market, as evidenced by their exports of out-of-scope wire rod products and ready access to U.S. distribution networks.²⁸³ Given the cumulated subject producers' excess capacity, likely capacity increases, and overall export orientation, as well as the size and relative attractiveness of the U.S. market, the Commission concluded that cumulated subject import volume would likely be significant, in absolute terms and relative to U.S. consumption, upon revocation of the orders.²⁸⁴

2. Current Reviews

As discussed above, under the discipline of the orders, cumulated subject import volume continued to be limited during the current POR.²⁸⁵ Cumulated subject imports were *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019.²⁸⁶ Their share of apparent U.S. consumption was *** percent in 2017, *** percent in 2018, and *** percent in 2019.²⁸⁷

Production capacity in the cumulated subject countries is substantial. The reported aggregate capacity of producers in Brazil, Indonesia, Mexico, and Moldova was *** short tons

²⁸² Second Review Determinations, USITC Pub. 4472 at 40–41.

²⁸³ Second Review Determinations, USITC Pub. 4472 at 41–42. These out-of-scope exports included out-of-scope wire rod from Brazil and Mexico. *Id.* at 41 n.280.

²⁸⁴ Second Review Determinations, USITC Pub. 4472 at 42.

²⁸⁵ CR/PR at C-11, C-14. Data collected during the original investigations and both prior reviews on subject import volumes from Mexico, and therefore cumulated subject import volumes, do not include the small diameter and smaller diameter wire rod products that Commerce determined respectively in 2016 and 2019 are within the scope of the order on imports of wire rod from Mexico. 81 Fed. Reg. 46051; 84 Fed. Reg. 9089. We also note that imports of all wire rod from Mexico, in sizes having diameters of less than or greater than 5mm, decreased immediately after the circumvention rulings by Commerce, further indicating the disciplining effects of the order. CR/PR at IV-3.

²⁸⁶ CR/PR at Table I-15.

²⁸⁷ CR/PR at Table I-15.

in 2019.²⁸⁸ Thus, the total reported capacity of producers in cumulated subject countries exceeds the *** short tons of apparent U.S. consumption in 2019.²⁸⁹ Moreover, the record contains information on reported or planned increases in capacity of some of the subject industries.²⁹⁰ There is also considerable unused capacity in the cumulated subject countries. The questionnaire data—which substantially understate actual unused capacity because they reflect operations in only two of the four subject countries and not all producers in those countries—whose industries currently produce wire rod—indicate aggregate unused capacity of *** short tons in 2019.²⁹¹

We find that producers in the subject countries would likely direct significant quantities of wire rod to the U.S. market should the pertinent orders be revoked.²⁹² Throughout the POR,

²⁸⁸ CR/PR at IV-22. These reported data are likely understated. Indonesian, Moldovan, and certain Brazilian producers did not respond to the Commission’s questionnaire, and consequently the total is based on available questionnaire data for Brazil and public data for a single Indonesian producer. *Id.* In addition, we note that the production facility in Trinidad and Tobago was idle during the POR, and our tabulation of cumulated subject country capacity data during the POR takes this circumstance into account. *Id.* That production facility had an estimated capacity during the second reviews of *** short tons. *Id.*

²⁸⁹ CR/PR at Table I-15.

²⁹⁰ Specifically, regarding the subject industry in Indonesia, ***. *Id.* ***. *Id.* Regarding the subject industry in Mexico, ***. *Id.* at Table IV-15.

²⁹¹ Derived from CR/PR at Tables IV-9, IV-16.

²⁹² Deacero argues that if the order on wire rod from Mexico were revoked, subject imports would be at a level too low to be injurious to the domestic industry. Deacero Prehear. Br. at 25. Deacero also made these arguments specifically with regard to small and smaller diameter wire rod from Mexico. Deacero Posthear. Br. at 8. These arguments are premised on an individual analysis of subject imports from Mexico, but as explained above, we have exercised our discretion to cumulate subject imports for our analysis. See section III.F. They are also premised on the view that subject producers in Mexico lack the capability or incentive to increase their exports to the U.S. market upon revocation. We rejected these arguments in our discussion above regarding the likelihood of no discernible adverse impact. Furthermore, import volumes of small diameter and smaller diameter wire rod declined once those products became subject to the order on imports of wire rod from Mexico following Commerce’s circumvention rulings. CR/PR at IV-3. This indicates that, absent the discipline of the order, these imports would have continued at a higher level.

Deacero further argues that imports of wire rod from Mexico shipped via rail or truck are “significantly more expensive” than wire rod from Asia and Europe shipped via water, which limits its sales to certain U.S. geographic markets. Hearing Tr. at 145–46; Deacero Posthear. Br., Answers to Commissioner Questions at 13–14. These arguments are not supported by the record or Deacero’s actual exports of wire rod with diameters of less than 5mm to points in the United States, such as Michigan, not adjacent to the U.S.-Mexican border. Deacero Posthear. Br. at exh. 19 (statements of ***).

the United States continued to be one of the largest markets for wire rod imports.²⁹³ The cumulated subject countries, in the aggregate, exported substantial quantities of wire rod during the POR.²⁹⁴ In addition, the record in these reviews indicates that the United States has been among the highest-priced markets for wire rod during most of the POR.²⁹⁵ Moreover, we observe that subject producers continue to demonstrate interest in the U.S. market, as is evidenced by their exports of out-of-scope wire rod products²⁹⁶—also demonstrating a ready access to U.S. distribution networks.

On a cumulated basis, subject producers have the means and the incentive to export subject merchandise to the U.S. market in significant volumes within a reasonably foreseeable time if the orders were revoked. Given the cumulated subject producers' excess capacity and overall export orientation, and the size and relative attractiveness of the U.S. market, we conclude cumulated subject import volumes will likely be significant, both in absolute terms and relative to U.S. consumption, upon revocation.^{297 298}

²⁹³ Hearing Tr. at 29, 96.

²⁹⁴ CR/PR at Table IV-23. The data in this table may include some wire products that are not subject merchandise. *Id.* at Table IV-23 note. The record indicates that the industries in the subject countries have the capacity to shift exports between markets. CR/PR at Tables IV-11, IV-13, and IV-18 to IV-20.

²⁹⁵ CR/PR at Table IV-24. Prices in Canada closely followed U.S. prices during the POR, with the price differential ranging between \$*** higher than U.S. prices in February 2018 and \$*** lower than U.S. prices in January 2019. Since May 2018, Canadian prices have trended lower than U.S. prices, but the gap has fluctuated since late 2019. *Id.* at IV-61. In Europe, wire rod prices have been markedly lower than U.S. prices since 2018. *Id.* With regard to Asian markets, Chinese market prices were consistently lower than U.S. prices, by \$*** per short ton, from January 2017 to May 2020. *Id.* Korean wire rod market prices were below those in the United States over the same period, by \$***. *Id.* Japanese market prices were below U.S. prices from January 2017 to October 2019, temporarily exceeded U.S. prices, then fell again below U.S. price levels. *Id.*

²⁹⁶ In particular, the U.S. market continued to be the largest export market for out-of-scope wire rod imports from Brazil during the POR. CR/PR at Table IV-11. Similarly, subject imports and certain out-of-scope wire rod imports from Mexico that were subsequently found to be subject imports were present in the U.S. market throughout the POR. CR/PR at Tables I-15, IV-16. We find that the continued presence of wire rod imports from Mexico since the original investigations and during the POR demonstrates that the U.S. market continues to be viewed by Mexican producers as an attractive market. See CR/PR at C-11, C-14.

²⁹⁷ We have also considered several other statutory factors in our analysis of likely subject import volume. Reported end-of-period inventories of subject merchandise for 2019 maintained in Brazil and Mexico were *** short tons. CR/PR at Tables IV-9 and IV-16. U.S. inventories of subject merchandise were present in the United States in small amounts throughout the POR. U.S. importers' inventories of subject imports from Mexico were *** short tons in 2017, *** short tons in 2018, and *** short tons in 2019. *Id.* at Table IV-6.

D. Likely Price Effects

1. Prior Proceedings

In the original investigations, the Commission found significant underselling of the domestic like product by cumulated subject imports.²⁹⁹ Cumulated subject imports undersold the domestic like product in approximately two-thirds of all comparisons, and the Commission highlighted the consistently high underselling margins of subject imports from Brazil, Moldova, and Ukraine.³⁰⁰ The Commission further concluded that subject imports suppressed prices to a significant degree, as the domestic industry could not raise prices to cover increased costs.³⁰¹ In its determination on subject imports from Trinidad and Tobago, the Commission emphasized the nature of the price competition and found that the domestic like product and subject imports from Trinidad and Tobago were concentrated in the price-sensitive low industrial/standard category.³⁰² The Commission found significant underselling, with subject imports from Trinidad and Tobago underselling the domestic like product in 70.8 percent of

(...Continued)

The record indicates that there are existing or potential barriers to exports of wire rod applicable to wire rod from four subject countries. Specifically, the record indicates that Chile imposed a safeguard measure against imports of wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago in 2016; that the European Union imposed a safeguard measure against imports of wire rod from Moldova in 2019; and that Mexico imposed a safeguard measure against imports of wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago in 2019. *Id.* at Table IV-21.

Some producers in the cumulated subject countries reported producing other products in the same facilities where they produce wire rod during the POR. Specifically, *** using shared equipment and machinery. *Id.* at Tables IV-10, IV-17.

²⁹⁸ We find that section 232 tariffs are not likely appreciably to impede increased volumes of cumulated subject imports upon revocation of the orders. Imports from Brazil and Mexico are not currently subject to additional tariffs pursuant to section 232, although imports from Brazil are currently subject to a quota. As previously discussed, the joint agreement between the United States and Mexico contains no express quantitative limits on exports of wire rod and the record in these reviews contains no information to support a finding that the joint agreement effectively limits imports of subject merchandise to their current levels.

Moreover, subject imports from the five subject countries declined in response to the antidumping and countervailing duty orders well before the imposition of section 232 tariffs. *See generally* CR/PR at Table I-2. We find that the U.S. market is sufficiently attractive to encourage subject producers to again export significant quantities of wire rod in the absence of the antidumping and countervailing duty orders notwithstanding section 232 tariffs.

²⁹⁹ Original Determinations, USITC Pub. 3546 at 30.

³⁰⁰ Original Determinations, USITC Pub. 3546 at 29–30.

³⁰¹ Original Determinations, USITC Pub. 3546 at 31.

³⁰² Original Determinations, USITC Pub. 3546 at 38.

quarterly comparisons.³⁰³ It further found that subject imports from Trinidad and Tobago had significant price-suppressing effects, for reasons paralleling those presented in the cumulated analysis.³⁰⁴

In the first reviews, the Commission found that price played an important role in purchasing decisions and that industrial grades of wire rod, in which the domestic like product and cumulated subject imports tended to be concentrated and considered good substitutes, were highly price sensitive.³⁰⁵ The Commission found that, upon revocation, the quantities of additional cumulated subject imports would likely exceed greatly any amount needed to rectify short supply conditions and, therefore, importers would need to sell on the basis of price, not merely availability.³⁰⁶ In light of the likely volume of cumulated subject imports and their historic pattern of underselling, the Commission concluded that significant underselling was likely upon revocation.³⁰⁷ It further found that cumulated subject imports would likely have significant price-suppressing or -depressing effects.³⁰⁸ The Commission observed that raw material costs and the ratio of cost of goods sold to net sales increased during the period examined and that significant quantities of low-priced subject imports would likely exacerbate the domestic industry's inability to raise prices commensurately with increases in costs.³⁰⁹ Thus, the Commission concluded that cumulated subject imports were likely to have significant price effects.³¹⁰

In the second reviews, the Commission continued to find that price played a very important role in purchasing decisions and the market for industrial grades of wire rod was price sensitive.³¹¹ Cumulated subject imports undersold the domestic like product in 30 out of

³⁰³ Original Determinations, USITC Pub. 3546 at 38.

³⁰⁴ Original Determinations, USITC Pub. 3546 at 38–39.

³⁰⁵ First Review Determinations, USITC Pub. 4014 at 33.

³⁰⁶ First Review Determinations, USITC Pub. 4014 at 33–34.

³⁰⁷ First Review Determinations, USITC Pub. 4014 at 34.

³⁰⁸ First Review Determinations, USITC Pub. 4014 at 34.

³⁰⁹ First Review Determinations, USITC Pub. 4014 at 34.

³¹⁰ First Review Determinations, USITC Pub. 4014 at 34.

³¹¹ Second Review Determinations, USITC Pub. 4472 at 43.

37 instances, with margins of underselling ranging from *** to *** percent.³¹² The Commission found that significant underselling was likely if the antidumping and countervailing duty orders were revoked and that this underselling would likely cause the domestic industry to consider reducing its prices or foregoing price increases to maintain market share.³¹³ It concluded that cumulated subject imports would likely undersell the domestic like product to a significant degree to gain market share and would likely have significant price-depressing or -suppressing effects.³¹⁴

2. Current Reviews

As previously stated, we find that price is an important factor in purchasing decisions for wire rod and that there is a high degree of substitutability between the domestic like product and subject imports, particularly within the same industrial-quality grades.

The Commission requested pricing data for four pricing products in these reviews.³¹⁵ Ten U.S. producers and one importer provided usable pricing data for sales of the requested

³¹² Second Review Determinations, USITC Pub. 4472 at 43; Confidential Second Review Determinations at 66–67. The only subject import pricing data concerned products from Mexico. Second Review Determinations, USITC Pub. 4472 at 43; Confidential Second Review Determinations at 66. Commissioner Johanson cumulated subject imports from Brazil, Indonesia, Moldova, Trinidad and Tobago, and Ukraine and observed that there were no pricing data for the period examined concerning the subject imports he cumulated. Second Review Determinations, USITC Pub. 4472 at 43 n.287. He found that these cumulated subject imports would likely have significant price effects because they undersold the domestic like product in 117 of 146 available quarterly comparisons (80 percent) in the original investigations and in 25 of 31 available quarterly comparisons (81 percent) in the first reviews. *Id.*

³¹³ Second Review Determinations at 44.

³¹⁴ Second Review Determinations, USITC Pub. 4472 at 44.

³¹⁵ The Commission requested pricing data on the following products:

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

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

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

Product 4.-- Grades C1050 through C1070, 5.5 mm (7/32 inch) through 6.5 mm (1/4 inch) in diameter, for spring applications excluding valve spring (in green condition, e.g., NOT cleaned, coated, etc.). CR/PR at V-6 to V-7.

products, although not all firms reported pricing data for all products for all quarters.³¹⁶ Pricing data reported by these firms accounted for approximately 42.6 percent of U.S. producers' shipments of wire rod and *** percent of U.S. shipments of subject imports from Mexico in 2019.³¹⁷ Price comparisons were available for *** quarters for three pricing products.³¹⁸ Subject imports from Mexico undersold the domestic like product in *** quarterly comparisons involving *** short tons of subject imports and oversold the domestic like product in the remaining *** comparisons involving *** short tons of subject imports. Margins of underselling ranged from *** percent and averaged *** percent.³¹⁹

Given the predominant underselling during both this POR and both prior reviews and the significant underselling in the original investigations,³²⁰ as well as our findings that subject imports would likely increase upon revocation, we find that there would likely be significant underselling by cumulated subject imports if the antidumping and countervailing duty orders were revoked.³²¹ Because of the importance of price in purchasing decisions, this underselling in turn would likely cause the domestic industry to either reduce its prices or forego price increases, or risk losing market share to subject imports. We therefore conclude that cumulated subject imports would likely undersell the domestic like product to a significant degree to gain market share and would also likely have significant price-depressing or -suppressing effects.

E. Likely Impact

1. Prior Proceedings

In the original investigations, the Commission found that the domestic industry lost market share as the volume of cumulated subject imports increased, notwithstanding declines

³¹⁶ CR/PR at V-7.

³¹⁷ CR/PR at V-7.

³¹⁸ CR/PR at Table V-8.

³¹⁹ CR/PR at Tables V-3 to V-6, V-8.

³²⁰ Cumulated subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago undersold the domestic like product in 133 of 170 available comparisons (78 percent) in the original investigations, 45 out of 79 available comparisons (57 percent) in the first reviews, and 30 of 37 available comparisons (81 percent) in the second reviews. CR/PR at Table V-8 note.

³²¹ One purchaser stated that ***. *** purchaser questionnaire response, EDIS Doc. 707968 (Apr. 15, 2020) at II-2.

in apparent U.S. consumption.³²² Indicators such as production, domestic shipments, and capacity utilization declined from 1999 to 2000, and fell more sharply from 2000 to 2001.³²³ The Commission emphasized the domestic industry's increasing operating losses and noted declines in employment-related indicators.³²⁴ The Commission found that although other factors contributed to the domestic industry's financial problems, cumulated subject imports played a significant role in the adverse market conditions facing the domestic industry, including the loss of sales and market share to lower-priced subject imports.³²⁵ It consequently concluded that cumulated subject imports had a significant impact on the domestic industry.³²⁶ In its second remand determination concerning subject imports from Trinidad and Tobago, the Commission determined that subject imports from Trinidad and Tobago alone were having an adverse impact, based on their significant and increasing market share in a shrinking market, as well as significant underselling and price depression caused by these imports.³²⁷

In the first reviews, the Commission found that the domestic industry's capacity had increased irregularly over the period examined.³²⁸ The domestic industry's production fluctuated within a narrow range during the period examined and capacity utilization declined because capacity increased more rapidly than production.³²⁹ The domestic industry's U.S. shipments and employment levels fluctuated during the period examined while inventories declined.³³⁰ In contrast to the original investigations, the domestic industry generally operated profitably during the period examined, although operating performance fluctuated considerably on an annual basis.³³¹ The Commission attributed these improvements to the positive effects of the orders.³³² It found that, if the orders were revoked, a significant volume of additional cumulated subject imports would likely enter the U.S. market and undersell the domestic like product, having significant price-suppressing or -depressing effects.³³³ The Commission further found that the additional imports would likely be significantly greater than

³²² Original Determinations, USITC Pub. 3546 at 32.

³²³ Original Determinations, USITC Pub. 3546 at 32.

³²⁴ Original Determinations, USITC Pub. 3546 at 32–33.

³²⁵ Original Determinations, USITC Pub. 3546 at 33.

³²⁶ Original Determinations, USITC Pub. 3546 at 34.

³²⁷ Second Remand Determination, USITC Pub. 4170 at 12.

³²⁸ First Review Determinations, USITC Pub. 4014 at 35.

³²⁹ First Review Determinations, USITC Pub. 4014 at 35.

³³⁰ First Review Determinations, USITC Pub. 4014 at 35.

³³¹ First Review Determinations, USITC Pub. 4014 at 35.

³³² First Review Determinations, USITC Pub. 4014 at 36.

³³³ First Review Determinations, USITC Pub. 4014 at 36.

needed to rectify any existing supply shortages in the U.S. market and that, given that demand was at its lowest level in 2007 and reportedly expected to decline further, additional imports would not be absorbed by increasing demand.³³⁴ Accordingly, the Commission concluded that revocation of the orders would likely have a significant impact on the domestic industry's output, sales, market share, employment, profits, and return on investment.³³⁵

During the period examined in the second reviews, most trade indicators declined as a result of the recession in 2009, subsequently increased through 2011, but then declined in 2012 and 2013, with capacity, production, and capacity utilization lower in 2013 than in 2008.³³⁶ Total U.S. shipments by the domestic industry increased from 2008 to 2013, but the industry's market share declined overall, ending the review period at its lowest level.³³⁷ Employment-related indicators showed declines overall, and financial indicators declined from 2011 to 2013.³³⁸ As a result, although the domestic industry recovered somewhat from the recession and was profitable in every year except for 2009, its operating income did not return to pre-recession levels.³³⁹ The Commission found that the domestic industry was not in a vulnerable condition, but that should the orders be revoked, the volume of subject imports would likely increase to a significant level and would likely undersell the domestic like product.³⁴⁰ Consequently, the domestic industry would need to respond by either forgoing sales or by lowering or restraining prices. In either case, the domestic industry's revenues and financial performance would likely decline, resulting in declines in the domestic industry's production, shipments, market share, and employment.³⁴¹ In its non-attribution analysis, the Commission observed that the largest source of nonsubject imports, China, was then under investigation and found that the continued presence of nonsubject imports in the U.S. market would not preclude subject imports from taking market share from the domestic industry, the largest supplier to the market.³⁴²

³³⁴ First Review Determinations, USITC Pub. 4014 at 36.

³³⁵ First Review Determinations, USITC Pub. 4014 at 36–37.

³³⁶ Second Review Determinations, USITC Pub. 4472 at 44.

³³⁷ Second Review Determinations, USITC Pub. 4472 at 44–45.

³³⁸ Second Review Determinations, USITC Pub. 4472 at 45.

³³⁹ Second Review Determinations, USITC Pub. 4472 at 45–46.

³⁴⁰ Second Review Determinations, USITC Pub. 4472 at 46. Commissioner Johanson joined the conclusions with respect to the subject imports from Brazil, Indonesia, Moldova, Trinidad and Tobago, and Ukraine that he cumulated. *Id.* at 46 n.310.

³⁴¹ Second Review Determinations, USITC Pub. 4472 at 46.

³⁴² Second Review Determinations, USITC Pub. 4472 at 46.

2. Current Reviews

Most indicators of domestic industry output fluctuated in a narrow range over the POR. The industry's capacity increased steadily from 2017 to 2019.³⁴³ Production increased from 2017 to 2018, then decreased in 2019 to its lowest level since the years following the 2008 financial crisis.³⁴⁴

Capacity utilization declined steadily during the POR.³⁴⁵ U.S. shipments followed the same trend as production.³⁴⁶ The domestic industry's share of apparent U.S. consumption increased steadily from 2017 to 2019.³⁴⁷

Employment indicators were mixed over the POR. The number of production and related workers ("PRWs"), number of hours worked, and wages paid increased from 2017 to 2019.³⁴⁸ Productivity declined steadily over that same period.³⁴⁹

The domestic industry's total net sales and total COGS irregularly increased over the POR.³⁵⁰ The domestic industry's gross profit and operating and net income were higher in 2019

³⁴³ The domestic industry's capacity was 4.66 million short tons in 2017, 5.42 million short tons in 2018, and 5.43 million short tons in 2019, an increase of 16.6 percent from 2017 to 2019. CR/PR at C-4, Table III-4.

³⁴⁴ The domestic industry's production was 3.84 million short tons in 2017, 4.27 million short tons in 2018, and 3.83 million short tons in 2019, a decline of 0.1 percent from 2017 to 2019. CR/PR at C-4, Table III-4. *Compare* CR/PR at C-15.

³⁴⁵ Capacity utilization was 82.3 percent in 2017, 78.8 percent in 2018, and 70.5 percent in 2019, a decline of 11.8 percentage points from 2017 to 2019. CR/PR at C-4, Table III-4.

³⁴⁶ The domestic industry's U.S. shipments were 3.77 million short tons in 2017, 4.24 million short tons in 2018, and 3.76 million short tons in 2019, a decline of 0.3 percent from 2017 to 2019. CR/PR at C-4, Table III-6.

³⁴⁷ This share was *** percent in 2017, *** percent in 2018, and *** percent in 2019, an increase of *** percentage points from 2017 to 2019. CR/PR at C-3, Table I-15.

³⁴⁸ CR/PR at Table III-9. The average number of PRWs was 2,587 in 2017, 3,001 in 2018, and 2,850 in 2019, an increase of 10.2 percent from 2017 to 2019. *Id.* at C-4, Table III-9. The number of hours worked was 5.4 million in 2017, and 6.0 million in 2018 and 2019, an increase of 12.1 percent from 2017 to 2019. *Id.* at C-4, Table III-9. Wages paid were \$196 million in 2017, \$228 million in 2018, and \$229 million in 2019, an increase of 16.8 percent from 2017 to 2019. *Id.* at C-4, Table III-9.

³⁴⁹ CR/PR at Table III-9. Productivity in short tons per 1,000 hours was 716 in 2017, 707 in 2018, and 638 in 2019, a decline of 10.9 percent from 2017 to 2019. *Id.* at C-4, Table III-9.

³⁵⁰ CR/PR at Table III-12. Total net sales were \$2.3 billion in 2017, \$3.2 billion in 2018, and \$2.7 billion in 2019, an increase of 17.7 percent from 2017 to 2019. *Id.* at C-5, Table III-9. Total COGS was \$2.1 billion in 2017, \$2.8 billion in 2018, and \$2.4 billion in 2019, an increase of 16.8 percent from 2017 to 2019. *Id.* at C-5, Table III-9. The average ratio of COGS to net sales value for the domestic industry was 90.0 percent in 2017, 87.4 percent in 2018, and 89.3 percent in 2019, a decline of 0.7 percentage points from 2017 to 2019. CR/PR at C-5, Table III-10.

than in 2017.³⁵¹ Its ratio of operating income to sales increased from 2017 to 2018, then declined in 2019 to the 2017 level.³⁵²

When examining the vulnerability of the domestic industry, we take into account our findings above that its market share increased each year from 2017 to 2019 and its production was relatively steady during this period.³⁵³ On the other hand, there were also declines in several industry indicators during 2019, such as net sales and operating and net income.^{354 355}

As discussed above, should the orders under review be revoked, the volume of subject imports would likely increase to a significant level. This additional volume of subject imports would likely be priced in a manner that would undersell the domestic like product. Consequently, the domestic industry would need to respond either by forgoing sales and ceding market share or by lowering or restraining prices. Under either circumstance, the domestic

³⁵¹ CR/PR at Table III-12. The domestic industry's gross profits were \$229 million in 2017, \$397 million in 2018, and \$288 million in 2019, an increase of 25.8 percent from 2017 to 2019. *Id.* at C-5, Table III-12. The domestic industry had an operating income of \$151 million in 2017, \$279 million in 2018, and \$176 million in 2019, an increase of 16.6 percent from 2017 to 2019. *Id.* at C-5, Table III-12. The domestic industry had a net income of \$*** in 2017, \$*** in 2018, and \$*** in 2019, an increase of *** percent from 2017 to 2019. *Id.* at C-5, Table III-12. Capital expenditures and research and development expenses increased irregularly over the POR. CR/PR at Table III-14. Total capital expenditures were \$96 million in 2017, \$173 million in 2018, and \$142 million in 2019, an increase of 48.0 percent from 2017 to 2019. *Id.* at C-5, Table III-14. Research and development expenses were \$*** in 2017, \$*** in 2018, and \$*** in 2019, an increase of *** percent from 2017 to 2019. *Id.* at C-5, Table III-14.

³⁵² The domestic industry's ratio of operating income to sales was 6.6 percent in 2017, 8.8 percent in 2018, and 6.6 percent in 2019. CR/PR at Table III-10.

³⁵³ The domestic industry's market share was *** percent in 2017, *** percent in 2018, and *** percent in 2019, an increase of *** percentage points from 2017 to 2019. CR/PR at C-3, Table I-15. The domestic industry's production was 3.84 million short tons in 2017, 4.27 million short tons in 2018, and 3.83 million short tons in 2019, a decline of 0.1 percent from 2017 to 2019. CR/PR at C-4, Table III-4.

³⁵⁴ Total net sales were \$2.3 billion in 2017, \$3.2 billion in 2018, and \$2.7 billion in 2019, an increase of 17.7 percent from 2017 to 2019. *Id.* at C-5, Table III-9. The domestic industry had an operating income of \$151 million in 2017, \$279 million in 2018, and \$176 million in 2019, an increase of 16.6 percent from 2017 to 2019. *Id.* at C-5, Table III-12. The domestic industry had a net income of \$*** in 2017, \$*** in 2018, and \$*** in 2019, an increase of *** percent from 2017 to 2019. *Id.* at C-5, Table III-12.

³⁵⁵ Given that the domestic industry is currently experiencing generally better financial performance and higher U.S. market shares than in the original investigations and previous reviews, Commissioner Johanson finds that the domestic industry is not vulnerable to material injury if the orders were revoked. Nevertheless, he finds that should the orders be revoked, subject imports would increase in volume at the expense of the domestic industry and that the price effects of such imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

industry's revenues and financial performance would likely decline, resulting in declines in the domestic industry's production, shipments, market share, and employment, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, specifically the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports' share of the U.S. wire rod market was substantial throughout the POR, but declined each year as orders were imposed on wire rod imports from 10 countries in 2018 following antidumping and countervailing duty investigations.³⁵⁶ The continued presence of nonsubject imports in the U.S. market would not preclude subject imports from taking market share from the domestic industry, the largest supplier of wire rod to the U.S. market, or forcing the domestic industry to lower its prices to compete if the orders were revoked.

Accordingly, we conclude that, if the orders were to be revoked, subject imports would likely have a significant impact on domestic producers of wire rod within a reasonably foreseeable time.

V. Conclusion

For the foregoing reasons, we determine that revocation of the countervailing duty order on wire rod from Brazil and the antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

³⁵⁶ Nonsubject imports' market share decreased steadily from *** percent in 2017 to *** percent in 2018 and to *** percent in 2019, a decline of *** percentage points from 2017 to 2019. CR/PR at C-3, Table I-15.

Part I: Introduction

Background

On June 3, 2019, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the countervailing duty order on carbon and certain alloy steel wire rod (“wire rod”) from Brazil and the antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On September 6, 2019, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.⁴ The following tabulation presents information relating to the background and schedule of this proceeding:⁵

¹ 19 U.S.C. 1675(c).

² *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Institution of Five-Year Reviews*, 84 FR 25564, June 3, 2019. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (Sunset) Reviews*, 84 FR 25741, June 4, 2019.

⁴ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Notice of Commission Determinations to Conduct Full Five-Year Reviews*, 84 FR 50474, September 25, 2019. The Commission found that the domestic interested party group response to its notice of institution was adequate. The Commission also found that the respondent interested party group response concerning the antidumping duty order on wire rod from Mexico was adequate and, therefore, determined to proceed with a full review of that order. The Commission found that the respondent interested party group responses concerning the countervailing duty and antidumping duty orders on wire rod from Brazil and the antidumping duty orders on wire rod from Indonesia, Moldova, and Trinidad and Tobago were inadequate but determined to conduct full reviews of these orders in order to promote administrative efficiency.

⁵ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the witnesses participating in the Commission’s hearing.

Effective date	Action
October 22, 2002	Commerce's countervailing duty orders on wire rod from Brazil and Canada (67 FR 64871)
October 29, 2002	Commerce's antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago, and Ukraine (67 FR 65945)
January 23, 2004	Revocation of countervailing duty order on wire rod from Canada (69 FR 3330)
October 29, 2007	Revocation of antidumping duty order on wire rod from Canada (73 FR 44223, July 30, 2008)
July 30, 2008	Commerce's first continuation of countervailing duty order on wire rod from Brazil and antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine (73 FR 44218)
July 30, 2013	Revocation of antidumping duty order on wire rod from Ukraine (79 FR 38009, July 3, 2014)
July 3, 2014	Commerce's second continuation of countervailing duty order on wire rod from Brazil and antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago (79 FR 38008)
June 1, 2019	Commerce's institution of five-year reviews (84 FR 25741, June 4, 2019)
June 3, 2019	Commission's initiation of five-year reviews (84 FR 25564)
September 6, 2019	Commission's determinations to conduct full five-year reviews (84 FR 50474, September 25, 2019)
October 8, 2019	Commerce's final results of expedited five-year reviews of the countervailing duty order on wire rod from Brazil and antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago (84 FR 53673 and 84 FR 53675)
March 6, 2020	Commission's scheduling of the reviews (85 FR 14506, March 12, 2020)
June 16, 2020	Commission's hearing
July 29, 2020	Commission's vote
August 17, 2020	Commission's determinations and views

The original investigations

The original investigations resulted from petitions filed by counsel on behalf of Co-Steel Raritan, Inc., Perth Amboy, New Jersey; GS Industries, Inc., Charlotte, North Carolina; Keystone Consolidated Industries, Inc., Dallas, Texas; and North Star Steel Texas, Inc., Edina, Minnesota, on August 31, 2001, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of wire rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey and less-than-fair-value (“LTFV”) imports of wire rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela.⁶

In October 2002, the Commission determined that a domestic industry was materially injured by reason of subsidized imports of wire rod from Brazil and Canada and by reason of LTFV imports of wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine.⁷

⁶ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. I-3 – I-4.

⁷ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417-421, 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546, October 2002. Subsequent to Commerce’s final negative countervailing duty determinations with respect to wire rod from Trinidad and Tobago and Turkey, the Commission terminated the countervailing duty investigations concerning those imports. 67 FR 62075, October 3, 2002. The investigations concerning subject imports from Egypt, South Africa, and Venezuela were terminated after the Commission found in its preliminary determinations that imports from those three subject countries were negligible. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela, Inv. Nos. 701-TA-417-421, 731-TA-953-963 (Preliminary)*, USITC Publication 3456, October 2001. The antidumping and countervailing duty investigations concerning subject imports from Germany were terminated after the Commission found in its final determinations that imports from Germany were negligible. *Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546, October 2002.

The only litigation concerning the Commission's determinations on subject imports at issue in these reviews was an appeal of the Commission's affirmative determination on subject imports from Trinidad and Tobago.⁸ The Court of International Trade ("CIT") affirmed that determination. *Caribbean Ispat Ltd. v. United States*, 366 F. Supp. 2d 1300 (Ct. Int'l Trade 2005). However, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") vacated and remanded so that: (1) the Commission could ascertain whether imports from subject countries other than Trinidad and Tobago were an alternative cause of injury to the domestic industry and (2) to conduct the "replacement/ benefit" analysis required by the decision in *Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006). *Caribbean Ispat Ltd. v. United States*, 450 F.3d 1336 (Fed. Cir. 2006). On first remand, the Commission reached a negative determination applying the replacement/benefit test it perceived was mandated by the Federal Circuit.⁹ The CIT affirmed. *Mittal Steel Point Lisas Ltd. v. United States*, 495 F. Supp. 2d 1374 (Ct. Int'l Trade 2007). On appeal, the Federal Circuit again vacated and remanded. *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867 (Fed. Cir. 2008). On second remand, the Commission reached an affirmative determination.¹⁰ The CIT affirmed. *Mittal Steel Point Lisas Ltd. v. United States*, 34 CIT 1110 (2010). There were no further proceedings.

The U.S. Department of Commerce published countervailing duty orders on subject imports from Brazil and Canada on October 22, 2002.¹¹ Commerce published antidumping duty orders on subject imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine on October 29, 2002.¹² Effective January 23, 2004, Commerce revoked the countervailing duty order on subject imports from Canada.¹³

⁸ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, Inv. Nos. 701-TA-417-421, 731-TA-953-963 (Preliminary), USITC Publication 3456, October 2001, pp. 36-38.

⁹ *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago*, Inv. No. 731-TA-961 (Final) (Remand), USITC Publication 3903, January 2007.

¹⁰ *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago*, Inv. No. 731-TA-961 (Final) (Second Remand), USITC Publication 4170, June 2010.

¹¹ *Notice of Countervailing Duty Orders: Carbon and Certain Alloy Steel Wire Rod From Brazil and Canada*, 67 FR 64871, October 22, 2002.

¹² *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 FR 65944, October 29, 2002; *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945, October 29, 2002.

¹³ *Carbon and Certain Alloy Steel Wire Rod from Canada: Final Results of Countervailing Duty Changed Circumstances Review and Revocation of Countervailing Duty Order, in Whole*, 69 FR 3330, January 23, 2004.

First five-year reviews

The Commission instituted its first five-year reviews of the countervailing duty order on wire rod from Brazil and the antidumping duty orders on wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine on September 4, 2007.¹⁴

In June 2008, the Commission completed full first five-year reviews of the subject orders and determined that revocation of the countervailing duty order on subject imports from Brazil and antidumping orders on subject imports from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission determined that subject imports from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁵

Following affirmative determinations in the first five-year reviews by Commerce and the Commission,¹⁶ Commerce issued a continuation of the countervailing duty order on wire rod from Brazil and the antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, effective July 30, 2008.¹⁷ The Commission's determinations in the first five-year reviews were not appealed.

¹⁴ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 72 FR 50696, September 4, 2007.

¹⁵ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008.

¹⁶ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 73 FR 41116, July 17, 2008; *Carbon and Certain Alloy Steel Wire Rod from Brazil: Final Results of Expedited Five-Year Sunset Review of the Countervailing Duty Order*, 73 FR 1323, January 8, 2008; *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 73 FR 1321, January 8, 2008.

¹⁷ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Continuation of Antidumping and Countervailing Duty Orders*, 73 FR 44218, July 30, 2008.

Second five-year reviews

On September 6, 2013, the Commission determined that it would conduct full reviews of the countervailing duty order on wire rod from Brazil and the antidumping duty orders on wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine.¹⁸ In October 2013, Commerce published its determinations that revocation of the countervailing duty order on subject imports from Brazil and antidumping orders on subject imports from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine would be likely to lead to continuation or recurrence of countervailable subsidies and dumping.¹⁹

On June 16, 2014, the Commission notified Commerce of its determinations that revocation of the countervailing duty order on subject imports from Brazil and antidumping orders on subject imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. On June 20, 2014, the Commission further determined that revocation of the antidumping duty order on wire rod from Ukraine would not be likely to lead to the continuation or recurrence of material injury within a reasonably foreseeable time.²⁰ Effective July 3, 2014, Commerce issued a continuation of the countervailing duty order on wire rod from Brazil and the antidumping duty orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago.²¹ Effective July 30, 2013, Commerce revoked the antidumping duty order on subject imports from Ukraine.²²

¹⁸ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Notice of Commission Determination To Conduct Full Five-Year Reviews*, 78 FR 60316, October 1, 2013.

¹⁹ *Carbon and Certain Alloy Steel Wire Rod From Brazil: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order*, 78 FR 60850, October 2, 2013; *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 78 FR 63450, October 24, 2013.

²⁰ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, p. 1. Commissioners Williamson and Johanson dissented from the determination concerning subject imports from Ukraine. Commissioner Johanson also dissented with respect to subject imports from Mexico. *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine; Determinations*, 79 FR 35381, June 20, 2014.

²¹ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 38008, July 3, 2014.

²² *Carbon and Certain Alloy Steel Wire Rod From Ukraine: Revocation of Antidumping Duty Order*, 79 FR 38009, July 3, 2014.

Previous and related investigations

Title VII investigations

The Commission has conducted a number of previous import relief investigations on wire rod products or similar merchandise. Table I-1 presents data on previous and related title VII investigations.

Table I-1
Wire rod: Previous and related title VII investigations since 1980

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

Table continued.

Table I-1--Continued
Wire rod: Previous and related title VII investigations since 1980

Original investigation				First review		Second review		Current status
Date ¹	Number	Country	Outcome	Date ¹	Outcome	Date ¹	Outcome	
1994	701-TA-359	Germany	Negative ²	-	-	-	-	-
1994	731-TA-686	Belgium	Affirmative ²	-	-	-	-	Petition withdrawn 7/7/94
1994	731-TA-687	Germany	Negative ²	-	-	-	-	-
1997	701-TA-368	Canada	Negative	-	-	-	-	-
1997	701-TA-369	Germany	Negligible ³	-	-	-	-	-
1997	701-TA-370	Trinidad & Tobago	Negative	-	-	-	-	-
1997	701-TA-371	Venezuela	Negative	-	-	-	-	-
1997	731-TA-763	Canada	Negative	-	-	-	-	-
1997	731-TA-764	Germany	Negative	-	-	-	-	-
1997	731-TA-765	Trinidad & Tobago	Negative	-	-	-	-	-
1997	731-TA-766	Venezuela	Negative	-	-	-	-	-
2001	701-TA-417	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	701-TA-418	Canada	Affirmative	-	-	-	-	ITA revoked 1/23/04
2001	701-TA-419	Germany	Negative	-	-	-	-	-
2001	701-TA-420	Trinidad and Tobago	Negative ⁴	-	-	-	-	-
2001	701-TA-421	Turkey	Negative ⁴	-	-	-	-	-
2001	731-TA-953	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	731-TA-954	Canada	Affirmative	2007	Negative	-	-	-
2001	731-TA-955	Egypt	Negligible ³	-	-	-	-	-
2001	731-TA-956	Germany	Negligible ³	-	-	-	-	-
2001	731-TA-957	Indonesia	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	731-TA-958	Mexico	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	731-TA-959	Moldova	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	731-TA-960	South Africa	Negligible ³	-	-	-	-	-
2001	731-TA-961	Trinidad & Tobago	Affirmative	2007	Affirmative	2013	Affirmative	Current review
2001	731-TA-962	Ukraine	Affirmative	2007	Affirmative	2013	Negative	-
2001	731-TA-963	Venezuela	Negligible ³	-	-	-	-	-
2005	731-TA-1099	China	Negative ²	-	-	-	-	-
2005	731-TA-1100	Germany	Negative ²	-	-	-	-	-
2005	731-TA-1101	Turkey	Negative ²	-	-	-	-	-
2014	701-TA-512	China	Affirmative	2019	Affirmative	-	-	Order in effect 6/26/20
2014	731-TA-1248	China	Affirmative	2019	Affirmative	-	-	Order in effect 6/26/20
2017	701-TA-573	Italy	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	701-TA-574	Turkey	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1349	Belarus	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1350	Italy	Affirmative	-	-	-	-	Order in effect 5/21/18

Table continued.

Table I-1--Continued

Wire rod: Previous and related title VII investigations since 1980

Original investigation				First review		Second review		Current status
Date ¹	Number	Country	Outcome	Date ¹	Outcome	Date ¹	Outcome	
2017	731-TA-1351	Korea	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1352	Russia	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1353	South Africa	Affirmative	-	-	-	-	Order in effect 3/14/18
2017	731-TA-1354	Spain	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1355	Turkey	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1356	Ukraine	Affirmative	-	-	-	-	Order in effect 3/14/18
2017	731-TA-1357	United Arab Emirates	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1358	United Kingdom	Affirmative	-	-	-	-	Order in effect 5/21/18

¹ "Date" refers to the year in which the investigation or review was instituted by the Commission.

² Preliminary determination.

³ The Commission found subject imports to be negligible, and its investigation was thereby terminated.

⁴ The Department of Commerce made a negative determination.

Source: Various Commission publications.

Safeguard investigation

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

Imports of subject products in excess of the quarterly or the annual quota amounts were assessed duties in addition to the column-1 general rates of duty in the amounts of 10 percent ad valorem in the first year of relief (in-quota quantity of 1,580,000 short tons); 7.5 percent ad valorem in the second year of relief (in-quota quantity of 1,611,600 short tons); and 5 percent ad valorem in the third year of relief (in-quota quantity of 1,643,832 short tons).

The President subsequently issued Proclamation 7505 effective November 24, 2001, modifying the TRQ, by providing that the in-quota quantity of the TRQ be allocated among these four supplier country groupings: European Community; Commonwealth of Independent States; Trinidad and Tobago; and all other countries.²³

Summary data

Table I-2 presents a summary of data from the original investigations, prior reviews, and the current full five-year reviews. Apparent U.S. consumption of wire rod totaled approximately *** short tons (\$***) in 2019. U.S. producers' U.S. shipments of wire rod totaled 3.8 million short tons (\$2.7 billion) in 2019, and accounted for *** percent of the quantity of apparent U.S. consumption. During these reviews, subject U.S. imports from Mexico (the only reported subject U.S. imports in 2019) totaled *** short tons (\$***), accounting for *** percent of U.S. consumption. Nonsubject U.S. imports (primarily from Canada, Japan, and Egypt) totaled 1.0 million short tons (\$864.9 million) in 2019 and accounted for *** percent of apparent consumption by quantity. Since the original investigations and first and second reviews, the quantity of apparent U.S. consumption has decreased to its lowest level in 2019. In contrast, the U.S. producers' share of apparent consumption by quantity has fluctuated since the original investigations, first and second reviews, and currently peaked in 2019. During the same period, the share of subject imports declined overall, while the share of nonsubject imports generally increased during the first and second reviews, but then declined in 2019.

²³ *Certain Steel Wire Rod: Evaluation of Effectiveness of Import Relief*, Inv. No. TA-204-11, USITC Publication 3629, August 2003.

Table I-2

Wire rod: Comparative data from the original investigations, first reviews, second reviews, and these reviews, 2001, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews	Third reviews
	2001	2007	2013	2019
Quantity (short tons)				
U.S. consumption quantity	***	5,858,981	5,300,149	***
Share of quantity (percent)				
Share of U.S. consumption: U.S. producers' share	***	***	67.9	***
U.S. importers' share: Brazil	***	---	---	---
Indonesia	***	---	---	---
Mexico	***	0.1	0.2	***
Moldova	***	---	---	---
Trinidad and Tobago	***	1.6	---	---
Canada	***	(1)	(1)	(1)
Ukraine	***	---	(2)	(2)
Subject sources	***	***	0.2	***
Grade 1080 tire cord/bead from subject sources	(3)	***	1.8	***
All other sources	***	***	30.1	***
Nonsubject sources	***	***	31.9	***
All import sources	***	30.4	32.1	***
Value (1,000 dollars)				
U.S. consumption	***	3,403,602	3,756,412	***
Share of value (percent)				
Share of U.S. consumption: U.S. producers' share	***	***	67.3	***
U.S. importers' share: Brazil	***	---	---	---
Indonesia	***	---	---	---
Mexico	***	0.1	0.2	***
Moldova	***	---	---	---
Trinidad and Tobago	***	1.4	---	---
Canada	***	(1)	(1)	(1)
Ukraine	***	---	(2)	(2)
Subject sources	***	***	0.2	***
Grade 1080 tire cord/bead from subject sources	(3)	***	1.7	***
All other sources	***	***	30.8	***
Nonsubject sources	***	***	32.5	***
All import sources	***	31.2	32.7	***

Table continued.

Table I-2--Continued

Wire rod: Comparative data from the original investigations, first reviews, second reviews, and these reviews, 2001, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews	Third reviews
	2001	2007	2013	2019
	Quantity (short tons); Value (1,000 dollars); and Unit Value (dollars per short ton)			
U.S. imports.-- Brazil				
Quantity	***	---	---	---
Value	***	---	---	---
Unit value	***	---	---	---
Indonesia:				
Quantity	***	---	---	---
Value	***	---	---	---
Unit value	***	---	---	---
Mexico:				
Quantity	***	8,244	10,333	***
Value	***	4,263	6,128	***
Unit value	***	\$517	\$593	***
Moldova:				
Quantity	***	---	---	---
Value	***	---	---	---
Unit value	***	---	---	---
Trinidad and Tobago:				
Quantity	***	95,325	---	---
Value	***	46,228	---	---
Unit value	***	\$485	---	---
Canada:				
Quantity	***	(1)	(1)	(1)
Value	***	(1)	(1)	(1)
Unit value	***	(1)	(1)	(1)
Ukraine:				
Quantity	***	---	(2)	(2)
Value	***	---	(2)	(2)
Unit value	***	---	(2)	(2)
Subject sources:				
Quantity	***	***	10,333	***
Value	***	***	6,128	***
Unit value	***	***	\$593	***

Table continued.

Table I-2--Continued

Wire rod: Comparative data from the original investigations, first reviews, second reviews, and these reviews, 2001, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews	Third reviews
	2001	2007	2013	2019
	Quantity (short tons); Value (1,000 dollars); and Unit Value (dollars per short ton)			
Grade 1080 tire cord/bead from subject sources:				
Quantity	(3)	***	96,639	104,681
Value	(3)	***	64,506	83,890
Unit value	(3)	***	\$667	\$801
All other sources:				
Quantity	***	***	1,593,718	938,059
Value	***	***	1,156,290	781,031
Unit value	***	***	\$726	\$833
Nonsubject sources:				
Quantity	***	***	1,690,357	1,042,740
Value	***	***	1,220,797	864,921
Unit value	***	***	\$722	\$829
All import sources:				
Quantity	***	1,782,699	1,700,690	***
Value	***	1,063,201	1,226,925	***
Unit value	***	\$596	\$721	***
U.S. industry:				
Capacity (quantity)	***	5,429,678	5,073,815	5,433,837
Production (quantity)	***	4,067,549	3,655,088	3,830,680
Capacity utilization (percent)	***	74.9	72.0	70.5
U.S. shipments:				
Quantity	***	4,076,282	3,599,459	3,758,113
Value	***	2,340,401	2,529,487	2,661,027
Unit value	***	\$574	\$703	\$708
Ending inventory	***	152,512	266,868	340,736
Inventories/total shipments	***	***	7.4	***
Production workers	***	2,397	2,192	2,850
Hours worked (1,000)	***	5,174	4,258	6,008
Wages paid (1,000 dollars)	***	161,821	156,838	228,863
Hourly wages	***	\$31.28	\$36.83	\$38.09
Productivity (short tons per hour)	***	786.0	858.4	637.6

Table continued.

Table I-2--Continued

Wire rod: Comparative data from the original investigations, first reviews, second reviews, and these reviews, 2001, 2007, 2013, 2019

Item	Original investigations	First reviews	Second reviews	Third reviews
	2001	2007	2013	2019
	Quantity (short tons); Value (1,000 dollars); and Unit Value (dollars per short ton)			
Financial data:				
Net sales:				
Quantity	***	4,087,541	3,623,777	3,792,962
Value	***	2,347,208	2,552,054	2,687,046
Unit value	***	\$574	\$704	\$708
Cost of goods sold	***	2,219,518	2,358,335	2,399,430
Gross profit or (loss)	***	127,690	193,719	287,616
SG&A expense	***	52,821	86,025	111,125
Operating income or (loss)	***	74,869	107,694	176,491
Unit COGS	***	\$543	\$651	\$633
Unit operating income	***	\$18	\$30	\$47
COGS/ Sales (percent)	***	94.6	92.4	89.3
Operating income or (loss)/ Sales (percent)	***	3.2	4.2	6.6

- (1) U.S. imports from Canada were subject in the original investigations. During the first reviews, effective October 29, 2007, Commerce revoked the antidumping duty order on U.S. imports of wire rod from Canada and since the first reviews such imports are now classified as nonsubject in the table above.
- (2) U.S. imports of wire rod from the Ukraine were subject in the original and first reviews. Effective July 30, 2013, Commerce revoked the antidumping duty order on subject imports from Ukraine which are now classified as nonsubject in the table above.
- (3) In these reviews, U.S. imports of wire rod from Brazil are presented as nonsubject in the review columns because they consist of grade 1080 tire cord and tire bead wire rod, which are excluded from the scope.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Office of Investigations memorandum INV-Z-156 (September 19, 2002), memorandum INV-FF-058 (May 15, 2008), memorandum INV-MM-047 (May 16, 2014), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Figure I-1

Wire rod: U.S. producers' U.S. shipments and U.S. importers' imports, 1999-2019

* * * * *

Source: Office of Investigations memorandum INV-Z-156 (September 19, 2002), memorandum INV-FF-058 (May 15, 2008), memorandum INV-MM-047 (May 16, 2014), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall 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. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,
(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,
(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and
(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . .

(2) **VOLUME.**--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,
(B) existing inventories of the subject merchandise, or likely increases in inventories,
(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and
(D) 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.

(3) **PRICE.**--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and
(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) **IMPACT ON THE INDUSTRY.**--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

*(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
(C) 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.*

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for wire rod as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of 10 U.S. producers of wire rod that are believed to have accounted for all or virtually all domestic production of wire rod in 2019.²⁴ U.S. import data and related information are based on Commerce’s official import statistics and the questionnaire responses of 22 U.S. importers of wire rod that are believed to have accounted for all or virtually all of the total subject U.S. imports during 2019. Foreign industry data and related information are based on the questionnaire responses of six producers of wire rod. Three producers in Brazil estimated they accounted for approximately two-thirds of the country’s total production and three producers in Mexico estimated they accounted for approximately two-thirds of that country’s total production of wire rod. Producers in Indonesia and Moldova did not provide a response to the Commission’s questionnaire, nor did the former producer in Trinidad and Tobago. The only wire rod producing mill in Trinidad and Tobago was the Point Lisas facility

²⁴ ***

operated by ArcelorMittal until it idled the plant in 2016. The mill *** remains closed.²⁵

U.S. imports of wire rod from Brazil and Moldova largely ceased following the imposition of duties in 2002 and U.S. imports of wire rod from Indonesia ceased after 2005. U.S. imports of wire rod from Trinidad and Tobago were reported to have largely ceased after 2008.

Responses by U.S. producers, importers, purchasers, and foreign producers of wire rod to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

Commerce's reviews

Administrative reviews

Commerce has completed five administrative reviews of the antidumping duty order on wire rod from Mexico since its second sunset review.^{26 27}

The results of the administrative reviews are shown in table I-3.

²⁵ ***. Email from ***, June 3, 2020.

²⁶ Commerce has not conducted any administrative reviews of the countervailing duty order on wire rod from Brazil or the other four antidumping duty orders at issue in these reviews.

²⁷ Commerce has not conducted any scope rulings since the completion of the last five-year reviews. In addition, Commerce has not issued any duty absorption findings or any company revocations since the imposition of the orders.

Table I-3**Wire rod: Administrative reviews of the antidumping duty order for Mexico**

Date results published	Period of review	Producer or exporter	Margin (percent)
80 FR 35626 (June 22, 2015)	10/1/2012—9/30/2013	Deacero S.A.P.I. de C.V. (“Deacero”)	0.37
81 FR 41521 (June 27, 2016)	10/1/2013—9/30/2014	Deacero	1.13
82 FR 23190 (May 22, 2017)	10/1/2014—9/30/2015	Deacero	40.52
83 FR 16832 (June 22, 2015)	10/1/2015—9/30/2016	Deacero	12.57
84 FR 31028 (June 28, 2019)	10/1/2016—9/30/2017	Deacero	3.94
		Ternium Mexico S.A. de C.V. (“Ternium”)	40.52

Source: Cited Federal Register notices.

Anti-circumvention findings

Commerce has issued two anti-circumvention findings regarding the antidumping duty order on wire rod from Mexico. In 2012 (prior to the period covered in these reviews), Commerce found that that shipments of wire rod with a diameter of 4.75 mm to 5.00 mm (“small diameter wire rod”) by Deacero, should be included within the scope of the order on wire rod from Mexico.²⁸ Following several rounds of litigation, the Federal Circuit upheld Commerce’s original finding, and Commerce issued an amended final determination in July 2016 finding that Deacero's entries of wire rod with a diameter of 4.75 mm to 5.00 mm are covered by the scope of the order.²⁹

²⁸ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 77 FR 59892, October 1, 2012.

²⁹ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Notice of Court Decision Not in Harmony With Amended Final Determination and Notice of Second Amended Final Determination*, 81 FR 46051, July 15, 2016.

In February 2018, Commerce initiated an anti-circumvention inquiry to determine whether certain imports of wire rod from Mexico with diameters less than 4.75 mm (“smaller diameter wire rod”) produced or exported to the United States by Deacero were circumventing the antidumping duty order.³⁰ In March 2019, Commerce issued its final affirmative determination that such imports are circumventing the order and constitute merchandise “altered in form or appearance in minor respects” that should be considered within the class or kind of merchandise subject to the order.³¹

Changed circumstances reviews

Commerce has completed one changed circumstance review since the second full five-year reviews, regarding the antidumping duty order on wire rod from Mexico. In November 2017, Commerce determined that ArcelorMittal Mexico, S.A. de C.V. was the successor-in-interest to ArcelorMittal Las Truchas, S.A. de C.V.³²

Five-year reviews

Commerce has issued the final results of its expedited reviews with respect to all subject countries.³³

Table I-4 presents the countervailable subsidy margins calculated by Commerce in its original investigations and first and second reviews with regards to Brazil. Tables I-5—I-9 present the dumping margins calculated by Commerce in its original investigations and first and second reviews by country.

³⁰ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Initiation of Anti-Circumvention Inquiry of Antidumping Duty Order*, 83 FR 5405, February 7, 2018.

³¹ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 9089, March 13, 2019.

³² *Final Results of Changed Circumstances Review: Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod From Mexico*, 82 FR 53456, November 16, 2017.

³³ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 84 FR 53673, October 8, 2019.

Table I-4**Wire rod: Commerce's original countervailable subsidy margins and first, second, and third five-year review subsidy margins for producers/exporters in Brazil**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five- year review margin (percent)	Third five- year review margin (percent)
Companhia Siderurgica Belgo-Mineira (Belgo Mineira)	6.74	6.74	6.74	6.74
Gerdau S.A.	2.76	2.76	2.31	2.31
All others	5.64	5.64	4.53	4.53

Source: 67 FR 64871; 73 FR 1323; 78 FR 60850; 84 FR 53675.

The following seven programs were found to confer countervailable subsidies in the investigation:³⁴

1. Financing for the Acquisition or Lease of Machinery and Equipment through the Special Agency for Industrial Financing;
2. Programa de Financiamento às Exportações;
3. Tax Incentives Provided by the Amazon Region Development Authority (SUDAM) and the Northeast Region Development Authority (SUDENE);
4. Debt Forgiveness/Equity Infusions Provided to Usina Siderúrgica da Bahia S.A.(previously 1988 Equity Infusions/Debt Forgiveness Provided to Usina Siderúrgica da Bahia S.A.) (specific to Gerdau S.A. (Gerdau));
5. National Bank for Economic and Social Development Financing for the Acquisition of Dedini Siderúrgica de Piracicaba (specific to Companhia Siderúrgica Belgo-Mineira (Belgo Mineira));
6. National Bank for Economic and Social Development Financing for the Acquisition of Mendes Junior Siderúrgica S.A. (specific to Belgo Mineira); and
7. “Presumed” Tax Credit for the Program of Social Integration and the Social Contributions of Billings on Inputs Used in Exports.

³⁴ *Issues and Decisions Memorandum for the Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order on Carbon and Certain Alloy Steel Wire Rod from Brazil, C-351-833, October 2, 2019.* Commerce has not conducted an administrative review of the order. Further, no party submitted evidence to demonstrate that these countervailable programs have expired or been terminated, and there is no information on the record of this proceeding indicating any changes to the programs found countervailable during the investigation. Absent argument or evidence to the contrary, Commerce found that these countervailable programs continue to exist and be used. Therefore, Commerce determines that there is a likelihood of continuation or recurrence of countervailable subsidies.

Table I-5**Wire rod: Commerce's original dumping margins and first, second, and third five-year review dumping margins for producers/exporters in Brazil**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
Companhia Siderurgica Belgo Mineira and Belgo-Mineira Participacao Industria e Comercio S.A. (Belgo Mineira)	94.73	94.73	94.73	94.73
All-Others Rate	74.35	74.35	74.35	74.35

Source: 67 FR 65945; 73 FR 1321; 78 FR 63450; 84 FR 53673; *Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, October 2, 2019, p. 21.

Table I-6**Wire rod: Commerce's original dumping margins and first, second, and third five-year review dumping margins for producers/exporters in Indonesia**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
P.T. Ispat Indo	4.06	4.06	4.05	4.05
All-Others Rate	4.06	4.06	4.05	4.05

Source: 67 FR 65945; 73 FR 1321; 78 FR 63450; 84 FR 53673; *Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, October 2, 2019, p. 21.

Table I-7**Wire rod: Commerce's original dumping margins and first, second, and third five-year review dumping margins for producers/exporters in Mexico**

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
Siderurgica Lazaro Cardenas Las Truchas, S.A. de C.V. (SICARTSA)	20.11	20.11	20.11	20.11
All-others Rate	20.11	20.11	20.11	20.11

Source: 67 FR 65945; 73 FR 1321; 78 FR 63450; 84 FR 53673; *Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, October 2, 2019, p. 21.

Table I-8

Wire rod: Commerce’s original dumping margins and first, second, and third five-year review dumping margins for producers/exporters in Moldova

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
Moldova-wide Rate	369.10	369.10	369.10	369.10

Source: 67 FR 65945; 73 FR 1321; 78 FR 63450; 84 FR 53673; *Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, October 2, 2019, p. 22.

Table I-9

Wire rod: Commerce’s original dumping margins and first, second, and third five-year review dumping margins for producers/exporters in Trinidad and Tobago

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
Caribbean Ispat Ltd. (and successor companies)	11.40	11.40	11.40	11.35 ¹
All-others Rate	11.40	11.40	11.40	11.35 ¹

¹ See *Issues and Decision Memorandum* below, October 2, 2019.

Note: In the second review, Commerce determined that ArcelorMittal Point Lisas was the successor-in-interest to Caribbean Ispat Ltd.

Source: 67 FR 65945; 73 FR 1321; 78 FR 63450; 84 FR 53673; *Issues and Decision Memorandum for the Expedited Third Sunset Reviews of the Antidumping Duty Orders on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, October 2, 2019, p. 22.

The subject merchandise

Commerce's scope

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

The merchandise subject to this order is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (i.e., products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a

diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

For purposes of grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis - that is, the direction of rolling - of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod. This measurement methodology applies only to inclusions on certain grade 1080 tire cord quality wire rod and certain grade 1080 tire bead quality wire rod that are entered, or withdrawn from warehouse, for consumption on or after July 24, 2003.

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under this order are currently classifiable under subheadings 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6080 of the HTSUS.³⁵

Tariff treatment

Wire rod is imported under the following statistical reporting numbers of the Harmonized Tariff Schedule of the United States (“HTSUS” or “HTS”): 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030 (added on January 1, 2014), and 7227.90.6035 (added on January 1, 2014).^{36 37} At the time of the original investigations general U.S. tariffs on wire rod, applicable to U.S. imports that are products of the subject countries and reported under these provisions, ranged from 0.8 to 0.9 percent ad valorem for nonalloy steel and were 1.8 percent ad valorem for alloy steel. By January 1, 2004, these tariffs had been eliminated, resulting in a general duty rate of “Free.”

³⁵ 84 FR 53675, October 8, 2019 and *Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order on Carbon and Certain Alloy Steel Wire Rod from Brazil*, C-351-833, October 2, 2019.

³⁶ On January 1, 2014, HTS 7227.90.6085 was replaced with four new breakouts, including 7227.90.6030 (covering other alloy wire rod with a circular diameter of less than 14 mm) and 7227.90.6035 (covering other alloy wire rod with a circular diameter of 14 mm or more but less than 19 mm). The other two new breakouts, 7227.90.6040 (other alloy bars and rods with a circular diameter of 19 mm or more) and 7227.90.6090 (cross-section shapes other than circular), are considered bar and rod products outside the scope of these investigations. *HTSUS 2014 - Basic*, “Change Record,” January 1, 2014, pp. 6-7; and *HTSUS 2014 -Basic*, “Iron and Steel,” January 1, 2014, p. XV 72-36.

³⁷ HTSUS 2020 – Revision 10, “Chapter 72 Iron and Steel,” May 2020, pp. XV 72-20–XV 72-43.

Section 232 treatment

HTS headings 7213 and 7227 were included in the enumeration of iron and steel articles (imported on or after March 23, 2018) that became subject to the additional 25 percent ad valorem Section 232 duties.³⁸ See U.S. notes 16(a) and 16(b), subchapter III of HTS chapter 99.³⁹ At this time, imports of wire rod from Australia, Canada, and Mexico are exempt from duties or quota limits; imports of wire rod from Argentina (201 short tons); Brazil (104,221 short tons); and Korea (62,252 short tons) are exempt from duties but instead are subject to quota limits;⁴⁰ and imports from all other countries are subject to 25 percent additional duties. Please see Appendix F for additional details.

With respect to wire rod from the countries subject to this proceeding, imports from Indonesia, Moldova, and Trinidad and Tobago have been subject to the additional 25-percent duties since their effective date of March 23, 2018. Imports from Brazil and Mexico were exempted from the Section 232 additional duties that became effective as of March 23, 2018.⁴¹ On June 1, 2018, Mexico's exemption from the Section 232 duties was discontinued, while Brazil's exemption was continued, but with calendar-year quota limits.⁴² On May 20, 2019, Mexico's exemption from the Section 232 duties was reinstated.⁴³

Exclusion requests for wire rod granted by the U.S. Department of Commerce are provided in Table I-10, broken down by category and diameter of the wire rod for which the exclusion was granted.

³⁸ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018

³⁹ *HTSUS (2019) Revision 3*, USITC Publication 4890, April 2019, pp. 99-III-5 - 99-III-6.

⁴⁰ The composition of the quota product groups may not exactly match the product scope of this investigation. See the CBP quota bulletin at <https://www.cbp.gov/trade/quota/bulletins/qb-19-008-2019-absolute-quota-steel-mill-articles-first-quarter-limits> for a full list of product groups as well as their specified quotas and HTS definitions.

⁴¹ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.

⁴² *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

⁴³ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019.

Table I-10
Section 232 exclusions for wire rod

Type	2018	2019	2020	Row Total
Granted exclusions by type (1,000 kilograms)				
Alloy CHQ	912	23,684	26,140	50,736
Alloy steel	258,743	1,071,011	376,085	1,705,839
BOF alloy/carbon	55,057	89,115	9,000	153,172
Carbon steel	34,157	69,479	---	103,636
CHQ carbon	56,352	202,040	3,605	261,997
Column total	405,221	1,455,329	414,830	2,275,380
Granted exclusions for wire rod by diameter and product type (1,000 kilograms)				
4.9 mm and below				
Alloy steel	516	---	---	516
BOF alloy/carbon	150	---	---	150
Carbon steel	255	6,000	---	6,255
CHQ carbon	---	300	---	300
4.9 mm and below total	921	6,300	---	7,221
5 mm - 18.9 mm				
Alloy CHQ	912	23,683	26,140	50,735
Alloy steel	257,496	1,066,567	376,085	1,700,148
BOF alloy/carbon	54,906	89,115	9,000	153,021
Carbon steel	33,903	63,479	---	97,382
CHQ carbon	56,352	201,740	3,605	261,697
NA	731	4,445	---	5,176
5 mm - 18.9 mm total	403,569	1,444,584	414,830	2,262,983
Column total	405,952	1,459,774	414,830	2,280,556

Note: These data exclude out of scope products such as 1080 tire bead quality wire rod. Out of scope wire rod measuring 4.9 mm and below is included, but is broken out in the table. These data are accessible at the U.S. Department of Commerce, Section 232 Exclusions Portal found at <https://232app.azurewebsites.net/steelalum>.

Source: Deacero's Posthearing Brief, Exhibit 1, pp. 70-240.

The product

Description and uses⁴⁴

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that typically is produced in nominal fractional diameters up to 47/64 inch (18.7 mm) and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers.⁴⁵ Wire rod is essentially used only to manufacture wire, which is either fabricated into downstream wire products or incorporated into finished products.⁴⁶

Wire rod sold in the United States is categorized by “quality” according to end use. End-use categories are broad descriptions with overlapping metallurgical qualities, chemistries,⁴⁷ and physical characteristics.⁴⁸

Table I-11 presents quality and commodity descriptions for 11 major types of wire rod, as indicated by the Iron and Steel Society. Industrial quality wire rod currently accounts for the majority of wire rod consumed in the United States. It is primarily intended for drawing into industrial (or standard) quality wire that, in turn, is used to manufacture such products as nails, reinforcing wire mesh and chain link fence. Most of the industrial quality wire rod is produced and sold in the smallest cross-sectional diameter that is hot rolled in substantial commercial quantities (7/32 inch or 5.5 mm). Industrial quality wire rod generally is manufactured from low- or medium-low-carbon steel.⁴⁹

⁴⁴ Unless otherwise noted, this information is based on *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. I-32 through I-34.

⁴⁵ Wire drawers (also referred to as redrawers) manufacture wire and wire products and may be either independent or affiliated with wire rod producers.

⁴⁶ *Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Preliminary)*, USITC Publication 4458, March 2014, p. I-11.

⁴⁷ Steel chemistries are designated as “grades” of standardized composition ranges for carbon, nonferrous metals, and nonmetallic elements. See e.g., table 2-1, Standard Steels for Wire Rods and Wire Nonresulfurized Carbon Steels, Manganese Maximum Not Exceeding 1.00 Percent. Iron and Steel Society, *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, p. 6.

Wire rod of AISI/SAE grade 1080 steel contains 0.75-0.88 percent carbon, 0.60-0.90 manganese, a maximum of 0.040 percent phosphorous, and 0.050 percent sulfur. Ibid.

⁴⁸ Steel ductility, hardness, and tensile strength are positively correlated with carbon content. Alloying elements can be added at the steel melting stage of the manufacturing process to impart various characteristics to the wire rod.

⁴⁹ Iron and Steel Society, *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, p. 36.

While 5.5 mm wire rod is the most common diameter sold in significant commercial quantities, respondent party Deacero began producing 4.75 mm wire rod in 2008, a diameter not covered at the time under the order on imports of wire rod from Mexico. Domestic parties argue that Deacero only produced 4.75 mm to circumvent the antidumping orders. Domestic parties argue that producing 4.75 mm wire rod is more time intensive and more costly than producing 5.5 mm wire rod, but that the two diameters are fully interchangeable and domestic producers have not had any demand for 4.75 mm wire rod from their customers. Further, domestic parties claim that Deacero sells the product at a discounted price relative to 5.5 mm despite the higher cost to produce.⁵⁰ Deacero also began offering 4.4 mm wire rod in 2014.⁵¹

Conversely, the respondent party claims that 4.75 mm wire rod was produced by Deacero due to customer requests for smaller diameter wire rod.⁵² In its posthearing brief, Deacero provided statements made during Commerce's scope review from representatives of customers ***, ***, and *** stating their reasons why smaller diameter wire rod is ***.⁵³

Other relatively large-volume qualities of wire rod consumed in the United States include high- and medium-high carbon and cold-heading quality. High- and medium-high carbon wire rod are intended for drawing into wire for such products as strand, upholstery spring, mechanical spring, rope, screens, and pre-stressed concrete wire.⁵⁴

⁵⁰ Nucor and CMC's posthearing brief, "Responses to Commissioner questions," pp. 28-29.

⁵¹ Nucor and CMC's posthearing brief, "Responses to Commissioner questions," p. 44.

⁵² Deacero's posthearing brief, Responses to Commissioner questions," p. 5.

⁵³ Deacero's posthearing brief, Exhibit 19.

⁵⁴ The end uses of very high quality wire rod are those where the manufacturing process involves large amounts of cold deformation of the steel such as in recessed quality cold heading; those that are safety critical, such as automotive wheel bolts and tire reinforcing wire; those that have very demanding consistency requirements or unusual steel chemistry requirements, such as certain welding grades; and other applications that put unusual and demanding requirements on the steel.

Table I-11
Wire rod: Quality, end uses, and important characteristics

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

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

Manufacturing process⁵⁵

The manufacturing process for wire rod consists of several stages: (1) melting and refining to set the steel's chemical and metallurgical properties; (2) casting the steel into a semifinished shape (billet); (3) hot-rolling the billet into rod on a multistand, high-speed rolling mill; and (4) coiling and controlled cooling of the wire rod as it passes along a Stelmor deck, a specialized conveyor unique to the wire rod industry. The equipment used to produce wire rod

⁵⁵ Unless otherwise noted, this information is based on *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. I-39 through I-45.

is much the same throughout the world and without significant differences in production technology.⁵⁶ Wire rod manufacturers can also purchase billets from other producers rather than melting and casting their own. While this can reduce the capital costs of building and maintaining their own melting and casting operation, producers who buy billets may lack the same ability to control fully the chemical and metallurgical properties of the steel billets they purchase than those who melt and cast their own.

Melting stage

There are two primary process routes by which steel for rod is made in the United States and in foreign countries: the integrated process, which employs blast furnaces and basic oxygen furnaces (“BOFs”), and the nonintegrated (or “minimill”) production process, which utilizes an electric arc furnace (“EAF”) to produce raw steel. In both processes, pig iron, ferrous scrap, and/or direct reduced iron (“DRI”)⁵⁷ are charged into BOFs or EAFs. In the United States, steel for rod production is melted from ferrous scrap in an EAF, along with other raw materials that may also be added as part of the EAF charge.⁵⁸ Alloy agents are added to the liquid steel to impart specific properties to finished steel products. The molten steel is poured or tapped from the furnace to a ladle, which is an open topped, refractory lined vessel that has an off-center opening in its bottom and is equipped with a nozzle. Meanwhile, the primary steelmaking vessel (either EAF or BOF) may be charged with new materials to begin another refining cycle.

⁵⁶ *Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Preliminary)*, USITC Publication 4458, March 2014, p. I-13.

⁵⁷ The advantage of using DRI or pig iron (BOF steel) is the low levels of residual elements (e.g., copper, chromium, nickel, molybdenum, and tin) and reduced gaseous content (particularly nitrogen) that they impart to the steel. Compared to BOF steel, EAF scrap-based steel contains higher levels of certain residuals, which adversely affect yields and drawing efficiencies, and limit such scrap-based steel use in certain critical applications.

⁵⁸ Minimills use ferrous scrap as their primary raw material but may add DRI or hot-briquetted iron and/or pig iron to the mix, depending on the specifications for the end product and the relative costs of the raw materials. Minimills that produce high quality rod products, such as high carbon, cold heading quality, tire cord quality, and/or other special quality wire rod may use less ferrous scrap and more DRI than other steelmakers, however the production process in general does not change.

Both steelmaking processes are increasingly overlapped in terms of chemistries (and are not considered material differences), with increasing blast furnace use of scrap and EAF use of DRI and pig iron.

Molten steel typically is treated in a ladle metallurgy station, where its chemistry is refined to give the steel those properties required for specific applications. At the ladle metallurgy, or secondary steel making, station the chemical content (particularly that of carbon and sulfur) is adjusted, and alloying agents may be added.⁵⁹ The steel may be degassed (eliminating oxygen and hydrogen) at low pressures.⁶⁰ Ladle metallurgy stations are equipped with electric arc power to adjust the temperature of the molten steel for optimum casting and to allow it to serve as a holding reservoir for the casting stage.

Casting stage

Once molten steel with the requisite properties has been produced, it is cast into a form that can enter the rolling process. Continuous (strand) casting is the method primarily used in the United States. In strand casting, the ladle containing molten steel is transferred from the ladle metallurgy station to the caster and the molten steel is poured at a controlled rate into a tundish (reservoir dam), which in turn controls the rate of flow of the molten steel into the molds at the top of the caster. The tundish may have a special design or employ electromagnetic stirring to ensure homogeneity of the steel. The strand caster is designed to produce billets in the desired cross sectional dimensions, based on the dimensions of the rod and the design of the rolling mill. Billets may be sent directly (“hot charged”) into the rolling mill

⁵⁹ Boron can be added as ferroboron to molten steel (in concentrations of 0.0015–0.0030 percent or 15–30 parts per million (ppm)) to increase the hardenability of the steel. However, because of boron’s high reactivity with any dissolved oxygen and nitrogen in the molten steel, ferroboron is the last addition at the ladle metallurgy station, under controlled conditions, and only after the molten steel is “killed” (deoxidized or degassed).

Boron enhances the ductility (drawability) of low carbon steels, hardness of cold heading grade steels, and heat treatability and tensile strength of higher carbon steels. *Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Preliminary)*, USITC Publication 4458, March 2014, p. I-14.

⁶⁰ Liquid steel absorbs gasses from the atmosphere and from the materials used in the steelmaking process. These gasses, chiefly oxygen and hydrogen, cause embrittlement, voids, and nonmetallic inclusions. Low pressures, such as in a vacuum, aid the release of oxygen in gas form without the need for additions of deoxidizers such as silicon, aluminum, or titanium, which form nonmetallic inclusions. Additionally, carbon content may be reduced more easily at low pressure (because it combines with oxygen to form carbon monoxide and is released in gas form), resulting in a more ductile steel. Moreover, hydrogen gas causes embrittlement, low ductility, and blow holes in steel; vacuum treatment more easily removes hydrogen from the steel. Hence, the use of deoxidizing processes results in a more efficient process and a cleaner steel.

or, depending upon the rolling mill's schedule, sent to a storage yard. While in storage, they may be inspected and subjected to one or more conditioning operations (e.g., grinding or turning) to prepare them for hot rolling. This preparation is more common with cold heading quality rods intended to be made into fasteners.⁶¹

Rolling stage

The wire rod rolling process determines the rod's size (diameter) and dimensional precision, depth of decarburization, surface defects and seams, amount of mill scale, structural grain size, and, within limits set by the chemistry, tensile strength and other physical properties. A larger billet will produce a heavier coil. Also, usable coil size may be limited by the capabilities of the wire drawer's equipment and machinery.

Modern rod rolling mills consist of five parts: a roughing mill, an intermediate mill, a pre finishing mill, a no twist finishing mill, and a coiler combined with a conveyor cooling bed along which the coiled rod travels prior to being collected, tied, compacted, and readied for shipment. Wire rod mills typically consist of 22 to 29 rolling stands and the specialized Stelmor conveyor deck;⁶² the need for uniform metallurgical properties requires close temperature control accomplished by accelerating or retarding the rod's cooling as it is rolled and conveyed along the Stelmor deck. This is accomplished by water quench, forced air drafts, or by lowering removable hoods overtop the deck. Metallurgical quality, temperature, and dimensional tolerance usually are inspected in-line.

Exiting the reheat furnace, the billet is initially reduced on the roughing mill (which usually consists of approximately five stands). It then is passed through and successively reduced in size on several more stands, termed intermediate rolling. After the last intermediate rolling stand, the rolling mill usually splits into dual lines and the product is passed along to a pre-finishing mill which reduces it further in diameter. Rod mills often employ a "twist" mill for primary and intermediate rolling, but the final rolling is nearly always on a no-twist Morgan vee mill (the rolls in each of approximately five stands are set at 90-degree angles to allow the rod

⁶¹ The purpose of these surface treatments is to make the steel billet softer and more ductile (annealing); in the case of surface grinding, seam and folds are removed.

⁶² The Stelmor conveyor deck allows for controlled cooling of the wire rod. The cooling speed imparts certain physical characteristics, thereby enabling producers to produce a wider range of wire rod qualities.

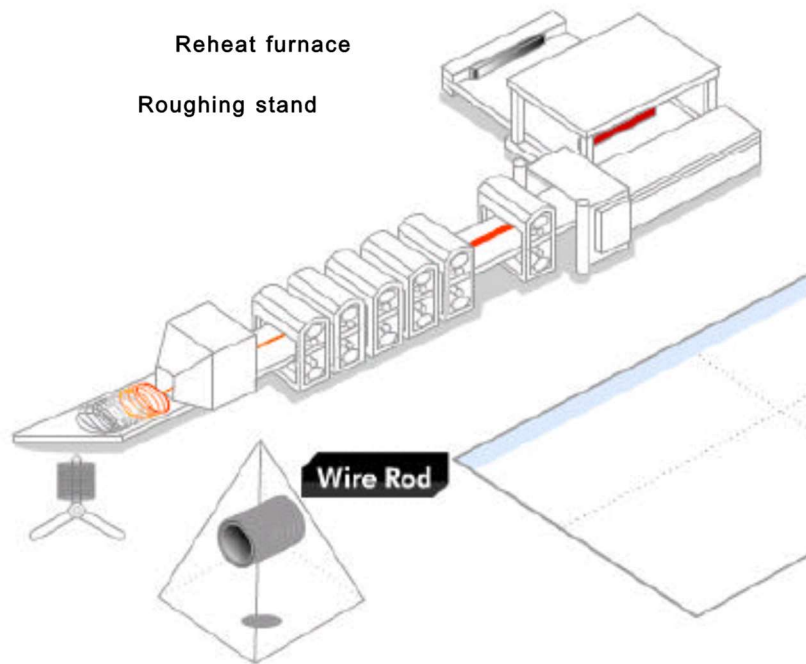
to be rolled without twisting). This produces a nearly uniform non-oriented grain structure in the steel.

Cooling stage

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

At the end of the cooling deck, workers crop the ends of each rod to remove the part of the rod which may be of lower quality due to uneven temperature control; the cropped ends are also used for testing and inspection. The rod is then collected onto a carrier, transferred to a "c" hook, compacted, tied, and readied for shipment, or for further finishing or in-house fabrication. Figure I-2 illustrates the reheat through cooling stages of the wire rod production process.

Figure I-2
Wire rod: Reheat and rolling process



Source: POSCO Web site, http://www.steel-n.com/esales/general/us/catalog/wire_rod/, retrieved March 10, 2008.

Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. While changes to production processes are limited, changes in chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced. The basic equipment, machinery, facilities, and production personnel, however, remain the same for the production of industrial quality, tire cord quality, welding quality, and cold heading quality wire rod.

Domestic like product issues

In the original determinations, full first five-year reviews, and full second five-year reviews, the Commission defined the domestic like product to encompass both wire rod within the scope definition and grade 1080 tire cord and grade 1080 tire bead wire rod excluded from the scope.⁶³ In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.⁶⁴

⁶³ In the original investigations, the Commission rejected arguments asserted by respondents that tire cord quality rod, cold heading quality (CHQ) wire rod meeting Industrial Fasteners Institute Specification IFI-140, and clean steel precision bar in coils (CSPBIC) should each be defined as a distinct domestic like product. The Commission found that, although each of these products was a high-end product that met exacting quality requirements, there was no clear dividing line between any one of these products and other wire rod products. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. 8-9.

⁶⁴ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Institution of Five-Year Reviews*, 84 FR 25564, June 3, 2019.

Charter Steel, Liberty Steel USA, Optimus Steel LLC, and Evraz Rocky Mountain Steel argued that, in these reviews, the Commission should continue to define the domestic like product as it did in the original investigations.⁶⁵ Deacero requested that the Commission collect data from U.S. producers concerning wire rod with a diameter of less than 5 mm as it has “...not had an opportunity to consider whether these smaller diameter (i.e., 4.75mm to less than 5mm and less than 5mm) wire rod products constitute a separate like product.”⁶⁶

⁶⁵ Domestic Interested Party’s Prehearing Brief, pp. 3-4. In the original investigations, the Commission found a single domestic like product consisting of all certain alloy steel wire rod measuring between 5.00 mm and 19.00 mm in solid cross-sectional diameter, including certain grade 1080 tire cord and grade 1080 tire bead wire rod that were excluded from Commerce’s scope of the investigations. Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final), USITC Publication 3546, October 2002, p. 12. Small and smaller diameter wire rod at less than 5mm are currently included in the scope, following circumvention findings in 2016 and 2019 by Commerce.

⁶⁶ Deacero’s Comments on Draft Questionnaires, February 25, 2020, p. 6. Based on information collected in previous reviews, Commission staff contacted twelve previously identified U.S. producers (including the six firms comprising the domestic interested parties) and requested that they provide data on their production of wire rod less than 5mm in 2017-19, if any. Of the ten firms that responded to this data query, *** reported any production of wire rod less than 5mm during the requested years. ***.

U.S. market participants

U.S. producers

During the original investigations, 12 firms supplied the Commission with complete information on their U.S. operations with respect to wire rod. These 12 firms accounted for more than *** percent of U.S. production of wire rod products during 2001.⁶⁷ During the full first five-year reviews, 10 firms supplied the Commission with information on their U.S. operations. These 10 firms accounted for all known production of wire rod in the United States during 2007.⁶⁸ During the full second five-year reviews, 10 firms supplied the Commission with information on their U.S. operations. These 10 firms accounted for all known production of wire rod in the United States during 2013.⁶⁹

In these current proceedings, the Commission issued U.S. producers' questionnaires to 13 firms, ten of which provided the Commission with information on their wire rod operations. These firms are believed to account for all or virtually all U.S. production of wire rod in 2019. Presented in table I-12 is a list of current domestic producers of wire rod and each company's position on continuation of the orders, production locations, related and/or affiliated firms, and share of reported production of wire rod in 2019.

⁶⁷ The 12 U.S. producers that supplied the Commission with complete questionnaire information during the original investigations are: Birmingham, Cascade, Charter, Connecticut, Co-Steel, GS Industries, Ispat Inland, Keystone, Northwestern, Nucor, Republic, and Rocky Mountain. In addition, Ameristeel and North Star provided partial questionnaire information .

⁶⁸ The 10 U.S. producers that supplied the Commission with usable questionnaire information during the first five-year reviews are: ArcelorMittal USA; Cascade; Charter Steel, Division of Charter Manufacturing ("Charter"); Gerdau Ameristeel; Keystone; Nucor; Oklahoma Steel and Wire, which is the wire products related firm of Mid American Steel and Wire Co. ("Mid American"); Republic Engineered Products ("Republic"); Rocky Mountain Steel Mills ("Rocky Mountain"); and Sterling Steel Co., LLC ("Sterling").

⁶⁹ The 10 U.S. producers that supplied the Commission with usable questionnaire information during the second five-year reviews were: ArcelorMittal USA, Cascade, Charter, Evraz, Gerdau, Keystone, Mid American, Nucor, Republic, and Sterling.

Table I-12
Wire rod: U.S. producers, positions on orders, U.S. production locations, and shares of 2019 reported U.S. production

Firm ¹	Position on continuation of order(s)	Production location(s)	Share of production (percent)
Cascade	***	McMinnville, OR City of Industry, CA	***
Charter	***	Saukville, WI Cuyahoga Heights, OH Fostoria, OH	***
CMC	***	Jacksonville, FL	***
Evraz	***	Pueblo, CO	***
Gerdau	***	***	***
Liberty	***	Peoria, IL Georgetown, SC	***
Mid American Steel	***	Madill, OK	***
Nucor	***	Charlotte, NC Wallingford, CT Norfolk, NE Kingman, AZ Darlington, SC	***
Optimus	***	Beaumont, TX	***
Sterling	***	Sterling, IL	***
Total			100.0

¹ ***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

No domestic producer reported production of wire rod in a foreign trade zone. Three domestic producers (***) reported that since January 1, 2014 they have been involved in toll agreements regarding the production of wire rod. ***.⁷⁰ In addition, no responding U.S. producer primarily purchases billets.⁷¹

⁷⁰ U.S. producer questionnaire responses, II-10.

⁷¹ U.S. producer questionnaire responses, III-9d.

As indicated in table I-13, three U.S. producers are related to foreign producers of wire rod and three are related to U.S. importers of wire rod. In addition, as discussed in greater detail in Part III, two U.S. producers import wire rod from nonsubject sources.

Table I-13
Wire rod: U.S. producers' ownership, related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Related importers/exporters:		
***	***	***
***	***	***
***	***	***
Related producers:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

U.S. importers

In the original investigations, 27 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of wire rod, accounting for *** percent of U.S. imports of wire rod during 2001. Of the responding U.S. importers, one was also a domestic producer: ***. In the Commission's full first five-year reviews, 26 firms supplied usable import data, accounting for approximately 73 percent of total U.S. imports of wire rod from other sources in 2007, and 90 percent of subject imports in that year. Reporting U.S. importers of wire rod at that time imported primarily from the subject countries of Brazil, Canada (no longer subject), Mexico, Trinidad and Tobago, and nonsubject Germany. No domestic producer reported imports during the Commission's first five-year review. In the full second five-year reviews, 37 firms supplied usable import data, representing virtually all U.S. imports of wire rod from Mexico in 2013, and 84.8 percent of U.S. imports of wire rod from

nonsubject countries in that year, primarily from China, Canada, and Japan.⁷² There were no reported U.S. imports from Brazil, Indonesia, Moldova, or Trinidad and Tobago during 2013. U.S. imports of wire rod from Brazil and Moldova largely ceased following the imposition of duties in 2002 and the U.S. imports of wire rod from Indonesia and Trinidad and Tobago ceased after 2005 and 2008, respectively.

In the current proceeding, the Commission issued U.S. importers' questionnaires to 99 firms believed to be importers of wire rod, as well as to all U.S. producers of wire rod. Usable questionnaire responses were received from 22 firms, representing virtually all of U.S. imports of wire rod from Mexico in 2019 and approximately two-thirds of U.S. imports of wire rod from nonsubject countries in that year, primarily from Canada, Japan, and Turkey. Table I-14 lists all responding U.S. importers of wire rod from subject countries and other sources, their locations, and their shares of U.S. imports in 2019. There were no reported subject U.S. imports of wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago during 2019, although there were imports of grade 1080 tire cord/tire bead wire rod. Deacero was the only firm with reported U.S. imports from Mexico.

Deacero USA reported importing *** percent of subject wire rod from Mexico in 2019, while twelve U.S. importers reported U.S. imports of nonsubject wire rod in 2019, with the largest three nonsubject importers (***) accounting for more than *** percent of reported imports from nonsubject sources in 2019.

⁷² The questionnaire import coverage calculation for nonsubject countries is based on the share of reported U.S. imports from nonsubject sources relative to such data as reported by official Commerce import statistics. The questionnaire import coverage calculation for Mexico is based on an examination of importing firms as reported in proprietary Customs documents.

Table I-14

Wire rod: U.S. importers, sources of imports, U.S. headquarters, and shares of imports in 2019

Firm	Headquarters	Share of imports by source (percent)							
		Brazil	Indonesia	Mexico	Moldova	Trinidad and Tobago	Subject sources	All other sources	All import sources
ArcelorMittal Brasil	Belo Horizonte, MG	***	***	***	***	***	***	***	***
Bekaert	Marietta, GA	***	***	***	***	***	***	***	***
Byram Steel	Pompton Plains, NJ	***	***	***	***	***	***	***	***
C&F	Houston, TX	***	***	***	***	***	***	***	***
CMC	Irving, TX	***	***	***	***	***	***	***	***
Deacero USA	Houston, TX	***	***	***	***	***	***	***	***
Heico	L'Orignal, ON	***	***	***	***	***	***	***	***
Illinois Tool Works	Glenview, IL	***	***	***	***	***	***	***	***
Intermetal	Miami, FL	***	***	***	***	***	***	***	***
J&L Wire	St Paul, MN	***	***	***	***	***	***	***	***
Kanematsu	Arlington Heights, IL	***	***	***	***	***	***	***	***
Kiswire	Norcross, GA	***	***	***	***	***	***	***	***
Liberty	Peoria, IL	***	***	***	***	***	***	***	***
Macsteel	White Plains, NY	***	***	***	***	***	***	***	***
Metal One	Rosemont, IL	***	***	***	***	***	***	***	***
O&K	Chicago, IL	***	***	***	***	***	***	***	***
Shinsho	Novi, MI	***	***	***	***	***	***	***	***
Stemcor	Fort Lauderdale, FL	***	***	***	***	***	***	***	***
Stena Metal	Southport, CT	***	***	***	***	***	***	***	***
Tokusen	Conway, AR	***	***	***	***	***	***	***	***
Toyota Tsusho America	Georgetown, KY	***	***	***	***	***	***	***	***
Tree Island	Rancho Cucamonga, CA	***	***	***	***	***	***	***	***
Total		***	***	***	***	***	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

U.S. purchasers

The Commission received 28 usable questionnaire responses from firms that have purchased wire rod since January 1, 2014.⁷³ Seven responding purchasers are distributors, 24 are end users, and three reported they manufacture processed product. In general, responding U.S. purchasers were located in the Midwest and Southeast. The responding purchasers represented firms in a variety of domestic industries, including automobile manufacturers, appliance manufacturers, material handling containers and pallet rack shelving manufacturers, fence manufacturers, nail manufacturers, container/pail manufacturers, fastener manufacturers, residential shelving manufacturers, agricultural products manufacturers, wire for cardboard and plastics recyclers, manufacturers of various wire forms, miscellaneous metals distributors, and resellers. Large purchasers of wire rod include ***.

Apparent U.S. consumption

Data concerning apparent U.S. consumption of wire rod are shown in table I-15. The quantity of apparent U.S. consumption decreased by *** percent between 2017 and 2019 from *** short tons to *** short tons. Apparent U.S. consumption fluctuated during the period, increasing by *** percent during 2017-18 and then decreasing by *** percent during 2018-19. The U.S. producers' share of apparent U.S. consumption increased year-on-year during 2017-19 and peaked at *** percent in 2019. The share of U.S. consumption held by subject imports from Mexico increased by *** percentage points between 2017 and 2019 (with a gain of *** percentage point in 2018 and in 2019), but remained below *** percent in all annual periods. There were no or virtually no reported U.S. imports from Brazil, Indonesia, Moldova, or Trinidad and Tobago during 2017-19. The quantity of U.S. imports from nonsubject sources, which accounted for *** percent of apparent U.S. consumption in 2019, experienced a downward trend between 2017 and 2019. During 2017-18, the value of apparent U.S. consumption grew by *** percent to its highest level, but then decreased by *** percent during 2018-19.

⁷³ Of the 28 responding purchasers, 28 purchased the domestic product, 7 purchased imports of the subject merchandise from Mexico, 2 purchased imports of the subject merchandise from Brazil, one purchased imports of the subject merchandise from Indonesia, and 20 purchased imports of wire rod from other sources.

Table I-15
Wire rod: Apparent U.S. consumption and market shares, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. producers' U.S. shipments	3,767,965	4,238,986	3,758,113
U.S. imports from.--	---	---	---
Brazil			
Indonesia	---	---	---
Mexico	***	***	***
Moldova	---	---	---
Trinidad and Tobago	---	42	---
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	174,961	105,848	104,681
All other sources	1,419,648	1,146,008	938,059
Nonsubject sources	1,594,609	1,251,856	1,042,740
All import sources	***	***	***
Apparent consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	2,252,799	3,126,036	2,661,027
U.S. imports from.--	---	---	---
Brazil			
Indonesia	---	---	---
Mexico	***	***	***
Moldova	---	---	---
Trinidad and Tobago	---	55	---
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	100,537	70,982	83,890
All other sources	904,016	983,492	781,031
Nonsubject sources	1,004,553	1,054,474	864,921
All import sources	***	***	***
Apparent consumption	***	***	***

Table continued.

Table I-15--Continued

Wire rod: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
Brazil	***	***	***
Indonesia	***	***	***
Mexico	***	***	***
Moldova	***	***	***
Trinidad and Tobago	***	***	***
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
Brazil	***	***	***
Indonesia	***	***	***
Mexico	***	***	***
Moldova	***	***	***
Trinidad and Tobago	***	***	***
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Note: ***.

Note: Official import statistics for Brazil have been reclassified as 1080 tire cord/tire bead imports from subject sources. Merchandise from Brazil in official import statistics is exclusively nonsubject grade 1080 tire cord/bead product.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Figure I-3
Wire rod: Apparent U.S. consumption, 2017-19

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Wire rod is used in a variety of downstream products, primarily in construction, automotive, energy, and agriculture industries. In the U.S. market, carbon quality wire rod is the most commonly consumed type of wire rod. As shown in figure II-1, low and high carbon industrial and standard quality wire rod accounted for approximately *** of all U.S. shipments of wire rod during 2019.¹ Similarly, the majority of purchasers reported buying low and high carbon industrial and standard quality rods.²

U.S. producers and importers of wire rod typically sell product directly to wire drawing firms and/or produce and sell wire or wire products. Internal consumption and transfers to related firms accounted for more than one-quarter of U.S. producers' U.S. shipments of domestically produced wire rod in 2019.

U.S. shipments of domestically produced wire rod accounted for *** percent of apparent U.S. consumption in 2019. Imports from the subject countries were limited and accounted for *** percent of the total U.S. market in 2019; and imports from nonsubject countries (as well as grade 1080 tire bead and tire cord wire rod from subject countries) accounted for *** percent.³

Apparent U.S. consumption of wire rod fluctuated during 2017-19, increasing by *** percent in 2018 before declining by *** percent in 2019. Overall, apparent U.S. consumption in 2019 was *** percent lower than in 2017.

¹ Ten U.S. producers and 22 importers submitted questionnaires; 9 U.S. producers, 1 importer of subject product from Mexico, and 12 importers of subject product from nonsubject countries reported their U.S. shipments by type of wire rod in 2019.

² A total of 28 purchasers submitted questionnaires.

³ U.S. imports of subject wire rod from Mexico were sold in the United States in each year between 2017 and 2019. U.S. imports of subject wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago ranged from limited to non-existent during 2017-19; 42 short tons were imported from Trinidad and Tobago to San Juan, Puerto Rico in April 2018 (for more information, see Part I "Apparent U.S. consumption," table I-15).

Figure II-1
Wire rod: U.S. producers and U.S. importers' U.S. shipments, by type, 2019

* * * * *

Impact of 232 investigation

A majority of U.S. producers (8 of 10), importers (13 of 19 responding), and purchasers (26 of 28) reported that there was an impact on the wire rod market from the application of tariffs and quantitative restrictions following the section 232 investigation on steel imports.⁴ As shown in table II-1, the majority of firms reported an increase in the supply of domestically produced wire rod and a decrease in the supply of imported wire rod.⁵ U.S. producer *** attributed increased production by U.S. mills to the 232 tariffs and quantitative restrictions and producer *** noted the opening of new mills and expansion of existing mills. Importer *** attributed higher levels of capacity utilization to the section 232 tariffs and quantitative restrictions.⁶ Two U.S. producers (*** and ***) reported the decrease in supply of imported wire rod was primarily due to the imposition of antidumping and countervailing duties on wire rod from ten countries in 2018. Most U.S. producers and purchasers reported no change in overall U.S. demand for wire rod, and a plurality of importers reported no change or a fluctuation with no clear trend in demand.

When asked about any impact of the subsequent elimination of section 232 tariffs on imports of steel products from Mexico, most U.S. producers (6 of 9 responding) and importers (10 of 13 responding) reported that there were impacts; 16 of 27 responding purchasers reported no impact. Importer *** reported that the agreement established a monitoring of the import volumes from Mexico, and if volumes exceeded historical levels, tariffs would be imposed on wire rod from Mexico.

⁴ Please refer to Part I for additional information on section 232 investigation on steel imports.

⁵ The price of wire rod and raw material costs for wire rod are discussed in Part V.

⁶ Deacero stated that domestic producers are not able to meet domestic demand, citing a number of 232 exclusion requests granted by the Department of Commerce to domestic users of wire rod (Deacero's prehearing brief, p.14).

Table II-1**Wire rod: U.S. producers', U.S. importers' and U.S. purchasers' impact of 232 on the wire rod market**

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Supply of U.S. produced wire rod:				
U.S. producers	4	2	2	1
U.S. importers	6	3	2	3
U.S. purchasers	14	9	1	4
Supply of imported wire rod:				
U.S. producers	1	---	5	3
U.S. importers	---	1	10	3
U.S. purchasers	---	1	24	1
Price of wire rod:				
U.S. producers	3	1	1	4
U.S. importers	10	---	---	4
U.S. purchasers	20	2	---	4
Overall demand in market for wire rod:				
U.S. producers	1	5	2	1
U.S. importers	1	5	3	5
U.S. purchasers	6	10	7	2
Raw material costs for wire rod:				
U.S. producers	2	2	---	5
U.S. importers	4	---	1	9
U.S. purchasers	10	8	1	8

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

Channels of distribution

The majority of wire rod sold in the United States was shipped to end users during 2017-19. U.S. producers and importers of wire rod sold primarily, if not exclusively (***) , to end users (table II-2). One responding firm (***) reported imports from Mexico during 2017-19; no firms reported importing wire rod from Brazil, Indonesia, Moldova, or Trinidad and Tobago.

Table II-2

Wire rod: U.S. producers' and importers' share of reported U.S. shipments, by sources and channels of distribution

Item	Calendar year		
	2017	2018	2019
	Share of U.S. shipments (percent)		
U.S. producers: to Distributors	5.9	4.8	4.3
to End users	94.1	95.2	95.7
U.S. importers: Brazil to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Indonesia to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Mexico to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Moldova to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Trinidad and Tobago to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Subject sources to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Nonsubject sources to Distributors	***	***	***
to End users	***	***	***
U.S. importers: All sources to Distributors	***	***	***
to End users	***	***	***

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

Geographic distribution

U.S. producers reported selling wire rod to all regions in the contiguous United States; four of these U.S. producers sold nationwide (table II-3).⁷ The sole responding importer from Mexico during 2017-19 reported selling ***.⁸ In 2019, the majority of U.S. producers' sales (76.0 percent) were shipped between 101 and 1,000 miles, 15.7 percent was shipped within 100 miles of their production facility, and 8.3 percent was shipped over 1,000 miles. In 2019, *** percent of imports of wire rod from Mexico were shipped between 101 and 1,000 miles and *** percent was shipped over 1,000 miles.

Table II-3
Wire rod: Geographic market areas in the United States served by U.S. producers and importers, by number of responding firms

Region	U.S. producers	Subject U.S. importers					
		Brazil	Indonesia	Mexico	Moldova	Trinidad and Tobago	Subject
Northeast	7	***	***	***	***	***	***
Midwest	9	***	***	***	***	***	***
Southeast	8	***	***	***	***	***	***
Central Southwest	9	***	***	***	***	***	***
Mountains	7	***	***	***	***	***	***
Pacific Coast	9	***	***	***	***	***	***
Other ¹	3	***	***	***	***	***	***
All regions (except Other)	4	***	***	***	***	***	***
Reporting firms	10	***	***	***	***	***	***

Note: Other is all other U.S. markets, including AK, HI, PR, and VI.

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

⁷ In the original investigations, eleven U.S. producers reported selling wire rod to all regions in the contiguous United States, with three producers selling nationwide. Twenty-two importers reported selling wire rod to all regions, with one selling nationwide. Importers sold wire rod produced in all subject countries except for Turkey. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546, October 2002, pp. II-28 – II-30.

⁸ Two reporting firms are shown in table II-3. Importer *** reported imports from Mexico in *** in addition to ***, which reported imports *** year during 2014-19.

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding wire rod from U.S. producers and from subject countries. U.S. producers and foreign producers in Brazil and Mexico reported increasing capacity during 2017-19. U.S. and Brazilian producers of wire rod had increasing inventories while producers from Mexico reported decreasing inventories. *** U.S. producers and *** producers from Brazil and Mexico reported an ability to produce alternative products.

Table II-4
Wire rod: Supply factors that affect the ability to increase shipments to the U.S. market

Item	2017	2019	2017	2019	2017	2019	Shipments by market in 2019 (percent)		Ability to shift to alternate products
	Capacity (1,000 short tons)	Capacity utilization (percent)	Inventories as a ratio to total shipments (percent)	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"			
United States	4,660	5,434	82.3	70.5	***	***	***	***	7 of 10
Brazil	***	***	***	***	***	***	***	***	3 of 3
Indonesia	***	***	***	***	***	***	***	***	0 of 0
Mexico	***	***	***	***	***	***	***	***	3 of 3
Moldova	***	***	***	***	***	***	***	***	0 of 0
Trinidad and Tobago	***	***	***	***	***	***	***	***	0 of 0

Note: Responding U.S. producers accounted for all or virtually all of U.S. production of wire rod in 2019. Responding foreign producer/exporter firms accounted for all or virtually all of U.S. imports of wire rod from Mexico during 2019; there were no or virtually no imports from Brazil during 2019. For additional data on the number of responding firms and their share of U.S. production, please refer to Part I, "Summary data" and of U.S. imports from each subject country, please refer to Part IV, "U.S. imports-Overview."

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

Domestic production

Based on available information, U.S. producers of wire rod have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced wire rod to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the ability to produce alternative products. Factors mitigating responsiveness of supply include insufficient export markets and low levels of inventories.

U.S. producers' capacity utilization decreased from 82.3 percent in 2017 to 70.5 percent in 2019 as domestic capacity increased by 16.6 percent and production of wire rod fell by 0.1 percent. U.S. producers' inventories increased from *** percent of total shipments in 2017 to *** percent in 2019. U.S. producers' exports, as a share of total shipments, did not exceed *** percent between 2017 and 2019. Four U.S. producers stated that it would be difficult to shift their shipments to other markets. U.S. producer *** listed Canadian steel tariffs during 2018 as a barrier to trade. (The tariffs were lifted in 2019). Seven of 10 U.S. producers stated that they could switch production from wire rod to other products. Other products that producers reportedly produce on the same equipment as wire rod are concrete reinforcing bar (rebar) and other nonsubject bar and rod products. Several producers reported that producing other products is limited by market demand and competition from other U.S. producers and imports. U.S. producer *** listed time and cost as the primary constraints for product switching. *** reported it takes an average of four hours to complete a changeover.

Supply of subject imports

The sensitivity of supply of wire rod imports from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago to changes in price in the U.S. market depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. The Commission received no questionnaire responses from producers in Indonesia, Moldova, or Trinidad and Tobago in these reviews.⁹ Relevant information for Brazil and Mexico follows.

⁹ The only wire rod producing mill in Trinidad and Tobago was the Point Lisas facility operated by ArcelorMittal until it idled the plant in 2016. The mill *** remains closed. For more information, please see Part IV "The industry in Trinidad and Tobago."

Subject imports from Brazil

The Commission received three questionnaire responses from Brazilian producers of wire rod, Gerdau Brasil, ArcelorMittal Brasil, and Grupo Simec SAP.¹⁰ Based on available information, Brazilian producers have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to produce alternative products, and the existence of alternate markets; however, low levels of inventories tend to moderate this degree of responsiveness.

Subject imports from Mexico

The Commission received three questionnaire responses from Mexican producers of wire rod.¹¹ Based on available information, producers of wire rod from Mexico have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity, the ability to produce alternative products, and the existence of alternate markets. Low levels of inventories tend to moderate the degree of responsiveness.

Imports from nonsubject sources

Imports from nonsubject sources (both imports of wire rod from nonsubject sources and imports of grade 1080 tire cord and tire bead wire rod) accounted for *** percent of total U.S. imports in 2019. The largest sources of such imports during 2017-19 were Canada, Japan, and Germany. Combined, these countries accounted for approximately three-fourths of nonsubject imports in 2019.

¹⁰ Gerdau Brasil accounted for *** percent of total wire rod rolling capacity in Brazil during 2019; ArcelorMittal Brasil accounted for *** percent; Grupo Simec SAB accounted for *** percent. For additional information on the number of responding firms and their share of production in Brazil, please refer to Part IV, “The industry in Brazil.”

¹¹ Grupo Simec accounted for *** percent of total wire rod rolling capacity in Mexico during 2019; Deacero accounted for *** percent; and ArcelorMittal Mexico accounted for *** percent. For additional information on the number of responding firms and their share of production in Mexico, please refer to Part IV, “The industry in Mexico.”

Changes in supply

Nine responding U.S. producers, 6 of 18 responding importers, and 20 of 28 purchasers reported changes that affected U.S. supply since 2014. Firms noted the fluctuating U.S. capacity due to closures of ArcelorMittal's Georgetown, South Carolina plant in August 2015 and Republic Steel's Loraine, Ohio plant in March 2016, as well as the re-opening of Liberty Steel's Georgetown, South Carolina mill in 2018.¹² U.S. producers *** and *** reported that U.S. producers increased capacity since 2014. Other changes include fluctuations in U.S. supply due to section 232 tariffs and reduced imports of Chinese-origin product.

Two U.S. producers, 3 importers, and 8 purchasers reported anticipated future changes in the availability of wire rod in the U.S. market. Firms listed announced or planned increases in domestic capacity, uncertainty regarding section 232 tariffs, and COVID-19 having an impact on the U.S. market.

Supply constraints

Seventeen of 27 responding purchasers reported that they experienced supply constraints since 2014. Several purchasers reported that domestic wire rod mills were unable to supply their needs at the onset of section 232 tariffs in 2018 and that U.S. producers began allocating capacity to their customers, resulting in a rise in price.^{13 14} *** reported that several U.S. producers (**) refused to produce 4.75 mm wire rod.¹⁵ *** reported that U.S. producer *** had supply issues in late 2019. Ten purchasers did not report any supply constraints.

Most U.S. producers and importers did not report any supply constraints. Two of 16 responding importers reported supply constraints. Deacero USA reported supply constraints ***, and *** listed supply constraints due to the

¹² Liberty Steel bought the Georgetown, South Carolina plant from ArcelorMittal in late 2017.

¹³ Witnesses participating in the Commission's hearing described this as a temporary issue due to a surge in speculative buying in response to section 232 tariffs. Hearing transcript, pp. 60-64 (Dillon, Goettl, Zernikow).

¹⁴ Respondent interested party Deacero alleged that such supply constraints suggest that U.S. wire rod producers with downstream wire operations "do not divert material from internal consumption to serve the U.S. commercial market." Hearing transcript, p. 132 (Lutz).

¹⁵ Nucor reportedly produced 4.75 mm wire rod. Hearing transcript, p. 61 (Zernikow). Optimus Steel stated that it is an economic decision whether to produce 4.75 mm wire rod when other sizes such as 5.0 mm and 5.5 mm wire rod can produce the same end wire product. Hearing transcript, p. 64 (Goettl).

section 232 tariffs in 2018.¹⁶ Two of 9 responding U.S. producers reported supply constraints since 2014. *** reported equipment failures in 2018, and *** listed capacity constraints due to the section 232 tariffs in 2018.

New suppliers

Sixteen of 28 purchasers indicated that new suppliers entered the U.S. market since January 1, 2014, and 9 of 27 responding purchasers expect additional entrants in the future. New suppliers reported by purchasers include Liberty Steel in Georgetown, South Carolina; Beaumont (purchased by Optimus from Gerda); Tata Steel International; Alliance Steel's new rod mill (Malaysia); Nucor in Darlington, South Carolina; Yieh Sing in Taiwan; Sonasid in Morocco; Hamberger Stahlwerk in Germany; Riva Bradenburg in Germany; Hoa Phat in Vietnam; EZZ in Egypt; Sidenor in Greece; Grupo Simec's new mill (Mexico); and Ivaco in Canada. Several purchasers reported that if section 232 tariffs were revoked, new suppliers might enter the market in the future.

U.S. demand

Based on available information, the overall demand for wire rod is likely to experience moderate changes in response to changes in price. The main contributing factors are the lack of substitute products and the large cost share of wire rod in most of its end use products, both of which reduce responsiveness. However, there is also potential for downstream customers to import downstream products, thus increasing wire rod demand's responsiveness to price changes.

End uses and cost share

U.S. demand for wire rod depends on the demand for a variety of U.S.-produced downstream products. End uses previously identified by firms include fasteners, wire garment hangers, wire mesh, nails, concrete reinforcing mesh, baling wire, industrial wire, tire cord/bead, shelving wire, sod staples, suspension springs, and PC strand.¹⁷ All 9 responding U.S. producers, 16 of 17 responding importers, 24 of 26 purchasers, and all 6 responding foreign

¹⁶ See, e.g., testimony by Mid-Continent Steel & Wire. Hearing transcript, p. 178 (Pratt). When wire rod is not available from Deacero, Mid-Continent purchases from domestic producers. Hearing transcript, pp. 188-189 (Pratt).

¹⁷ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, p. II-18.

producers reported no changes in end uses. Importer/purchaser *** noted that the wire and wire products industry is a mature industry with little to no product innovation. All 8 responding U.S. producers, 15 of 17 responding importers, 21 of 24 responding purchasers, and all 6 foreign producers do not anticipate any future changes in the end uses of wire rod.

Wire rod accounts for a large share of the cost of the end-use products in which it is used, although cost shares vary widely due to the wide range of products that use wire rod. The cost share of wire rod in final products, previously identified by firms, ranged from 29 percent to 100 percent.¹⁸ Wire rod accounted for 60 percent or greater of the total cost in 83 of the 104 final products reported by firms. Cost share information for products most commonly reported by firms include:

- 40 to 90 percent of the cost of various types of wire
- 60 to 90 percent of the cost of various meshes
- 45 to 85 percent of the cost of nails, staples, and fasteners
- 60 to 80 percent of the cost of chain link and barbed wire for fencing
- 33 to 60 percent of the cost of tire cord/tire bead

Business cycles

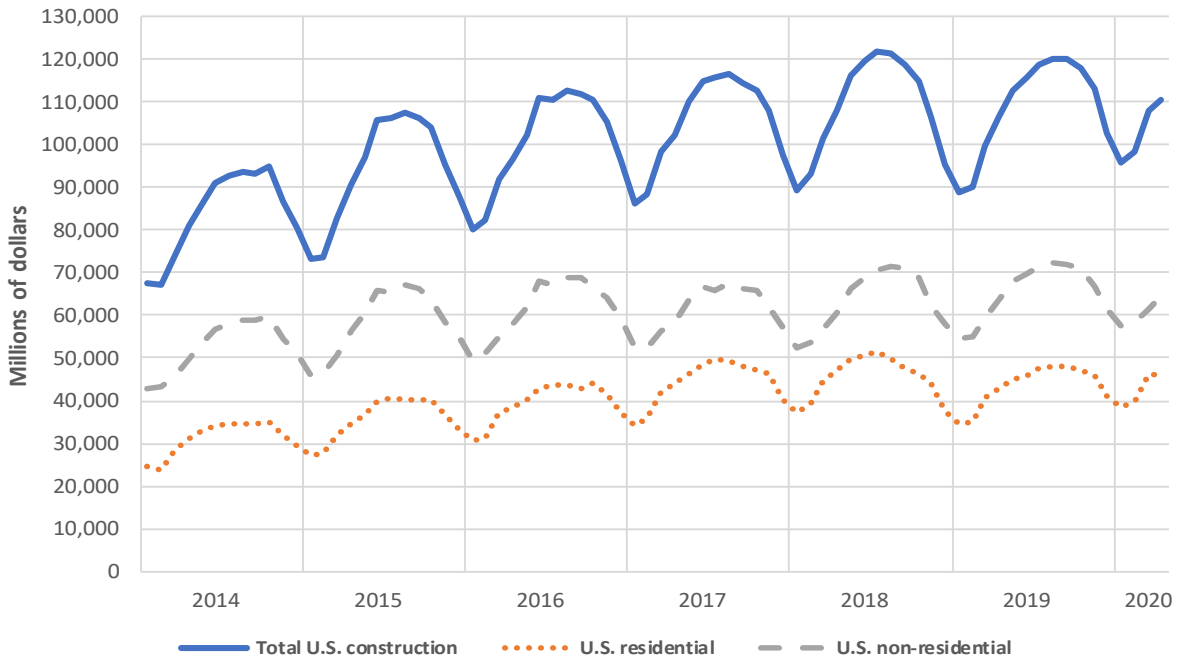
Short-term demand for wire rod tends to be cyclical and follow trends in the construction industry. Six of 10 U.S. producers, 7 of 18 reporting importers, and 13 of 28 purchasers indicated that the market was subject to business cycles. Several firms noted that demand for wire rod is driven by downstream products used in the construction and automotive industry; construction in the United States is seasonal and the U.S. automotive market is cyclical (see figures II-2 and II-3).¹⁹ ²⁰ Several firms noted that demand tends to fall in the winter when construction slows down.

¹⁸ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, p. II-23.

¹⁹ Demand for wire rod in Mexico is also driven by the automotive and construction industries; Deacero noted that future construction projects by the Mexican government, including planned rail and airport projects also affect demand. Deacero's posthearing brief, pp. 12-13.

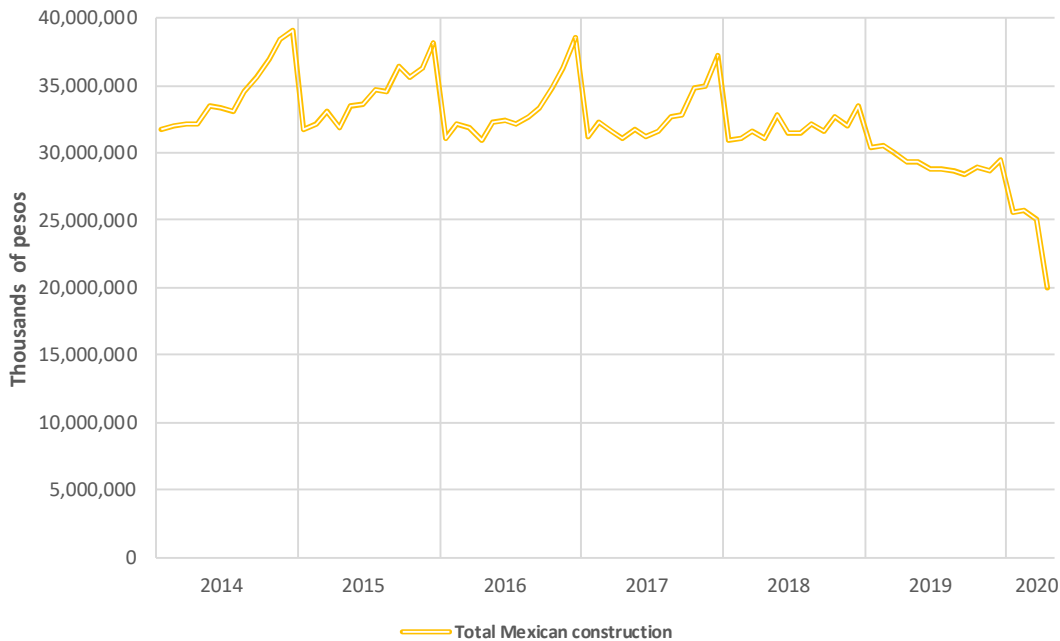
²⁰ Automobile production in the United States and Mexico virtually stopped in April 2020 due to COVID-19. In response to the ensuing decline in demand for wire rod, U.S. producer Liberty temporarily closed its Georgetown, South Carolina facility and placed periodic outages at its Peoria, Illinois mill (Liberty's posthearing brief, p. 9). Deacero shut down some shifts in some plants. Hearing transcript, p. 182 (Guerra).

Figure II-2
U.S. construction spending: Monthly spending, January 2014–April 2020



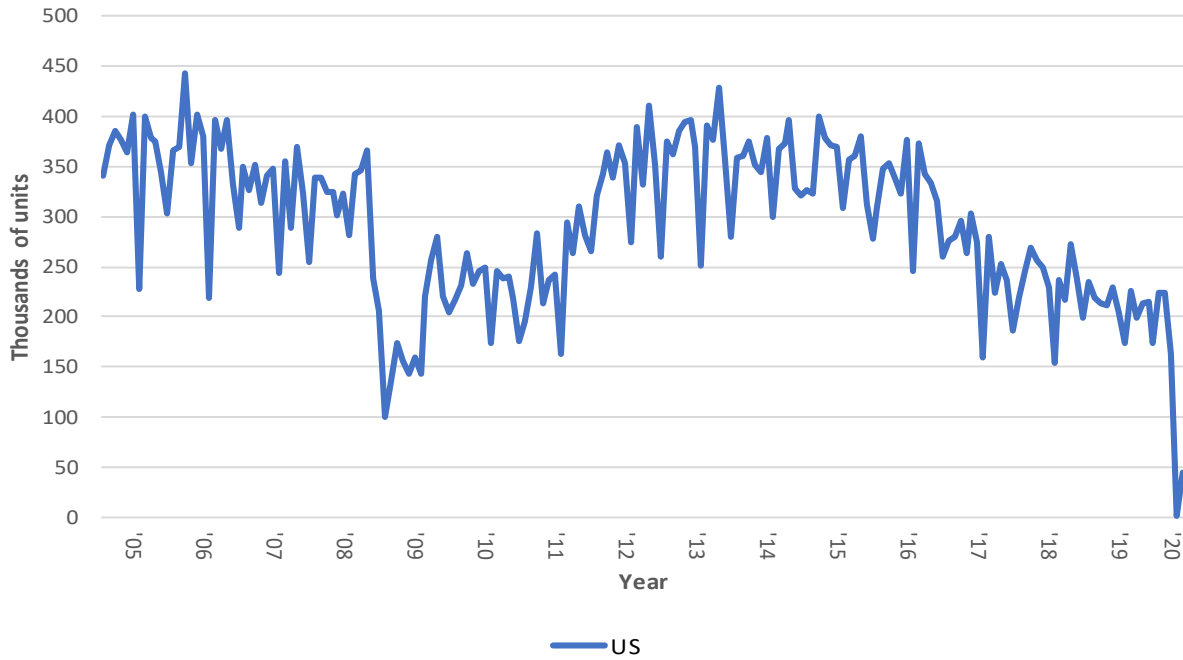
Source: U.S. Census Bureau, Total Construction Spending, Not Seasonally Adjusted: Total Construction Spending (TTLCON), Residential (TLRESCON), Nonresidential (TLNRESCON), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org>, retrieved May 20.

Figure II-3
Mexican construction spending: Monthly spending, January 2014–April 2020



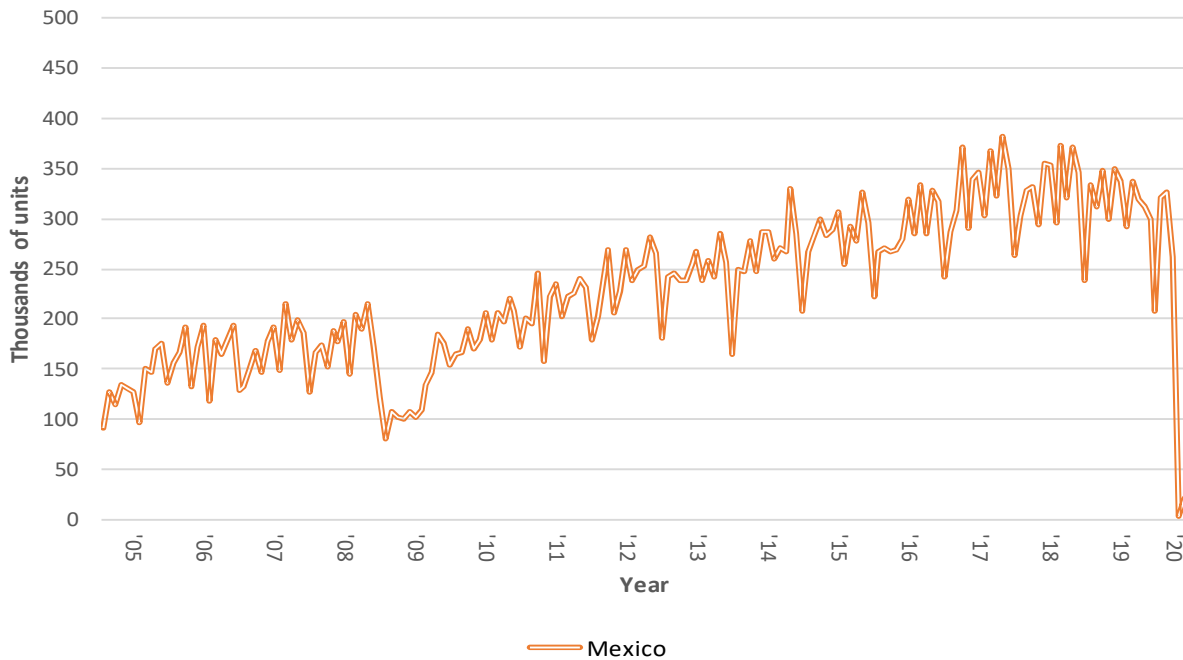
Source: Mexican National Institute of Statistics and Geography (INEGI), Building production value in real terms generated in construction companies, <https://www.inegi.org.mx/app/tabulados/default.html?nc=806>, retrieved June 27, 2020.

Figure II-4
U.S. auto production: Monthly assembly, January 2005–May 2020



Source: U.S. Bureau of Economic Analysis, Domestic Auto Production (DAUPNSA), Not Seasonally Adjusted retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org>, retrieved June 29, 2020

Figure II-5
Mexican auto production: Monthly assembly, January 2005–May 2020



Source: Mexican National Institute of Statistics and Geography (INEGI), Production of light vehicles by brand and model, <https://en.www.inegi.org.mx/datosprimarios/iavl/>, retrieved June 17, 2020.

The majority of firms (4 of 10 producers, 14 of 18 responding importers, and 19 of 28 purchasers) reported that wire rod is not subject to distinct conditions of competition. However, several purchasers noted that they must compete with foreign producers of finished wire products; two U.S. producers reported increased volume of U.S. imports of wire rod; and two importers noted impacts from section 232 tariffs.²¹ Other firms generally noted decreased demand in the automotive and construction industries with COVID-19 “making the situation worse.”²²

Six of 7 responding U.S. producers, 3 of 9 responding importers, and 11 of 19 responding purchasers reported that there have been changes to business cycles and/or conditions of competition since 2014. Three U.S. producers noted an increase of low priced imports; two producers, two importers, and six purchasers listed impacts of section 232 tariffs; one producer and one purchaser noted the imposition of new antidumping and countervailing duties on wire rod from ten countries in 2018; one producer noted circumventing wire rod from Mexico; and one producer reported a weakening non-residential construction market since 2014.

Demand trends

Table II-5 presents firm responses regarding U.S. demand for wire rod since January 1, 2014. While firm responses in table II-5 are varied, several firms described similar trends and factors in their narrative responses.

²¹ Domestic interested parties stated that demand for wire rod in the United States has never fully recovered from the Great Recession because finished products that use wire rod are increasingly being produced outside of the United States. Hearing transcript, pp. 75-77 (Dillon, Goettl, Zernikow).

²² Nucor reportedly uses the Architectural Billings Index as a precursor of future demand. Hearing transcript, pp. 51-52 (Zernikow). The index, published by the American Institute of Architects, is an economic indicator for nonresidential construction activity, with a lead time of 9-12 months. The index hit a record low score of 29.5 in April 2020, down from 33.3 in March and 53.4 in February 2020. A score below 50 indicates a decline in billings.

Table II-5
Wire rod: Firms' responses regarding U.S. demand, by number of responding firms

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand in the United States:				
U.S. producers	1	---	6	2
Importers	3	5	4	6
Purchasers	8	2	11	6
Foreign producers	2	1	---	1
Anticipated future demand in the United States:				
U.S. producers	1	---	6	2
Importers	1	6	5	7
Purchasers	2	6	15	3
Foreign producers	1	2	---	1
Demand for purchasers' final products:				
Purchasers	7	3	13	3

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

The majority of U.S. producers reported an overall decrease in demand from 2014 through 2019, but also described demand as increasing between 2014 and 2018. Several responding importers and purchasers referenced demand impacts from antidumping and countervailing duties and section 232 tariffs in 2018. Four purchasers and two importers reported that demand for wire rod has decreased in the United States because firms have moved to importing finished products versus producing the finished good that uses wire rod domestically. The majority of firms anticipate a decrease in future demand for wire rod within the United States primarily due to COVID-19. Other factors listed include general continued decline in manufacturing in the United States and increasing competition of imports for downstream finished products.

Substitute products

Substitutes for wire rod are limited. In the previous review, the majority of firms reported that there were no substitutes and did not anticipate future changes in substitutes; substitutes for wire rod previously listed include: rebar in concrete reinforcement, aluminum and welding for fastening components, plastic and glass in refrigerator shelves, stamped steel in HVAC screens, plastic strapping and twine for tying up bales of materials for recycling and

finished goods for shipping, and synthetics can be substituted for wire rod for static load suspenders.^{23 24}

In these reviews, the majority of firms (all 9 reporting producers, all 17 reporting importers, 24 of 26 reporting purchasers, and all 6 foreign producers) reported that there have not been changes in substitutes since 2014. Additionally, the majority of U.S. producers (all 9), importers (16 of 17), purchasers (24 of 26), and foreign producers (all 6) reported that they do not anticipate new substitutes in the near future.²⁵ However, two purchasers (***) reported a growing number of substitutes for wire and wire products.²⁶ Purchaser *** reported that used 80c material can be used to substitute 70c products when domestic wire rod is waiting for approval from tire producers. Purchaser *** reported anticipated future growth in synthetics. Importer *** anticipates a dramatic downturn in the economy and automotive market in the near future.

Substitutability issues

The degree of substitution between domestic and imported wire rod depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available information, staff believes that where there are identical forms of wire rod, there is usually a high degree of substitutability between domestically produced wire rod and wire rod imported from subject sources. For common types of wire rod (such as industrial or standard quality), product typically will be highly substitutable with other product of the same specification even when the products are not identical, although there may be a need for retooling of the process to adjust to small differences. For specialty grades, however, not all sources can produce each product,

²³ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. II-21 – II-22.

²⁴ Firms were not asked to list substitute products in these reviews but were asked to list any changes in substitutes since 2014.

²⁵ Nucor identified a movement towards different light-weight materials in the automotive industry due to CAFE standards for vehicle fuel efficiency. Hearing transcript, p. 76 (Zernikow).

²⁶ When explaining changes in end uses from purchaser questionnaire III-4, *** reported “the end uses have not changed, but there have been changes in demand related to substitute products (e.g. decrease in wire used in mattresses as market shifts to more foam mattress) or products that wire and wire products are substitutes of (e.g. increase in welded wire mesh as a substitute for rebar in concrete reinforcement).”

and even differences between wire rod with the same specifications from different sources may limit the degree of substitution.²⁷

Lead times

Wire rod is primarily produced-to-order. U.S. producers reported that 91.9 percent of their commercial shipments in 2019 were produced-to-order, with lead times averaging 30 days. The remaining 8.1 percent of domestic producers' commercial shipments came from inventories, with lead times averaging 7 days. Importer *** reported that *** percent of its sales of wire rod in 2019 were produced-to-order, with lead times averaging *** days; the remaining *** percent of its commercial shipments came from inventories, with lead times averaging *** days. Foreign producers reported *** percent of their sales of wire rod in 2019 were produced-to-order, with lead times averaging *** days.²⁸ The remaining *** percent of commercial shipments came from inventories, with lead times averaging *** days.

Knowledge of country sources

All 28 purchasers indicated they had marketing/pricing knowledge of domestic product, 9 of Brazilian product, 2 of Indonesian product, 18 of Mexican product, 2 of Moldovan product, 2 of Trinidadian and Tobagan product, and 15 of nonsubject countries.²⁹ Purchaser *** noted the company tries to become familiar with rod mills throughout the world and has purchased from more than 25 other countries in the past.

As shown in table II-6, most purchasers and their customers sometimes make purchasing decisions based on the country of origin. A plurality of purchasers noted "Buy American" requirements when making purchasing decisions based on country of origin; other reasons cited include product and/or customer requirements, availability, quality, and the logistical capabilities of suppliers from particular countries, as well as antidumping and

²⁷ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. II-23 – II-24.

²⁸ Brazilian producer Gerdau Brasil reported a lead time of *** days for produced-to-order wire rod; Mexican producers Deacero and ArcelorMittal Mexico reported lead times of *** and *** days respectively.

²⁹ Nonsubject countries listed by purchasers include: Argentina, Australia, Belarus, Canada, China, Egypt, France, Germany, Greece, India, Italy, Japan, Korea, Malaysia, Peru, Russia, Spain, Taiwan, Turkey, the United Arab Emirates, Ukraine, the United Kingdom, Venezuela, and Vietnam.

countervailing duties and section 232 restrictions.³⁰ Most purchasers reported that they always make purchasing decisions based on the producer; however, the majority of purchasers reported that their customers never do. Of the 11 purchasers that reported that they always make decisions based on the manufacturer, 4 firms cited quality as the reason; other reasons cited include supplier qualification, price, availability, delivery, and technical service.

Table II-6

Wire rod: Purchasing decisions based on producer and country of origin, by number of reporting firms

Decision	Always	Usually	Sometimes	Never
Purchases based on producer: Purchaser's decision	11	6	8	3
Purchaser's customer's decision	4	3	7	9
Purchases based on country of origin: Purchaser's decision	4	5	11	8
Purchaser's customer's decision	---	2	11	9

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for wire rod were quality (25 firms), price (24 firms), and availability (14 firms) as shown in table II-7. Quality was the most frequently cited first most important factor (cited by 14 firms), followed by price (10 firms); quality was the most frequently reported second most important factor (9 firms); and availability was the most frequently reported third most important factor (8 firms).

Table II-7

Wire rod: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms

Item	1st	2nd	3rd	Total
	Number of firms (number)			
Quality	14	9	2	25
Price / Pricing / Cost	10	8	6	24
Availability / Supply	---	6	8	14
Lead times	---	---	4	4
Technical support / service	---	---	2	2
All other factors	4	4	11	NA

Note: Other factors include payment terms, reliability, and meets specifications.

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

³⁰ Domestic interested parties noted that "Buy American" requirements have a small impact on supply and demand for wire rod in the United States. Hearing transcript, pp. 85-86 (Dillon, Goettl, Zernikow).

The majority of purchasers (18 of 28) reported that they “usually” purchase the lowest-priced product for their purchases, 9 reported “sometimes”, and 1 reported “never”. Sixteen of 26 responding purchasers reported that certain types of product were only available from a single source.³¹ Three purchasers (***) reported that blast oxygen furnace (BOF) grades are not available in the United States. *** reported that the specific grade of 1006 wire rod purchased from Canada is not available from U.S. producers. *** reported 8740 air-craft quality rods are unavailable for purchase from U.S. suppliers. *** stated that C1090 5.5 mm wire rod is only available from Japanese and German producers.

Purchasers were asked to identify the factors that determine the quality of wire rod. Generally, purchasers described quality as based on meeting ASTM and quality specifications and performance standards, as well as suppliers’ ability to produce specific products. Purchasers also reported several specific factors including: chemical and mechanical attributes; hardness; diameter tolerance; packaging; steel purity; drawability; tensile strength; internal and surface integrity; and torsion.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-8). The factors rated as “very important” by more than half of responding purchasers were availability (27), price (27), reliability of supply (26), product consistency (25), quality meets industry standards (25), delivery time (20), U.S. transportation costs (14), and quality exceeds industry standards (13).

³¹ Five of these 16 purchasers stated that wire rod less than 4.75 mm is not produced in the United States and is only available from Canadian and Mexican producers.

Table II-8**Wire rod: Importance of purchase factors, as reported by U.S. purchasers, by number of responding firms**

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	27	1	---
Delivery terms	10	14	4
Delivery time	20	8	---
Discounts offered	7	15	6
Minimum quantity requirements	3	13	12
Packaging	8	14	6
Payment terms	9	17	2
Price	27	1	---
Product consistency	25	3	---
Product range	6	19	3
Quality meets industry standards	25	1	1
Quality exceeds industry standards	13	11	4
Reliability of supply	26	2	---
Technical support/service	13	14	1
U.S. transportation costs	14	12	2

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

Supplier certification

Twenty-four of 28 purchasers require that all of the wire rod they purchase be certified. Most purchasers reported that the time to qualify a new supplier ranged from about 30 to 180 days, although one purchaser reported 3 days, and two purchasers reported 2 years to qualify a new supplier. Purchasers reported that the certification or qualification process includes understanding the production process and capabilities, conducting trials, auditing mills, establishing specific technical protocol, evaluation of documentation, and evaluation of capacity. Purchasers listed factors considered when qualifying a new supplier including quality, consistency, delivery, price, technical expertise, and reliability.

Most responding purchasers indicated that no supplier had failed in its attempt to qualify its wire rod products since 2014. However, nine of 27 responding purchasers did report such a failure or loss of approved status. Purchaser *** reported that *** was removed as a supplier for a period of time due to quality problems. *** reported *** and *** failed on some ***. *** and *** reported *** failed due to ***. Purchaser *** reported that nearly all its qualification difficulties have been with bead rod. *** reported a U.S. firm failed to meet the tests for approval, and *** reported a company in Moldova failed to qualify.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2014 (table II-9). Most purchasers that reported increased domestic purchases listed the reasons as antidumping and countervailing duties cases and/or section 232 tariffs. *** and *** increased domestic purchases because of better quality and superior product. Most purchasers reported decreased or no purchases of wire rod from Mexico since 2014.³² Three purchasers (***, ***, and ***) reported decreasing purchases from Mexico due to tariffs making the product too expensive; *** reported quality problems with Mexican product; *** stated that smaller diameter wire rod was no longer offered by Mexican producers; and *** reported that Mexican suppliers went directly to its customers. Purchasers reported decreased purchases from nonsubject countries mainly due to tariffs. Seventeen purchasers reported that they had changed suppliers since 2014. Most purchasers stated that they changed suppliers most often because of price, availability, and tariffs.

Table II-9

Wire rod: Changes in purchase patterns from U.S., subject, and nonsubject countries

Factor	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	1	5	16	4	1
Brazil	21	3	---	---	1
Indonesia	22	---	---	---	1
Mexico	10	10	3	---	2
Moldova	22	1	---	---	---
Trinidad and Tobago	23	---	---	---	---
All other countries	---	17	2	3	2
Sources unknown	13	1	---	---	---

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

³² Deacero USA lists its top seven customers (accounting for *** percent of sales by volume) in its posthearing brief, Exhibit 28. Of these purchasers, *** reported its purchases of wire rod fluctuated; *** reported increasing purchases, and ***, ***, and *** reported decreasing purchases; purchaser questionnaires ***. Of the seven firms, Deacero USA reported that *** purchased 4.4 mm wire rod during 2014-19; *** purchased 4.75 mm; *** purchased 5.5 mm; and *** purchased greater than 5.5 mm wire rod.

Importance of purchasing domestic product

Purchasing U.S.-produced product was not an important factor in purchasers' decisions. In aggregate, the 26 of 27 responding purchasers reported that approximately *** percent of their total purchases of wire rod in 2019 did not require domestic product. Nineteen of these responding purchasers reported that they were required to purchase some domestic product by law or regulation (e.g., "Buy American" provisions) which accounted for *** percent of total purchases in 2019; eleven purchasers reported that approximately *** percent of total purchases had domestic requirements by customers; and two purchasers reported that approximately *** percent of total purchases in 2019 were required domestic product for other reasons; although specific reasons were not listed, previously, specific product requirements and application end-use were listed as other reasons.³³

Table II-10
Wire rod: Importance of purchasing domestic product

Factor	Share of purchases (percent)	Count of firms (number)
No domestic requirements	***	***
Domestic requirements by law	***	***
Domestic requirements by customers	***	***
Domestic requirements other	***	***
Total	***	***

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

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing wire rod produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-11) for which they were asked to rate the importance. Purchaser responses were sparse except for comparisons between U.S.-Brazil, U.S.-Mexico, and U.S.-nonsubject. In general, purchasers indicated that U.S. product was superior in terms of delivery times and technical support in most country comparisons and inferior in terms of price. Price was the second most cited factor (24 firms) considered in purchasing decisions; lead time was cited four times; and technical support was cited two times (table II-7).

³³ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. II-29 – II-30.

Table II-11
Wire rod: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. Brazil			U.S. vs. Indonesia			U.S. vs. Mexico		
	S	C	I	S	C	I	S	C	I
Availability	5	6	2	4	3	---	7	8	3
Delivery terms	7	7	---	5	2	---	6	11	1
Delivery time	10	1	3	6	1	---	13	3	2
Discounts offered	4	8	1	3	3	---	5	9	2
Minimum quantity requirements	8	5	1	5	2	---	5	9	4
Packaging	3	9	2	3	4	---	3	15	---
Payment terms	4	10	---	2	5	---	4	13	1
Price	2	6	6	2	---	4	4	6	8
Product consistency	1	9	4	4	2	1	3	14	1
Product range	5	4	4	4	1	1	4	9	4
Quality meets industry standards	1	11	2	1	5	---	2	16	---
Quality exceeds industry standards	1	8	4	2	3	---	3	13	1
Reliability of supply	5	7	2	4	2	---	9	7	2
Technical support/service	8	3	3	5	1	1	8	8	2
U.S. transportation costs	5	7	1	4	3	---	6	10	1
Factor	U.S. vs. Moldova			U.S. vs. Trinidad and Tobago			U.S. vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	3	1	---	3	1	---	6	8	2
Delivery terms	2	2	---	3	1	---	7	8	1
Delivery time	3	1	---	3	1	---	12	2	2
Discounts offered	2	2	---	2	2	---	2	12	2
Minimum quantity requirements	3	---	---	3	1	---	5	10	1
Packaging	1	3	---	2	2	---	4	10	2
Payment terms	1	3	---	2	2	---	2	12	2
Price	2	---	2	1	1	1	3	5	8
Product consistency	3	1	---	2	2	---	2	11	3
Product range	2	1	---	1	2	---	3	8	4
Quality meets industry standards	2	2	---	1	3	---	2	12	2
Quality exceeds industry standards	3	1	---	1	3	---	2	11	3
Reliability of supply	3	1	---	2	1	1	7	8	1
Technical support/service	3	1	---	2	1	1	8	6	2
U.S. transportation costs	3	1	---	2	1	---	4	11	---

Table continued on next page.

Table II-11 –Continued

Wire rod: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	Brazil vs. Nonsubject			Indonesia vs. Nonsubject			Mexico vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	1	5	---	---	1	---	2	6	1
Delivery terms	1	5	---	---	1	---	---	9	---
Delivery time	1	4	1	---	1	---	3	6	---
Discounts offered	---	5	1	---	1	---	---	8	1
Minimum quantity requirements	1	5	---	---	1	---	1	8	---
Packaging	---	5	---	---	1	---	---	6	3
Payment terms	---	6	---	---	1	---	---	8	1
Price	1	5	---	1	---	---	---	8	1
Product consistency	---	6	---	---	---	1	---	7	2
Product range	---	5	---	---	---	1	1	6	1
Quality meets industry standards	---	6	---	---	1	---	---	8	1
Quality exceeds industry standards	1	5	---	---	---	1	---	7	2
Reliability of supply	---	6	---	---	1	---	2	4	3
Technical support/service	---	6	---	---	---	1	1	6	2
U.S. transportation costs	---	5	---	---	1	---	---	8	---
Factor	Moldova vs. Nonsubject			Trinidad and Tobago vs. Nonsubject					
	S	C	I	S	C	I			
Availability	---	---	1	1	---	---			
Delivery terms	---	1	---	1	---	---			
Delivery time	---	1	---	1	---	---			
Discounts offered	---	1	---	1	---	---			
Minimum quantity requirements	---	1	---	1	---	---			
Packaging	---	1	---	1	---	---			
Payment terms	---	1	---	1	---	---			
Price	1	---	---	---	1	---			
Product consistency	---	---	1	1	---	---			
Product range	---	---	---	---	1	---			
Quality meets industry standards	---	---	1	---	1	---			
Quality exceeds industry standards	---	---	1	---	1	---			
Reliability of supply	---	---	1	---	---	1			
Technical support/service	---	1	---	---	---	1			
U.S. transportation costs	---	---	---	---	---	---			

Note: A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

When comparing products from the United States and Brazil, most purchasers reported that U.S. product was superior to Brazilian product in terms of delivery time, minimum quality requirements, product range, and technical support/service, and a plurality ranked the U.S. product superior in delivery terms. Most U.S. purchasers reported that U.S. product was comparable to product from Brazil for all other characteristics except price where a plurality ranked the U.S. product inferior.

When comparing products from the United States and Mexico, most purchasers reported that the products were comparable in the majority of factors. The exceptions to these were technical support/service, wherein a plurality of purchasers reported that the U.S. product was superior to the Mexican product; delivery time and reliability of supply, wherein a majority of purchasers reported that the U.S. product was superior to the Mexican product; and price, wherein and a majority of purchasers reported that the U.S. product was inferior to the Mexican product.

When comparing products from the United States and Indonesia, Moldova, and Trinidad and Tobago, most purchasers reported that the products were either superior or comparable in the majority of factors. The exception was price, wherein a majority of purchasers reported that domestic wire rod was inferior compared to wire rod from Indonesia, and a plurality of purchasers reported that domestic wire rod was inferior compared to wire rod from Moldova and Trinidad and Tobago.

When comparing domestic product with product imported from nonsubject countries, most purchasers reported that the products were comparable in most factors. The exceptions were delivery time, technical support/service, and price. On the first two of those, a majority of purchasers reported that domestic product was superior; regarding price, a majority of purchasers described domestic product as inferior.

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

In order to determine whether U.S.-produced wire rod can generally be used in the same applications as imports from subject countries, U.S. producers, importers, and purchasers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-12, most U.S. producers reported that wire rod from all country pairs was “always” interchangeable and a majority of purchasers reported that wire rod from all country pairs was “always” or “frequently” interchangeable. A majority of importers reported that wire rod from all country pairs was “frequently” interchangeable, however, a plurality of importers reported that products from the United States and Brazil are “sometimes” interchangeable. A plurality of importers reported that Trinidad and Tobago products and those

from other nonsubject countries can “always,” “frequently,” “sometimes,” and “never” be used interchangeably.

Importer ***, which reported that wire rod from all country pairs was “frequently” or “sometimes” interchangeable, noted that products from Moldova are limited in their quality and are mainly “just low carbon for mesh making.” Purchaser ***, which reported that wire rod from Brazil and other nonsubject countries was “frequently” interchangeable, reported that wire rod from the United States, Brazil, Mexico, and Indonesia is basic oxygen furnace (BOF) material and is interchangeable with electric arc furnace (EAF) material in some applications. Purchaser *** reported being able to purchase either cold heading quality (CHQ) or isotropic-quality (IQ) rods from matched pairs interchangeably. Purchaser *** reported using Deacero rod “in a pinch,” but indicated that it avoids doing so when it can.

Table II-12
Wire rod: Interchangeability between product produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Brazil	8	1	---	---	2	3	3	1	6	7	2	1
United States vs. Indonesia	8	1	---	---	2	3	---	1	2	3	1	---
United States vs. Mexico	8	1	---	---	3	4	2	---	8	8	5	---
United States vs. Moldova	8	1	---	---	2	2	1	1	2	2	1	---
United States vs. Trinidad and Tobago	8	1	---	---	2	2	1	1	3	3	1	---
Brazil vs. Indonesia	8	1	---	---	2	3	---	---	1	3	2	---
Brazil vs. Mexico	8	1	---	---	3	3	---	---	3	4	---	1
Brazil vs. Moldova	8	1	---	---	2	3	---	---	2	2	1	---
Brazil vs. Trinidad and Tobago	8	1	---	---	2	3	---	---	3	3	---	---
Indonesia vs. Mexico	8	1	---	---	3	3	---	---	3	2	---	---
Indonesia vs. Moldova	8	1	---	---	2	3	---	---	2	2	---	---
Indonesia vs. Trinidad and Tobago	8	1	---	---	2	3	---	---	2	2	---	---
Mexico vs. Moldova	8	1	---	---	2	3	---	---	2	3	1	---
Mexico vs. Trinidad and Tobago	8	1	---	---	2	3	---	---	3	3	---	---
Moldova vs. Trinidad and Tobago	8	1	---	---	2	3	---	---	3	2	---	---
United States vs. Other	8	1	---	---	2	5	3	3	3	11	6	1
Brazil vs. Other	8	1	---	---	2	4	---	2	1	7	1	---
Indonesia vs. Other	8	1	---	---	2	3	1	2	1	3	---	---
Mexico vs. Other	8	1	---	---	2	3	1	2	3	5	1	1
Moldova vs. Other	8	1	---	---	2	3	1	2	1	3	---	---
Trinidad and Tobago vs. Other	8	1	---	---	2	2	2	2	1	4	---	---

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

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

As can be seen from table II-13, 16 responding purchasers reported that domestically produced product “usually” met minimum quality specifications. The majority of purchasers reported that they did not have any knowledge of the quality specifications of wire rod from most subject countries. However, 12 of 26 responding purchasers reported that the Mexican product “usually” met minimum quality specifications.

Table II-13
Wire rod: Ability to meet minimum quality specifications, by source and number of reporting firms

Factor	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	10	16	2	---	---
Brazil	2	7	1	---	15
Indonesia	1	3	1	1	19
Mexico	2	12	3	---	9
Moldova	1	3	---	1	20
Trinidad and Tobago	2	2	---	---	20
Other	6	5	2	---	3

Note: Purchasers were asked how often domestically produced or imported wire rod meets minimum quality specifications for their own or their customers' uses.

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

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of wire rod from the United States, subject, or nonsubject countries. As seen in table II-14, most producers reported that there were “never” differences other than price. Importers were more mixed between “always” “sometimes” or “never” differences other than price. Purchaser responses were divided between “sometimes” and “never.” Common differences reported included, quality, availability, transportation, product range, lead time, minimum purchase requirements. Three firms reported the availability of smaller diameter wire rod (less than 4.75 mm) from Mexico.³⁴

³⁴ Deacero stated that *** requested it develop 4.75 mm wire rod and *** requested 4.4 mm wire rod. Deacero’s posthearing brief, Responses to Commissioner Questions, p. 23.

Table II-14

Wire rod: Perceived importance of factors other than price between product produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Brazil	---	---	---	9	2	1	4	2	3	3	6	3
United States vs. Indonesia	---	---	---	9	1	---	2	2	1	---	2	4
United States vs. Mexico	---	---	---	9	2	1	3	2	5	4	8	4
United States vs. Moldova	---	---	1	8	1	---	2	2	1	1	1	3
United States vs. Trinidad and Tobago	---	---	---	9	1	---	2	2	1	---	2	4
Brazil vs. Indonesia	---	---	---	9	1	---	2	2	1	---	2	2
Brazil vs. Mexico	---	---	---	9	2	---	2	2	2	1	4	2
Brazil vs. Moldova	---	---	1	8	1	---	2	2	1	1	2	2
Brazil vs. Trinidad and Tobago	---	---	---	9	1	---	2	2	1	---	3	3
Indonesia vs. Mexico	---	---	---	9	2	---	2	2	1	---	1	3
Indonesia vs. Moldova	---	---	1	8	1	---	2	2	1	---	1	3
Indonesia vs. Trinidad and Tobago	---	---	---	9	1	---	2	2	1	---	1	3
Mexico vs. Moldova	---	---	1	8	1	---	2	2	1	1	2	3
Mexico vs. Trinidad and Tobago	---	---	---	9	1	---	2	2	1	---	2	4
Moldova vs. Trinidad and Tobago	---	---	---	9	1	---	2	2	1	1	1	3
United States vs. Other	---	---	2	7	5	2	6	2	6	3	9	3
Brazil vs. Other	---	---	1	8	3	1	3	2	2	1	5	2
Indonesia vs. Other	---	---	1	8	3	---	2	2	1	---	2	2
Mexico vs. Other	---	---	1	8	3	---	3	2	3	1	4	2
Moldova vs. Other	---	---	1	8	3	---	3	2	1	---	2	2
Trinidad and Tobago vs. Other	---	---	1	8	3	---	3	2	1	---	3	2

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

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

Elasticity estimates

This section discusses elasticity estimates. Although parties were encouraged to comment on these estimates in their prehearing or posthearing briefs, none commented.

U.S. supply elasticity

The domestic supply elasticity for wire rod measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of wire rod. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced wire rod. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to at least moderately increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 7 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for wire rod measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of wire rod. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the wire rod in the production of any downstream products. Based on the available information, the aggregate demand for wire rod is likely to be moderately inelastic; a range of -0.5 to -0.75 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.³⁵ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced wire rod and imported wire rod is likely to be in the range of 3 to 5.

³⁵ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission’s questionnaires. Ten firms, which accounted for all or virtually all of U.S. production of wire rod during 2019, supplied usable information on their operations in these reviews and other proceedings on wire rod.¹

The U.S. wire rod industry has undergone several facility acquisitions, expansions, upgrades, idled production, and closures since 2014. In August 2015, ArcelorMittal closed its wire rod plant in Georgetown, South Carolina, and later sold it to Liberty House Group in December 2017. After the plant was idled for nearly three years, Liberty resumed its operations in 2018. In 2016, Keystone acquired Strand-Tech Martin, Inc. of Summerville, South Carolina, a facility that produces industrial wire for the construction industry. In 2018, Gerdau sold its wire rod mill and processing units in Beaumont, Texas to Optimus Steel LLC, and also sold additional rebar facilities, including steel mills and a wire rod facility in Jacksonville, Florida to Commercial Metals Company (CMC). Citing the COVID-19 outbreak and softer demand for its products, Liberty Steel in Georgetown County announced in April 2020, the temporary idling of its wire rod mill, impacting 130 employees and contractors.

¹ ***. Retrieved from various news articles and ArcelorMittal’s U.S. producer questionnaire response, II-7.

***. U.S. producer questionnaire response, II-4b.

***. U.S. producer questionnaire response, II-2a.

Table III-1 presents events in the U.S. industry since the second five-year reviews.

Table III-1
Wire rod: Developments in the U.S. industry since January 1, 2014

Date		Company	Action
Year	Month		
2014	September	Keystone	Modernized its wire rod mill in Bartonville, Indiana. Specifically, Keystone collaborated with Siemens to upgrade the cooling conveyor at the Bartonville plant. The improvements allow the mill to produce wire rod at new steel grades, with higher tensile strength, and with more uniform quality. ¹
2015	April	ArcelorMittal	Idled production at the long product facility in Indiana Harbor, Indiana. ²
2015	August	ArcelorMittal	Closed the wire rod plant in Georgetown, South Carolina. ³
2015	December	Keystone	Expanded and upgraded production operations at its Sherman, Texas plant. The expansion included adding a manufacturing line for welded wire reinforcement mesh. ⁴
2016	March	Evraz	Temporarily idled production at its Pueblo, Colorado mill. Reportedly, the idling of the steel mill was due to market factors and low commodity prices. ⁵
2016	August	Keystone	Acquired Strand-Tech Martin, Inc. (STM) of Summerville, South Carolina. STM produces PC strand and industrial wire for the construction industry. ⁶
2017	May	Gerdau	Sold the wire rod and coiled rebar manufacturing facility at Perth Amboy, New Jersey. The plant, idled since June 2009, was later demolished. The site will be redeveloped into a new industrial park. ⁷
2017	December	Liberty House Group (Liberty Steel USA) / ArcelorMittal	Liberty House, part of the global metals, industrials and energy group, the GFG Alliance, completed the purchase of Georgetown Steelworks in South Carolina from ArcelorMittal. ⁸ *** ⁹

Table continued.

Table III-1--Continued

Wire rod: Developments in the U.S. industry since January 1, 2014

Date		Company	Action
Year	Month		
2018	March	Gerdau / Optimus Steel LLC	Gerdau sold its wire rod mill in Beaumont, Texas, and the Beaumont Wire Products and Carrollton Wire Products processing units to Optimus Steel LLC for \$99.5 million. The mill has annual production capacity of approximately 700,000 short tons and is capable of rolling wire rod and rebar in roll. ¹⁰
2018	November	Commercial Metals Company (CMC) / Gerdau	CMC completed the acquisition of rebar fabrication facilities and steel mills, including a wire rod mill in Jacksonville, Florida, from Gerdau. ¹¹
2020	March	Commercial Metals Company (CMC)	CMC reached an agreement with the city of Jacksonville to keep a 250-job mill open in the nearby town of Baldwin, FL. CMC had threatened to move operations elsewhere if it did not receive a \$450,000 Recaptured Enhanced Value Grant. These grants typically require the receiver to add an additional 10 jobs, but the grant was approved after CMC Steel told the city it will invest \$30 million over five years in real estate improvements, equipment and machinery at its 16770 Rebar Road facility. ¹²
2020	April	Liberty House Group (Liberty Steel USA)	Liberty Steel announced the temporary idling of its Georgetown, SC wire rod mill due to Covid-19-related declines in demand. ¹³

¹ "Siemens modernizes cooling conveyor of wire-rod mill at Keystone," *Siemens AG*, September 23, 2014, [https://www.siemens.com/press/en/pressrelease/?press=en/pressrelease/2014/industry/metals-technologies/imt201409700.htm&content\[\]=IMT&content\[\]=PDMT](https://www.siemens.com/press/en/pressrelease/?press=en/pressrelease/2014/industry/metals-technologies/imt201409700.htm&content[]=IMT&content[]=PDMT), retrieved November 27, 2017.

² "Indiana Harbor," *ArcelorMittal USA*, <http://usa.arcelormittal.com/our-operations/steelmaking/indiana-harbor>, retrieved April 24, 2017.

³ "Struggling Georgetown steel mill to shut down ArcelorMittal blames 'unfairly traded' imports; 226 jobs affected," *Post and Courier*, May 13, 2015, https://www.postandcourier.com/business/struggling-georgetown-steel-mill-to-shut-down-arcelormittal-blames-unfairly/article_ee488a73-baba-5b12-a90f-f57fe08db5dc.html, retrieved April 21, 2017.

⁴ "Keystone Consolidated Industries to Expand and Upgrade," *Keystone Consolidated Industries, Inc.*, December 12, 2015, <https://www.kci-corp.com/keystone-consolidated-industries-expand-upgrade/>, retrieved November 27, 2017.

⁵ Paul, Jesse, "Evraz to temporarily idle about 450 workers at Pueblo steel mill," *The Denver Post*, March 17, 2016, <http://www.denverpost.com/2016/03/17/evraz-to-temporarily-idle-about-450-workers-at-pueblo-steel-mill/>, retrieved November 27, 2017.

⁶ "Strand-Tech Martin, Inc. Joins the Keystone Consolidated Family," *Keystone Consolidated Industries, Inc.*, August 5, 2016, <https://www.kci-corp.com/strand-tech-martin-inc-joins-the-keystone-consolidated-family/>, November 27, 2017.

⁷ Kent, Spencer "Perth Amboy demolishes former plant as part of \$125M project," *NJ.com*, May 8, 2017, https://www.nj.com/middlesex/2017/05/perth_amboy_demolition_former_gerdau_ameristeel_pr.html, retrieved May 12, 2020.

⁸ "Sanjeev Gupta's GFG Alliance completes Georgetown acquisition taking first step to major North American expansion," *Liberty House Group*, December, 18, 2017, <http://www.libertyhousegroup.com/news/liberty-house-completes-georgetown-acquisition/>, retrieved August 7, 2019.

⁹ Compiled from data submitted in response to Commission questionnaires.

¹⁰ Gerdau S.A., Form 8-K, May 9, 2018, p. 13, <https://ri.gerdau.com/notices-and-results/sec-fillings/2018>, retrieved August 6, 2019.

¹¹ “Commercial Metals Company Completes Acquisition of Certain U.S. Rebar Assets From Gerdau,” *Commercial Metals Company*, November 5, 2018, <https://ir.cmc.com/profiles/investor/NewsPrint.asp?b=653&ID=89088&m=rl&v=2&g=597>, retrieved August 6, 2019.

¹² “Mendenhall Report: CMC Steel wins grant without creating jobs; Arlington Overlay revision approved,” *Jacksonville Daily Record*, March 5, 2020, <https://www.jaxdailyrecord.com/article/mendenhall-report-cmc-steel-wins-grant-without-creating-jobs-arlington-overlay-revision-approved>, retrieved May 12, 2020.

¹³ “Liberty to idle Georgetown wire rod mill,” *Argus Media*, April 12, 2020, <https://www.argusmedia.com/en/news/2098632-liberty-to-idle-georgetown-wire-rod-mill>, retrieved May 5, 2020.

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of wire rod since 2014. Eight of the ten domestic producers providing responses in these reviews indicated that they had experienced such changes; their responses are presented in table III-2.

Table III-2

Wire rod: Changes in the character of U.S. operations since January 1, 2014

Item / Firm	Reported changed in operations
Plant openings:	
***	***
***	***
Expansions:	
***	***
***	***
Acquisitions:	
***	***
***	***
***	***
Consolidations:	
***	***

Table continued.

Table III-2--Continued

Wire rod: Changes in the character of U.S. operations since January 1, 2014

Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
***	***
***	***
Revised labor agreements:	
***	***
***	***
***	***
Other:	
***	***
***	***
***	***

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

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of wire rod. Their responses appear in table III-3.

Table III-3
Wire rod: Anticipated changes in the character of U.S. operations

Firm	Reported changed in operations
Cascade	***
CMC	***
Gerdau	***
Nucor	***
Optimus	***

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

U.S. production, capacity, and capacity utilization

Table III-4 presents U.S. producers' production, capacity, and capacity utilization. In 2019, ***.

U.S. capacity for wire rod increased in 2018 and remained relatively stable in 2019, growing by 16.6 percent between 2017 and 2019.^{2 3} In aggregate, U.S. domestic production of wire rod fluctuated during the period for which data were collected, increasing by 11.4 percent during 2017-18 and then decreasing during 2018-19 by 10.3 percent. Combined capacity utilization rates for all firms decreased in both 2018 and 2019, reflecting in large part the *** of capacity reported as available by *** between 2017 and 2019, with almost *** net growth in production by that firm. ***.

None of the responding U.S. producers indicated that their production of wire rod was primarily dependent on purchased billets. However, ***, ***, and *** reported tolling agreements in connection with their production of wire rod. ***. *** of these firms reported that the tolling agreements are more than *** percent of their total production in 2019.⁴

² ***.

³ ***. U.S. producer questionnaire response, II-2b.

⁴ U.S. producer questionnaire responses, II-10.

Table III-4
Wire rod: U.S. producers' individual capacity and production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capacity (short tons)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty ¹	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	4,660,259	5,422,991	5,433,837
	Production (short tons)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty ¹	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	3,835,080	4,270,934	3,830,680

Table continued.

Table III-4--Continued

Wire rod: U.S. producers' individual capacity and production, 2017-19

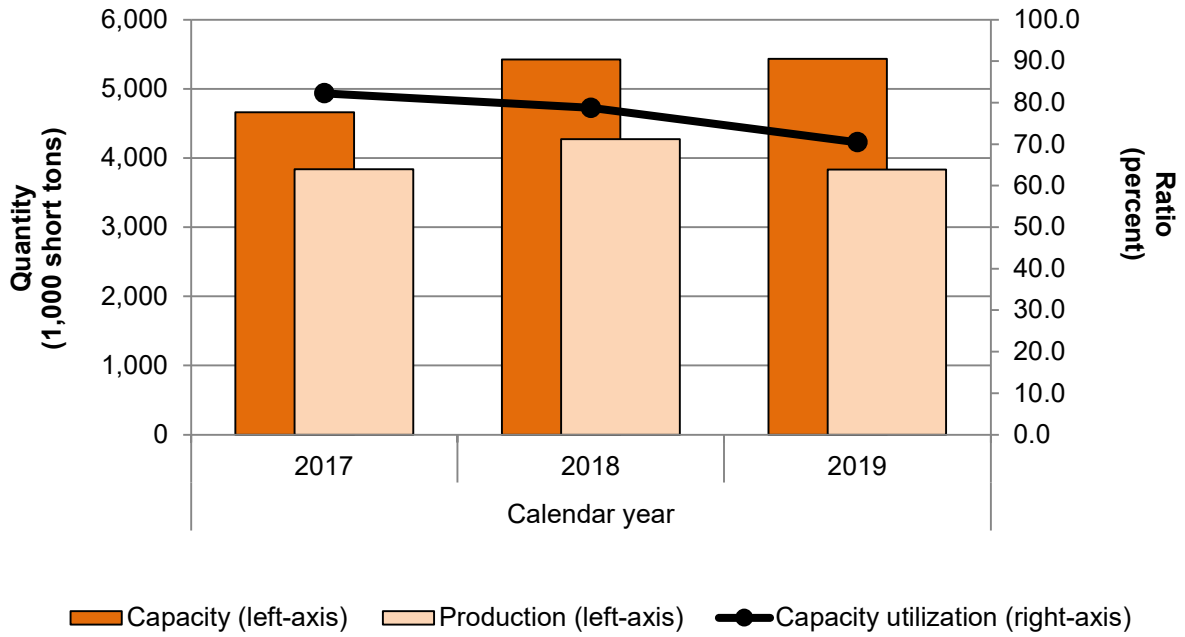
Item	Calendar year		
	2017	2018	2019
	Capacity utilization (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty ¹	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	82.3	78.8	70.5
	Share of production (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty ¹	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	100.0	100.0	100.0

¹ ***. Email from *** on July 9, 2020.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Figure III-1
Wire rod: U.S. producers' capacity, production, and capacity utilization, 2017-19



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

Table III-5 presents U.S. producers' overall production, capacity, and capacity utilization during 2017-19. Combined overall capacity increased between 2017 and 2018 but then remained relatively stable in 2019. The combined production of wire rod also experienced similar trends, but decreased slightly in 2019.⁵ Wire rod accounted for 63.5 percent of the total production in 2019, while out-of-scope merchandise represented 36.5 percent of total production in the same year.⁶

Table III-5
Wire rod: U.S. producers' combined production, capacity, and capacity utilization, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Overall capacity	7,294,988	8,095,828	8,090,108
Production:			
Wire rod	3,835,080	4,270,934	3,830,680
Rebar	***	***	***
Other bar/rod products	***	***	***
Total out-of-scope merchandise	2,333,720	2,390,258	2,206,061
Total production	6,168,800	6,661,192	6,036,741
	Ratios and shares (percent)		
Capacity utilization	84.6	82.3	74.6
Production:			
Wire rod	62.2	64.1	63.5
Rebar	***	***	***
Other bar/rod products	***	***	***
Total out-of-scope merchandise	37.8	35.9	36.5
Total production	100.0	100.0	100.0

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

Constraints on capacity

None of the ten responding U.S. producers reported constraints in the manufacturing process.

⁵ ***.

⁶ ***. U.S. producer questionnaire responses, II-3a and II-3e.

U.S. producers' U.S. shipments and exports

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments. The quantity of U.S. shipments increased between 2017 and 2018 by 12.5 percent and then decreased between 2018 and 2019 by 11.3 percent. The value of U.S. shipments experienced similar trends. While U.S. commercial shipments increased between 2017 and 2019, by quantity and value, internal consumption and transfers to related firms both decreased by quantity between 2017 and 2019. Average unit values of U.S. shipments increased from \$598 per short tons in 2017 to \$737 in 2018 and then decreased to \$708 in 2019. Export shipments ranged between *** percent of total shipments by quantity and value.

Table III-6

Wire rod: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Commercial shipments	2,655,163	3,119,742	2,740,545
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	3,767,965	4,238,986	3,758,113
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Commercial shipments	1,619,860	2,328,579	1,980,886
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	2,252,799	3,126,036	2,661,027
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per short ton)		
Commercial shipments	610	746	723
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	598	737	708
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
Commercial shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of value (percent)		
Commercial shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***

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

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' end-of-period inventories were higher in 2018 than in 2017 and then lower in 2019, compared to the previous year. The ratio of inventories to U.S. production, U.S. shipments, and total shipments increased each year during 2017-19 and ranged from 8.2 percent to 9.1 percent.

Table III-7
Wire rod: U.S. producers' inventories, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. producers' end-of-period inventories	315,554	359,554	340,736
	Ratio (percent)		
Ratio of inventories to.--			
U.S. production	8.2	8.4	8.9
U.S. shipments	8.4	8.5	9.1
Total shipments	***	***	***

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

U.S. producers' imports and purchases

Table III-8 presents data on individual U.S. producers' U.S. production and U.S imports of wire rod from subject sources. No firm reported purchases of wire rod imported from subject or nonsubject sources.⁷ Two firms, ***, reported imports of wire rod from nonsubject sources, primarily from ***. With respect to ***, the firm only reported imports for a period ***.

⁷ The only firm to report any purchases of wire rod, ***, reported purchasing ***.

Table III-8

Wire rod: U.S. producers' U.S. production, imports, and import ratios to U.S. production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
***	***	***	***
***	***	***	***
	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		
Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
***	***	***	***
***	***	***	***
	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

U.S. employment, wages, and productivity

Table III-9 shows U.S. producers' employment-related data. The number of production and related workers (PRWs) and their hours worked increased between 2017 and 2019, peaking in 2018. During this period, however, productivity declined in both 2018 and 2019, while hourly wages increased in both 2018 and 2019, resulting in progressively higher unit labor costs.

Table III-9

Wire rod: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2017-19

Item	Calendar year		
	2017	2018	2019
Production and related workers (PRWs) (number)	2,587	3,001	2,850
Total hours worked (1,000 hours)	5,359	6,040	6,008
Hours worked per PRW (hours)	2,072	2,013	2,108
Wages paid (\$1,000)	195,932	228,359	228,863
Hourly wages (dollars per hour)	\$36.56	\$37.81	\$38.09
Productivity (short tons per 1,000 hours)	715.6	707.1	637.6
Unit labor costs (dollars per short tons)	\$51.09	\$53.47	\$59.74

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

Financial experience of U.S. producers

Background

Ten U.S. producers provided usable financial results on their wire rod operations.⁸ All 10 responding U.S. producers reported financial results on a calendar year basis.⁹ Nine responding U.S. producers provided their financial data on the basis of generally accepted accounting principles (GAAP) and one U.S. producer (***) reporting its financial results on the basis of International Financial Reporting Standards (IFRS). The questionnaire responses are believed to account for the vast majority of known sales of wire rod by U.S. producers.^{10 11}

Figure III-2 presents each responding firm's share of the total reported net sales quantity in 2019. Revenue primarily reflects commercial sales, although nine U.S. producers reported a small amount of internal consumption and/or transfers to related firms.¹²

⁸ Companies with usable data are: Cascade, Charter, CMC, Evraz, Gerdau, Liberty, Mid American, Nucor, Optimus, and Sterling. Republic ***. Republic's U.S. producer questionnaire, I-2a and II-2a. *** provided an incomplete U.S. producer questionnaire with no financial data in these reviews. *** but retains a processing facility in Solon, Ohio, to clean and coat, draw, and anneal wire.

⁹ Seven U.S. producers reported fiscal year ending on December 31 while ***.

¹⁰ ArcelorMittal shut down its Georgetown, South Carolina wire rod facility in 2015 and subsequently sold the facility in December 2017 to British owned Liberty House Group, the parent of U.S. producer Liberty. The terms of the deal were not disclosed in publicly available sources. ArcelorMittal announces closure of Georgetown wire rod facility, <https://usa.arcelormittal.com/news-and-media/announcements/2015/may/05-14-2015>; Statement regarding sale of Georgetown wire rod facility, <https://usa.arcelormittal.com/news-and-media/announcements/2017/dec/12-18-2017>; London-based Liberty House completes acquisition of Georgetown's steel mill https://www.postandcourier.com/business/london-based-liberty-house-completes-acquisition-of-georgetown-s-steel/article_d39a60d0-e401-11e7-a78b-9ba3ab404204.html; and, Liberty House purchase of Georgetown steel mill complete, https://www.southstrandnews.com/news/liberty-house-purchase-of-georgetown-steel-mill-complete-operations-to-start-next-spring/article_3dbb3bfc-e3f7-11e7-aed8-bb87b6241faa.html, retrieved May 6, 2020.

¹¹ Keystone Consolidated Industries Inc., parent of U.S. producer Keystone Steel and Wire (Peoria, Illinois), sold all subsidiaries and assets to GFG Alliance, the parent of Liberty House Group which owns U.S. producer Liberty in December 2018 for \$320 million. Liberty Steel USA acquires Keystone EAF mill, <https://www.recyclingtoday.com/article/liberty-steel-usa-acquires-kci-2018/>; Liberty House Group webpage, <http://www.libertyhousegroup.com/company/history/>; and, GFG Alliance webpage, <https://www.gfgalliance.com/a-global-business-alliance/liberty-house-group/>, retrieved May 6, 2020.

¹² *** reported internal consumption. *** reported transfers to related firms.

Figure III-2
Wire rod: Share of net sales quantity, by firm, 2019

* * * * *

Note: ***.

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

From 2017 to 2019, the U.S. wire rod industry experienced several closures and purchases by new producers. Gerdau ceased operations in 2018 and sold its Jacksonville, Florida wire rod mill to CMC and its Beaumont, Texas wire rod mill to Optimus.¹³ Five producers (***) reported prolonged idling and reductions in shifts at various times (detailed in table III-2). In 2019, Liberty joined the U.S. wire rod industry by restarting operations at the Georgetown, South Carolina facility formerly operated by ArcelorMittal (see footnote 10) and the Peoria, Illinois facility formerly operated by Keystone (see footnote 11).¹⁴

¹³ On March 30, 2018, Gerdau sold its wire rod mill in Beaumont, Texas and the Beaumont Wire Products and Carrollton Wire Products processing units to Optimus for \$99.5 million. On November 5, 2018, Gerdau sold multiple rebar mills (***), steel cutting and bending units, and distribution centers to CMC for \$600 million. Gerdau's 2019 Form 20-F, pp. F-25 and F-26 (as filed) and ***'s U.S. producer questionnaire, II-2a.

¹⁴ ***. In April 2020, Liberty announced the temporary closure of its Georgetown, South Carolina mill as a result of market conditions. Liberty Steel cutting Georgetown production for three months amid COVID-19, <https://www.live5news.com/2020/04/23/liberty-steel-cutting-georgetown-production-three-months-amid-covid-/>, retrieved June 29, 2020.

Operations on wire rod

Table III-10 presents aggregated data on U.S. producers' operations in relation to wire rod, while table III-11 presents corresponding changes in average unit values. Table III-12 presents selected company-specific financial data. For most financial indicators, U.S. producers experienced positive trends from 2017 to 2018 but negative trends from 2018 to 2019.

Table III-10
Wire rod: Results of operations of U.S. producers, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Commercial shipments	2,690,929	3,147,258	2,762,482
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	3,812,514	4,282,945	3,792,962
	Value (1,000 dollars)		
Commercial shipments	1,644,548	2,349,476	1,998,038
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	2,282,852	3,158,772	2,687,046
Cost of goods sold.--			
Raw materials	1,305,780	1,756,539	1,416,154
Energy costs	147,463	162,903	149,352
Direct labor	152,974	183,151	177,240
Other factory costs	447,935	658,909	656,684
Total COGS	2,054,152	2,761,502	2,399,430
Gross profit	228,700	397,270	287,616
SG&A expense	77,311	118,337	111,125
Operating income or (loss)	151,389	278,933	176,491
All other expenses/(income), net	***	***	***
Net income or (loss)	***	***	***
Depreciation/amortization	70,194	56,176	59,549
Cash flow	204,870	313,540	219,250

Table continued on next page.

Table III-10—Continued
Wire rod: Results of operations of U.S. producers, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
Commercial shipments	611	747	723
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	599	738	708
Cost of goods sold.--			
Raw materials	342	410	373
Energy costs	39	38	39
Direct labor	40	43	47
Other factory costs	117	154	173
Average COGS	539	645	633
Gross profit	60	93	76
SG&A expense	20	28	29
Operating income or (loss)	40	65	47
Net income or (loss)	***	***	***
	Ratio to COGS (percent)		
Cost of goods sold.--			
Raw materials	63.6	63.6	59.0
Energy costs	7.2	5.9	6.2
Direct labor	7.4	6.6	7.4
Other factory costs	21.8	23.9	27.4
Total COGS	100.0	100.0	100.0
	Ratio to net sales (percent)		
Cost of goods sold.--			
Raw materials	57.2	55.6	52.7
Energy costs	6.5	5.2	5.6
Direct labor	6.7	5.8	6.6
Other factory costs	19.6	20.9	24.4
Total COGS	90.0	87.4	89.3
Gross profit	10.0	12.6	10.7
SG&A expense	3.4	3.7	4.1
Operating income or (loss)	6.6	8.8	6.6
Net income or (loss)	***	***	***
	Number of firms reporting		
Operating losses	2	1	1
Net losses	2	1	1
Data	8	10	9

Note: ***.

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

Table III-11

Wire rod: Changes in AUVs between calendar years

Item	Between calendar years		
	2017-19	2017-18	2018-19
	Changes in AUVs (percent)		
Commercial shipments	▲ 18.3	▲ 22.2	▼ (3.1)
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	▲ 18.3	▲ 23.2	▼ (3.9)
Cost of goods sold.--			
Raw materials	▲ 9.0	▲ 19.7	▼ (9.0)
Energy costs	▲ 1.8	▼ (1.7)	▲ 3.5
Direct labor	▲ 16.5	▲ 6.6	▲ 9.3
Other factory costs	▲ 47.4	▲ 30.9	▲ 12.5
Average COGS	▲ 17.4	▲ 19.7	▼ (1.9)
	Changes in AUVs (dollars per short ton)		
Commercial shipments	▲ 112	▲ 135	▼ (23)
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	▲ 110	▲ 139	▼ (29)
Cost of goods sold.--			
Raw materials	▲ 31	▲ 68	▼ (37)
Energy costs	▲ 1	▼ (1)	▲ 1
Direct labor	▲ 7	▲ 3	▲ 4
Other factory costs	▲ 56	▲ 36	▲ 19
Average COGS	▲ 94	▲ 106	▼ (12)
Gross profit	▲ 16	▲ 33	▼ (17)
SG&A expense	▲ 9	▲ 7	▲ 2
Operating income or (loss)	▲ 7	▲ 25	▼ (19)
Net income or (loss)	***	***	***

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

Table III-12

Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Net sales quantity (short tons)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	3,812,514	4,282,945	3,792,962
	Net sales value (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	2,282,852	3,158,772	2,687,046
	COGS (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	2,054,152	2,761,502	2,399,430

Table continued on next page.

Table III-12—Continued

Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Gross profit or (loss) (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	228,700	397,270	287,616
	SG&A expenses (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	77,311	118,337	111,125
	Operating income or (loss) (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	151,389	278,933	176,491

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Net income or (loss) (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	***	***	***
	COGS to net sales value (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	90.0	87.4	89.3
	Gross profit or (loss) to net sales value (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	10.0	12.6	10.7

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	SG&A expenses to net sales value (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	3.4	3.7	4.1
	Operating income or (loss) to net sales value (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	6.6	8.8	6.6
	Net income or (loss) to net sales value (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	***	***	***

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit net sales value (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	599	738	708
	Unit raw materials (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	342	410	373
	Unit energy costs (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	39	38	39

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit direct labor (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	40	43	47
	Unit other factory costs (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	117	154	173
	Unit COGS (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	539	645	633

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit gross profit or (loss) (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	60	93	76
	Unit SG&A expense (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	20	28	29
	Unit operating income or (loss) (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evrz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	40	65	47

Table continued on next page.

Table III-12—Continued
Wire rod: Results of operations of U.S. producers, by firm, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit net income or (loss) (dollars per short ton)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American Steel	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	***	***	***

Note: ***.

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

Net sales

Total net sales quantity and value increased substantially from 2017 to 2018 but quickly declined from 2018 to 2019, resulting in net sales quantity decline of 0.5 percent while net sales value irregularly increased by 17.7 percent from 2017 to 2019 (table III-10). Commercial sales represent the most of the U.S. industry's overall revenue at 72.8 percent and 74.4 percent of total sales quantity and value, respectively, in 2019. Transfer sales were reported by six producers *** accounted for the largest share of transfer sales *** of the U.S. industry.^{15 16} Internal consumption was reported by four producers (***), representing the remaining 5.2 percent of total net sales quantity in 2019.

With the exception of ***, U.S. producers reported positive net

¹⁵ ***.

¹⁶ ***: ***, email to USITC staff, May 21, 2020.

sales quantity and value growth from 2017 to 2018 and declines from 2018 to 2019. Most U.S. producers attributed the positive sales growth in 2018 to the temporary imposition of Section 232 tariffs (see table II-1). *** also cited the increase in sales resulting from increased domestic demand for wire rod in late 2018 ***.¹⁷

Average unit values of wire rod sold fluctuated and increased by 18.3 percent from 2017 to 2019, from \$599 per-short ton in 2017 to \$708 per-short ton in 2019 after a peak of \$738 per-short ton in 2018 (table III-10). On a company-specific basis, all responding U.S. producers reported increases in unit net sales values of *** percent or higher from 2017 to 2018 while all but one producer reported decreasing unit net sales values from 2018 to 2019 (table III-12).¹⁸ *** identified the move to domestic wire rod sources as a result of Section 232 tariffs and the increase in scrap pricing as the primary factors contributing to the increase in per unit values of wire rod sold.¹⁹

Cost of goods sold and gross profit or (loss)

Total cost of goods sold (“COGS”) increased from 2017 to 2018, but declined from 2018 to 2019, resulting in an increase of 16.8 percent from 2017 to 2019 (tables III-10 and C-1). Average unit COGS increased by 19.7 percent from 2017 to 2018 before decreasing by 1.9 percent from 2018 to 2019, ending the three year period with an increase of 17.4 percent (table III-11). As a ratio to net sales, COGS declined from a high of 90.0 percent in 2017 to a low of 87.4 percent in 2018 before ending at 89.3 percent in 2019 (table III-10).

Raw material costs represent the largest share of total COGS, ranging from declining from 59.0 percent to 63.6 percent from 2017 to 2019 (table III-10). Raw materials costs increased by 8.5 percent in absolute values from 2017 to 2019 (table III-10). Average per unit raw material costs fluctuated, from \$342 per-short ton in 2017 to \$410 per-short ton in 2018 then to \$373 in 2019 (table III-10). As a ratio to net sales, raw materials declined from a high of

¹⁷ ***, email message to USITC staff, May 12, 2020.

¹⁸ ***. Relative to the overall industry, *** reported the highest commercial sales value per-short ton throughout the period increasing from \$*** per-short ton to \$*** per-short ton in 2019, noting that ***. ***, email message to USITC staff, May 12, 2020.

¹⁹ ***. ***, email to USITC staff, May 21, 2020.

57.2 percent in 2017 to a low of 52.7 percent in 2019 (table III-10). The directional trend of company-specific average raw material costs was almost uniformly the same (table III-12), although the relatively wide range of company-specific average raw material costs may reflect differences in product mix, as well as variations in underlying raw materials based on product mix or the level of wire rod production (e.g. using steel scrap or billets). Table III-13 presents details on specific raw material inputs as a share of total raw material costs in 2019.²⁰ Pig iron, scrap, and DRI accounted for the majority of total raw material costs at 62.1 percent while billets accounted for the second largest share at 28.1 percent of total raw material costs.²¹ Other raw materials accounted for *** percent of total raw materials and include electrodes and rolling costs.

Table III-13
Wire rod: Raw materials by type and acquisition method, 2019

Item	Calendar year 2019		
	Value (1,000 dollars)	Unit value (dollars per short ton)	Share of value (percent)
Billets	***	***	***
Pig iron, scrap and DRI	***	***	***
Alloy agents / refining mats	***	***	***
Other raw material inputs	***	***	***
Total	1,416,154	373	100.0

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

Other factory costs represent the second largest share of total COGS, ranging from 21.8 percent to 27.4 percent from 2017 to 2019. Other factory costs increased by 46.6 percent in

²⁰ Four producers *** reported purchasing inputs at fair market value from related parties in 2019.

²¹ All responding U.S. producers reported pig iron, scrap, and DRI as raw materials although five U.S. producers *** also reported purchasing billets as raw materials in addition to making their own billets.

absolute values from 2017 to 2019 (table III-10).^{22 23 24} Average per unit other factory costs increased by 47.4 percent from 2017 to 2019 (table III-11). Company-specific other factory costs per-short ton varied widely, with *** reporting the highest per-short ton other factory costs as a result of **. As a ratio to net sales, other factory costs increased from 19.6 percent in 2017 to 24.4 percent in 2019 (table III-10).

Direct labor and energy costs represent the smallest shares of total COGS; direct labor's share of total COGS ranged from 6.6 percent to 7.4 percent and energy's share ranged from 5.9 percent to 7.2 percent from 2017 to 2019 (table III-10). Direct labor costs increased by 15.9 percent in absolute values from 2017 to 2019 (table III-10).²⁵ Average per unit direct labor costs increased from \$40 per-short ton in 2017 to \$47 per-short ton in 2019 (table III-10). Energy costs increased by 1.3 percent in absolute values from 2017 to 2019 (table III-10). Average per unit energy costs fluctuated slightly from \$38 per-short ton to \$39 per-short ton from 2017 to 2019 (table III-10). As a ratio to net sales, direct labor and energy costs both fluctuated within a narrow range, with direct labor ranging from 5.8 percent to 6.7 percent and energy costs ranging from 5.2 percent to 6.5 percent from 2017 to 2019 (table III-10). Company-specific

²² *** reported non-recurring charges related to major mechanical equipment failure and maintenance included in other factory costs of \$*** in 2017, \$*** in 2018, and \$*** in 2019; fixed asset write-offs included in other factory costs and general and administrative expenses of \$*** in 2018 and \$*** in 2019; and, a gain of \$*** in 2019 related to change in financial policy for vacation benefits that were reported in other factory costs and general and administrative expenses. ***'s U.S. producer questionnaire, III-10 and III-11.

²³ *** reported non-recurring net gain of \$*** in 2017 for sales of idled rolling mill assets and a non-recurring charge of \$*** in 2017 related to accelerated depreciation on flat stacker equipment due to obsolescence, both of these nonrecurring items were reported in other factory costs. ***'s U.S. producer questionnaire, III-10 and III-11.

²⁴ *** reported non-recurring charges of \$*** in 2018 and \$*** in 2019 for unfavorable purchase obligation accrual expenses reported in other factory costs, both of these nonrecurring items were reported in other factory costs. ***'s U.S. producer questionnaire, III-10 and III-11.

²⁵ *** reported non-recurring net gains of \$*** in 2018 and \$*** in 2019 from credit on its electric bills as a result of agreeing to certain electricity usage curtailments, both gains were reported in energy costs. *** also reported nonrecurring charges of \$*** in 2018 and \$*** in 2019 related to a natural gas pipeline explosion that shutdown flows of natural gas imported into the Pacific Northwest that led to lost sales and increased energy costs, both nonrecurring charges were reported in energy costs. ***'s U.S. producer questionnaire, III-10 and III-11.

direct labor costs per-short ton varied widely, partially attributable to company-specific allocation of direct labor costs to the subject product.²⁶

As presented in tables III-10 and C-1, U.S. wire rod producers' gross profit increased by 73.7 percent from 2017 to 2018 but declined by 27.6 percent from 2018 to 2019 (\$228.7 million in 2017, \$397.3 million in 2018, \$287.6 million in 2019). Gross margins increased from 10.0 percent in 2017 to 12.6 percent in 2018 before declining to 10.7 percent in 2019. The fluctuations in gross profits tracked closely with declining raw material costs which were offset somewhat by increasing other factory costs and fluctuations in revenue from 2017 to 2019.

SG&A expenses and operating income or (loss)

U.S. producers' selling, general, and administrative ("SG&A") expense ratios (i.e., total SG&A expenses divided by net sales) increased slightly each year from 2017 to 2019, from 3.4 percent in 2017 to 4.1 percent in 2019 (table III-10). General and administrative expenses made up most of total SG&A costs, with selling expenses making up approximately one-third or less of total SG&A costs (table III-10).²⁷ *** producers *** reported the largest variations in SG&A expenses (table III-12).²⁸ ²⁹ *** consistently reported the lowest SG&A

²⁶ *** reported the highest direct labor costs per-short ton from 2017 to 2019. ***. ***'s U.S producer questionnaire, II-3a, II-6 and III-5.

*** explained that its direct labor costs are primarily fixed and do not fluctuate directly based on sales volume and that the decline of sales in 2019 caused the increase in direct labor costs per-short ton. Wire rod accounted for *** net sales in 2019 *** *** U.S producer questionnaire, II-3a, II-6 and III-5 and *** , email message to USITC staff, May 12, 2020.

²⁷ *** reported non-recurring charges that were reported in general and administrative expenses of \$*** for classification of natural gas pipeline and \$*** for a one time depreciation allocation in 2017. ***'s U.S. producer questionnaire, III-10 and III-11.

²⁸ CMC restarted the former Gerdau *** mill in Jacksonville, Florida *** (footnote 13). Liberty acquired the former ArcelorMittal Georgetown, South Carolina facility and the former Keystone Peoria, Illinois facility (footnotes 10 and 11).

²⁹ *** reported non-recurring charges of \$*** in 2018 related to fix asset impairment costs that were reported in general and administrative costs. ***'s U.S. producer questionnaire, III-10 and III-11.

expense ratios and is the only U.S. producer with *** noted earlier (table III-12).

As presented in tables III-10 and C-1, U.S. producers' operating income pattern mirrored their gross profit trends, increasing dramatically by 84.2 percent from 2017 to 2018 before declining substantially by 36.7 percent from 2018 to 2019 (\$151.4 million in 2017, \$278.9 million in 2018, \$176.5 million in 2019). Operating margins (i.e. operating income divided by net sales) followed the same directional pattern as gross margins, increasing from 6.6 percent in 2017 to 8.8 percent in 2018 before declining back to 6.6 percent in 2019.

From 2017 to 2019, U.S. producers generally reported positive operating income with the exception of *** (the only U.S. producer reporting operating losses in all three years) and *** reporting operating losses in 2017 only (table III-12). With the exception of ***, U.S. producers of wire rod reported increased operating income in 2018 but lower operating income in 2019 (***) (table III-12). *** accounted for the largest share (***) of operating income of all reporting U.S. producers in 2017 but was the second best performing domestic producer in terms operating income in 2018 (***) and in 2019 (***), with *** accounting for the largest share of domestic industry's operating income in 2018 (***) and in 2019 (***) (calculated from table III-12).

All other expenses and net income or (loss)

Classified below the operating income level are interest expenses, other expenses, and other income. In table III-10, these items are aggregated with the net amount shown. The net "all other expenses" fluctuated from 2017 to 2019. While the absolute difference between operating and net profits narrowed and widened in conjunction with changes in total interest expense and all other income and expenses, the U.S. industry's operating and net profits followed the same directional trend throughout the period, with *** accounting for the bulk share of net income in 2017, 2018, and 2019.³⁰

³⁰ A variance analysis is not presented in this report due to large differences in sales mix, cost structures, and data fluctuations from shutdowns and acquisitions among reporting U.S. producers.

Capital expenditures and research and development expenses

Table III-14 presents capital expenditures and research and development (“R&D”) expenses by firm. Table III-15 provides the U.S. producers’ narrative responses regarding the nature and focus of their capital expenditures and R&D expenses. *** reported the largest amount of capital expenditures (*** percent of industry total in 2019), incurring capital expenditures from ***. Other U.S. producers reported capital expenditures related to routine equipment maintenance and safety, efficiency improvements to reduce costs. *** U.S. producer *** reported capital expenditures related to *** as well as equipment maintenance. R&D expenses were reported by one U.S. producer (***) for product development.

**Table III-14
Wire rod: Capital expenditures and R&D expenses of U.S. producers, 2017-19**

Item	Calendar year		
	2017	2018	2019
	Capital expenditures (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	95,971	173,332	142,064
	R&D expenses (1,000 dollars)		
***	***	***	***
All firms	***	***	***

Note: ***.

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

Table III-15

Wire rod: Firms’ narrative responses relating to capital expenditures and R&D expenses since January 1, 2017

Firm	Nature and focus of capital expenditures
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
	Nature and focus of R&D expenses
***	***

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

Assets and return on assets

Table III-16 presents data on the U.S. producers’ total assets and their operating return on assets (“ROA”).³¹ U.S. producers’ total assets fluctuated, increasing by 46.8 percent from 2017 to 2018 but decreased by 8.2 percent from 2018 to 2019. *** accounted for the largest share of net asset values (***), noting *** as its top assets.³² ROA fluctuated within a narrow band from 2017 to 2019, increasing from 2017 to 2018 before decreasing from 2018 to 2019. Variations in ROA among U.S. producers reflect the same trends as individual producer’s operating margins; negative ROA ratios were reported by *** while *** (two of the *** producers of wire rod) frequently reported the highest ROA ratios from 2017 to 2019.

³¹ The return on assets (“ROA”) is calculated as operating income divided by total assets. With respect to a firm’s overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for wire rod.

³² ***. ***, email message to USITC staff, May 12, 2020.

Table III-16

Wire rod: U.S. producers' total assets and return on assets, 2017-19

Firm	Calendar year		
	2017	2018	2019
	Total net assets (1,000 dollars)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	1,651,386	2,424,445	2,226,378
	Operating return on assets (percent)		
Cascade	***	***	***
Charter	***	***	***
CMC	***	***	***
Evraz	***	***	***
Gerdau	***	***	***
Liberty	***	***	***
Mid American	***	***	***
Nucor	***	***	***
Optimus	***	***	***
Sterling	***	***	***
All firms	9.2	11.5	7.9

Note: ***.

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

Part IV: U.S. imports and the foreign industries

U.S. imports

Overview

The Commission issued questionnaires to 99 firms believed to have imported wire rod since 2014,¹ as well as all U.S. producers of wire rod. Twenty-two firms provided data and information in response to the questionnaires, while seventeen firms indicated that they had not imported wire rod since 2014.² Based on official Commerce statistics for imports of wire rod, importers' questionnaire data accounted for all or virtually all U.S. imports from Mexico during 2019. There were no or virtually no subject imports from Brazil, Indonesia, Moldova, and Trinidad and Tobago during 2019.³

¹ The Commission issued questionnaires to those firms identified in the responses to the Commission's notice of institution, along with firms that, based on a review of *** may have accounted for more than one percent of the total imports during January 2014 – November 2019 under the following HTS statistical reporting numbers: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035.

² The following firms reported no U.S. imports after January 1, 2014: ***. ***. ***.

³ In light of the data coverage by the Commission's questionnaires, import data in this report are based on questionnaire responses for wire rod from Mexico and official Commerce import statistics for the remaining subject countries. Note that U.S. imports from Mexico reported by Deacero in 2017 (the year before the anti-circumvention investigation into smaller diameter wire rod) are substantially smaller than U.S. imports reported in the U.S. official import statistics.

Import data reported for Brazil in official statistics have been reclassified in this report as nonsubject 1080 tire cord and tire bead. According to official statistics, there were 42 short tons of U.S. subject imports from Trinidad and Tobago in 2018, out of the total *** short tons of subject U.S. imports of wire rod in that same year.

U.S. importers' questionnaire responses from nonsubject countries accounted for approximately two-thirds of all nonsubject imports during 2019.⁴ All imports of wire rod from Brazil reported in official statistics are believed to be grade 1080 tire cord and tire bead wire rod and have therefore been classified as nonsubject imports in this report. No other subject country reported U.S. imports of the excluded grade 1080 tire cord or tire bead based on questionnaire data.

Two firms, ***, reported entering wire rod, or withdrawing such merchandise from foreign trade zones or bonded warehouses.

U.S. imports of small and smaller diameter wire rod

Imports of small diameter wire rod from Mexico produced by Deacero have been subject to an anticircumvention determination throughout the period for which data were collected. See Part I for more information. In February 2018, Commerce initiated an anti-circumvention inquiry to determine whether certain imports of wire rod from Mexico with diameters less than 4.75 mm ("smaller diameter wire rod") produced or exported to the United States by Deacero were circumventing the antidumping duty order.⁵ In March 2019, Commerce issued its final affirmative determination that such imports were circumventing the order and constitute merchandise "altered in form or appearance in minor respects" that should be considered within the class or kind of merchandise subject to the order.⁶ Due to Commerce's anti-circumvention findings, the Commission conducted separate data collection for the smaller diameter wire rod, of which Deacero reported U.S. imports of *** short tons at a value of \$*** in 2018.

Below is an overview of imports of small and smaller diameter wire rod from *** during 2017-19.

⁴ This calculation is based on the share of all U.S. importer questionnaire responses from nonsubject sources in these reviews, inclusive of all U.S. import questionnaire responses of wire rod from Brazil (grade 1080 tire cord and tire bead wire) from adjusted official Commerce import statistics.

⁵ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Initiation of Anti-Circumvention Inquiry of Antidumping Duty Order*, 83 FR 5405, February 7, 2018.

⁶ *Carbon and Certain Alloy Steel Wire Rod From Mexico: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 9089, March 13, 2019.

Mexico

Item	2017	2018	2019
U.S. imports of small diameter wire rod			
<i>Quantity</i>	***	***	***
<i>Value</i>	***	***	***

Note: ***.

Source: U.S. Importer questionnaire response and proprietary Customs data.

Imports from subject and nonsubject countries

Table IV-1 presents information on U.S. imports of wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago and all other sources.

In these third reviews there were no reported U.S. imports of subject wire rod from Brazil, Indonesia, or Moldova during 2017-19. Forty-two short tons of wire rod were imported from Trinidad and Tobago in 2018 by ***. In these third reviews, the Commission received a response from one U.S. importer which reported imports from Mexico, ***. The quantity of imports of wire rod from Mexico, which accounted for *** percent of total U.S. imports of wire rod in 2019, its share increased yearly during 2017-19 and was *** percentage point higher in 2019 than in 2017. During 2019, U.S. imports of subject wire rod from Mexico amounted to *** short tons (\$***).⁷

Leading importers of wire rod from nonsubject sources in 2019 include ***, primarily from Canada, ***, primarily from Japan, and ***, primarily from Egypt and Malaysia. During 2019, U.S. imports from nonsubject sources (including grade 1080 tire cord/bead from Brazil), amounted to *** short tons (\$***) and accounted for *** percent of total U.S. imports of wire rod by quantity.

⁷ Note that subject imports from Mexico reported by Deacero in 2017 (the year before the anti-circumvention investigation into smaller diameter wire rod began) are substantially smaller than U.S. imports reported in the U.S. official import statistics.

U.S. imports of wire rod from Brazil and Moldova largely ceased following the imposition of duties in 2002 and U.S. imports of wire rod from Indonesia ceased after 2005. U.S. imports of wire rod from Trinidad and Tobago were reported to have largely ceased after 2008.

Table IV-1 also presents data on the ratio of U.S. imports to U.S. production during 2017-19. U.S. imports of wire rod from subject sources were equivalent to *** percent of domestic production during 2017-18 and then increased by *** percentage points to *** percent in 2019. The ratio of U.S. imports of wire rod from nonsubject sources (including grade 1080 tire/bead from Brazil) to domestic production decreased by *** percentage points from *** percent to *** percent between 2017 and 2019. Total imports of wire rod from all import sources were equivalent to *** percent of U.S. production in 2019, or *** percentage points lower than reported in 2017.

Table IV-1
Wire rod: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. imports from.--			
Brazil	---	---	---
Indonesia	---	---	---
Mexico	***	***	***
Moldova	---	---	---
Trinidad and Tobago	---	42	---
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	174,961	105,848	104,681
Countries subject to 2018 AD/CVD orders ¹	490,189	40,996	45,669
All other sources	929,459	1,105,012	892,389
Nonsubject sources	1,594,609	1,251,856	1,042,740
All import sources	***	***	***
	Value (1,000 dollars)		
U.S. imports from.--			
Brazil	---	---	---
Indonesia	---	---	---
Mexico	***	***	***
Moldova	---	---	---
Trinidad and Tobago	---	55	---
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	100,537	70,982	83,890
Countries subject to 2018 AD/CVD orders ¹	241,428	35,027	34,198
All other sources	662,587	948,465	746,833
Nonsubject sources	1,004,553	1,054,474	864,921
All import sources	***	***	***

Table continued.

Table IV-1--Continued
Wire rod: U.S. imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
U.S. imports from.--			
Brazil	---	---	---
Indonesia	---	---	---
Mexico	***	***	***
Moldova	---	---	---
Trinidad and Tobago	---	1,312	---
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	575	671	801
Countries subject to 2018 AD/CVD orders ¹	493	854	749
All other sources	713	858	837
Nonsubject sources	630	842	829
All import sources	***	***	***
	Share of quantity (percent)		
U.S. imports from.--			
Brazil	***	***	***
Indonesia	***	***	***
Mexico	***	***	***
Moldova	***	***	***
Trinidad and Tobago	***	***	***
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	***	***	***
Countries subject to 2018 AD/CVD orders ¹	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Table continued.

Table IV-1--Continued
Wire rod: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of value (percent)		
U.S. imports from.--			
Brazil	***	***	***
Indonesia	***	***	***
Mexico	***	***	***
Moldova	***	***	***
Trinidad and Tobago	***	***	***
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	***	***	***
Countries subject to 2018 AD/CVD orders ¹	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Ratio to U.S. production (percent)		
U.S. imports from.--			
Brazil	***	***	***
Indonesia	***	***	***
Mexico	***	***	***
Moldova	***	***	***
Trinidad and Tobago	***	***	***
Subject sources	***	***	***
Grade 1080 tire cord/bead from subject sources	***	***	***
Countries subject to 2018 AD/CVD orders ¹	***	***	***
All other sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

¹ These countries include Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Note: Official import statistics for Brazil have been reclassified as 1080 tire cord/tire bead imports from subject sources. Merchandise from Brazil in official import statistics is exclusively nonsubject grade 1080 tire cord/bead product.

Note: ***.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Figure IV-1
Wire rod: U.S. import volumes and prices, 2017-19

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Cumulation considerations

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

Fungibility

Table IV-2 presents data on responding U.S. producers and U.S. importers' U.S. shipments by product type, in 2019. More than half of U.S. producers U.S. shipments of wire rod consisted of low industrial/standard product, while high industrial/standard and CHQ wire rod accounted for *** percent and *** percent, consecutively. U.S. importers' U.S. shipments of wire rod from Mexico were mostly low industrial/standard, accounting for *** percent of total U.S. importers' U.S. shipments from that country. High industrial/standard wire rod accounted for the remaining share of U.S. importers' U.S. shipments from Mexico. Grade 1080 tire cord/bead accounted for *** percent of U.S. importers' U.S. shipments from nonsubject sources (including Brazil), followed by CHQ wire rod, *** percent, and low industrial/standard, *** percent. U.S. producers shipped the vast majority of low industrial/standard, high industrial/standard, tire cord other than grade 1080, welding quality wire rod, CHQ wire rod, and other specialty wire rod, while U.S. importers from nonsubject sources shipped the majority of grade 1080 tire cord/bead.

Table IV-2

Wire rod: U.S. producers and U.S. importers' U.S. shipments by product type, 2019

Item	U.S.	Brazil	Indonesia	Mexico	Moldova
Quantity (short tons)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	***	(1)	(1)	(1)	(1)
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	***	***	***	***	***
Share across (percent)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	***	(1)	(1)	(1)	(1)
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	***	***	***	***	***
Share down (percent)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	***	(1)	(1)	(1)	(1)
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	100.0	---	---	100.0	---

Table continued.

Table IV-2--Continued

Wire rod: U.S. producers and U.S. importers' U.S. shipments by product type, 2019

Item	Trinidad and Tobago	Subject sources	Nonsubject sources	All import sources	U.S. producers and U.S. importers combined
Quantity (short tons)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	(1)	(1)	***	***	***
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	***	***	***	***	***
Share across (percent)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	(1)	(1)	***	***	***
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	***	***	***	***	***
Share down (percent)					
Low industrial / standard	***	***	***	***	***
High industrial / standard	***	***	***	***	***
Tire cord other than grade 1080	***	***	***	***	***
Grade 1080 tire cord/bead	(1)	(1)	***	***	***
Welding quality wire rod	***	***	***	***	***
CHQ wire rod	***	***	***	***	***
Other specialty	***	***	***	***	***
All other products	***	***	***	***	***
All product types	100.0	100.0	100.0	100.0	100.0

(1) Shipments of nonsubject grade 1080 tire cord/bead from subject sources are classified under nonsubject sources.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Figure IV-2

Wire rod: U.S. producers' and U.S. importers' U.S. shipments by product type, 2017-19

* * * * *

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

Geographical markets

There were no reported U.S. imports of wire rod from subject countries Brazil, Indonesia, or Moldova in 2019. The only imports of wire rod from Trinidad and Tobago were entered through San Juan, Puerto Rico in April 2018.

The vast majority of imports from Mexico entered through the southern border, followed by the western ports of entry. While imports from nonsubject sources entered through all borders of entry, most U.S. imports of wire rod from nonsubject sources entered through the southern border.

Table IV-3
Wire rod: U.S. imports by borders of entry, 2019

Country	Border of entry				
	East	North	South	West	Total
Brazil	---	---	---	---	---
Indonesia	---	---	---	---	---
Mexico	---	---	14,159	1,243	15,402
Moldova	---	---	---	---	---
Trinidad and Tobago	---	---	---	---	---
Subject sources	---	---	14,159	1,243	15,402
Nonsubject sources	274,737	367,768	499,299	5,617	1,147,421
All import sources	274,737	367,768	513,458	6,860	1,162,824
	Share across (percent)				
Brazil	---	---	---	---	---
Indonesia	---	---	---	---	---
Mexico	---	---	91.9	8.1	100.0
Moldova	---	---	---	---	---
Trinidad and Tobago	---	---	---	---	---
Subject sources	---	---	91.9	8.1	100.0
Nonsubject sources	23.9	32.1	43.5	0.5	100.0
All import sources	23.6	31.6	44.2	0.6	100.0
	Share down (percent)				
Brazil	---	---	---	---	---
Indonesia	---	---	---	---	---
Mexico	---	---	2.8	18.1	1.3
Moldova	---	---	---	---	---
Trinidad and Tobago	---	---	---	---	---
Subject sources	---	---	2.8	18.1	1.3
Nonsubject sources	100.0	100.0	97.2	81.9	98.7
All import sources	100.0	100.0	100.0	100.0	100.0

Note: Official import statistics for Brazil have been reclassified as 1080 tire cord/tire bead imports from subject sources. Merchandise from Brazil in official import statistics is exclusively nonsubject grade 1080 tire cord/bead product.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Presence in the market

There were no reported U.S. imports of wire rod from subject countries Brazil, Indonesia, or Moldova between January 2017 and May 2020. Imports from Mexico were reported in 35 of the 41 months between 2017 and 2020.⁸ No imports from Mexico were reported in six months of 2018. All imports reported from Trinidad and Tobago in 2018 were reported in one month (April 2018). Imports from nonsubject sources were present in all 41 months through May 2020.

⁸ Note that subject imports from Mexico reported by Deacero in 2017 (the year before the anti-circumvention investigation into smaller diameter wire rod began) are substantially smaller than U.S. imports reported in the U.S. official import statistics.

Table IV-4

Wire rod: U.S. imports by month, January 2017 to May 2020

Month	Brazil	Indonesia	Mexico	Moldova
Quantity (short tons)				
2017.--				
January	---	---	6,038	---
February	---	---	2,636	---
March	---	---	6,712	---
April	---	---	5,411	---
May	---	---	5,353	---
June	---	---	4,877	---
July	---	---	6,102	---
August	---	---	2,620	---
September	---	---	996	---
October	---	---	1,375	---
November	---	---	2,189	---
December	---	---	2,626	---
2018.--				
January	---	---	1,909	---
February	---	---	1,431	---
March	---	---	---	---
April	---	---	---	---
May	---	---	---	---
June	---	---	7	---
July	---	---	---	---
August	---	---	36	---
September	---	---	---	---
October	---	---	---	---
November	---	---	1,941	---
December	---	---	4,016	---
2019.--				
January	---	---	1,155	---
February	---	---	146	---
March	---	---	903	---
April	---	---	2,509	---
May	---	---	797	---
June	---	---	1,356	---
July	---	---	423	---
August	---	---	466	---
September	---	---	1,834	---
October	---	---	3,351	---
November	---	---	294	---
December	---	---	2,170	---
2020.--				
January	---	---	874	---
February	---	---	3,960	---
March	---	---	3,791	---
April	---	---	3,533	---
May	---	---	3,941	---

Table continued.

Table IV-4--Continued
Wire rod: U.S. imports by month, January 2017 to May 2020

Month	Trinidad and Tobago	Subject sources	Nonsubject Sources	All Import sources
Quantity (short tons)				
2017.--				
January	---	6,038	121,753	127,791
February	---	2,636	151,469	154,105
March	---	6,712	184,121	190,833
April	---	5,411	174,966	180,378
May	---	5,353	189,030	194,384
June	---	4,877	191,301	196,178
July	---	6,102	170,646	176,747
August	---	2,620	142,693	145,313
September	---	996	109,700	110,696
October	---	1,375	140,690	142,065
November	---	2,189	97,297	99,486
December	---	2,626	95,901	98,527
2018.--				
January	---	1,909	86,864	88,773
February	---	1,431	127,234	128,666
March	---	---	103,807	103,807
April	42	42	101,317	101,359
May	---	---	153,111	153,111
June	---	7	97,602	97,609
July	---	---	101,592	101,592
August	---	36	133,192	133,228
September	---	---	98,016	98,016
October	---	---	101,958	101,958
November	---	1,941	132,903	134,844
December	---	4,016	120,109	124,125

Table continued.

Table IV-4--Continued
Wire rod: U.S. imports by month, January 2017 to May 2020

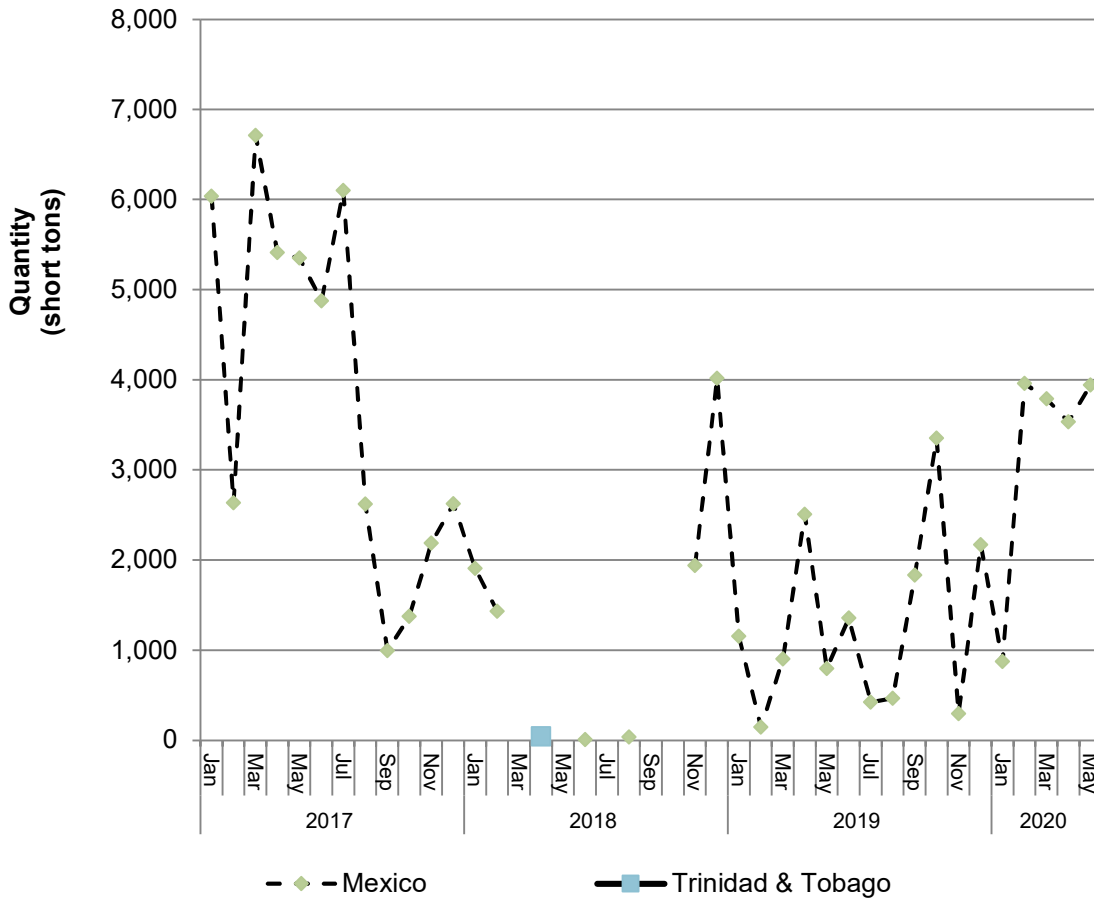
Month	Trinidad and Tobago	Subject sources	Nonsubject Sources	All Import sources
Quantity (short tons)				
2019.--				
January	---	1,155	150,078	151,232
February	---	146	84,107	84,253
March	---	903	87,851	88,754
April	---	2,509	171,013	173,522
May	---	797	84,988	85,785
June	---	1,356	88,358	89,714
July	---	423	104,300	104,723
August	---	466	91,728	92,193
September	---	1,834	76,423	78,257
October	---	3,351	92,647	95,998
November	---	294	62,216	62,511
December	---	2,170	53,712	55,882
2020.--				
January	---	874	87,718	88,591
February	---	3,960	65,802	69,761
March	---	3,791	85,065	88,856
April	---	3,533	72,101	75,634
May	---	3,941	78,221	82,163

Note: Official import statistics for Brazil have been reclassified as 1080 tire cord/tire bead imports from subject sources. Merchandise from Brazil in official import statistics is exclusively nonsubject grade 1080 tire cord/bead product.

Note: 2017 data for Mexico include wire rod of all diameters.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

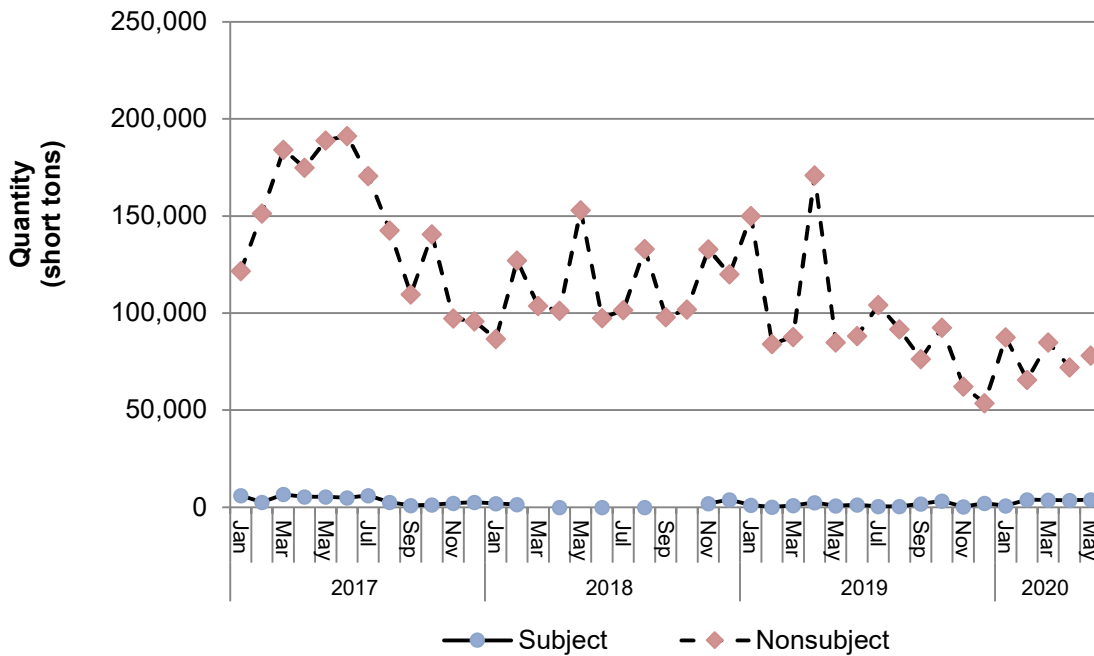
Figure IV-3
Wire rod: Subject sources' U.S. imports by month, January 2017 through May 2020



Note: 2017 data for Mexico include wire rod of all diameters.

Source: Official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

Figure IV-4
Wire rod: U.S. imports by month, January 2017 through May 2020



Note: 2017 data for Mexico include wire rod of all diameters.

Source: Official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

U.S. importers’ imports subsequent to December 2019

The Commission requested that importers indicate whether they had imported or arranged for the importation of wire rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and nonsubject sources for delivery after December 31, 2019. ***. Five nonsubject U.S. importers reported arranged imports in the first and second quarters of 2020 and four reported arranged U.S. imports in the third quarter. There were no arranged U.S. imports reported in the fourth quarter of 2020.

Table IV-5
Wire rod: U.S. importers' arranged imports in 2020 by quarter

Arranged U.S. imports from	Period				
	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Total
	Quantity in short tons				
Brazil	***	***	***	***	***
Indonesia	***	***	***	***	***
Mexico	***	***	***	***	***
Moldova	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

U.S. importers' inventories

Table IV-6 presents data for inventories of U.S. imports of wire from all sources. There were no U.S. inventories of wire rod from Brazil, Indonesia, Moldova, and Trinidad and Tobago. *** accounted for all of the inventories of subject imports from Mexico held in the United States during 2017-19. *** inventory levels were higher in 2019 than in 2017 but accounted for a very small share of total shipments of imports, consistently at levels *** for all periods. Five importers (***) of wire rod from nonsubject sources reported holding inventories all three years, while *** reported holding inventories in 2018. **. The ratio of nonsubject import sources to total shipments of imports was higher in 2018 than the previous year by *** percentage points but ended lower than 2017 levels at *** percent in 2019.

Table IV-6
Wire rod: U.S. importers' end-of-period inventories of imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Inventories (short tons); Ratios (percent)		
Imports from Brazil:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Indonesia:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Mexico:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Moldova:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Trinidad and Tobago:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from subject import sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from nonsubject import sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all import sources:			
Inventories	51,209	58,373	34,497
Ratio to U.S. imports	8.5	11.0	8.2
Ratio to U.S. shipments of imports	8.2	11.1	7.6
Ratio to total shipments of imports	8.2	11.1	7.6

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Subject country producers

The Commission did not receive foreign producer questionnaire responses from producers in Indonesia or Moldova, nor from the former producer in Trinidad and Tobago. Exports from Brazil to the United States currently consist of 1080 tire cord/bead (classified as nonsubject wire rod in this report). Only the industry in Mexico continued to export subject wire rod to the United States during 2017-19. Available data either through foreign producer questionnaire responses to the Commission or published sources shows the following comparative information on wire rod with respect to each subject country.

Wire rod: Foreign producer data for 2019

Item	Capacity (Short tons)
Brazil	***1
Indonesia	772,000 ²
Mexico	***3
Moldova	992,000 ⁴
Trinidad and Tobago (idled since 2016)	0 ⁵

¹ Foreign producers' responses to Commission questionnaires in these current reviews, II-11. This reported capacity is believed to be incomplete. ***.

² PT. Ispat Indo Company Profile, <https://www.ispatindo.com/?action=article&articleId=1>, retrieved May 12, 2020. For additional industry developments in Indonesia, see also <https://www.amm.com/Article/3909555/2020-preview-Indonesian-steel-sector-upbeat.html>, retrieved July 9, 2020.

³ Foreign producers' responses to Commission questionnaires in these current reviews.

⁴ Moldova Steelworks Website, <https://www.aommz.com/en/about>, retrieved May 14, 2020.

⁵ Investigation Nos. 701-TA-417 and 731-TA-953, 957-959, 961 and 962 (Second Review): Certain Carbon and Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine. Confidential Report, INV-MM-047, May 16, 2014, p. 56, as revised in INV-MM-052, May 23, 2014. During the second review, estimated capacity was at *** short tons.

The industry in Brazil

Overview

During the original investigations, the Commission identified five producers of wire rod in Brazil. Three firms, accounting for *** percent of Brazilian production of wire rod, provided data in response to the Commission's questionnaire in the original investigations: Barra Mansa, Belgo-Mineira (“Belgo”), and Gerdau. Barra Mansa estimated that it accounted for *** percent of Brazilian production in 2001, Belgo estimated that it accounted for *** percent, and Gerdau estimated that it accounted for *** percent. The three responding Brazilian firms collectively accounted for all exports of the subject merchandise from Brazil to the United States.⁹

Responses to the Commission's foreign producer questionnaire in the Commission's first five-year reviews were received from ArcelorMittal Brasil (successor to Belgo) and Gerdau (Açominas and Aços Longos), while Barra Mansa, part of Votorantim Metais' Steel Business Unit, did not respond. ArcelorMittal Brasil estimated that it accounted for *** percent of Brazilian production in 2007, and Gerdau estimated that it accounted for *** percent of production of wire rod in Brazil during that year, totaling *** percent coverage of the wire rod industry in Brazil.¹⁰

⁹ The following 2001 data were provided by the three responding Brazilian firms in the original investigations: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-14.

¹⁰ The following 2007 data were provided by the two responding Brazilian firms in the first five-year reviews: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-14.

The following five firms were identified by parties as operating producers of wire rod in Brazil during the second five-year reviews: ArcelorMittal Brasil, Votorantim Metals/Barra Mansa, Companhia Siderúrgica Nacional (“CSN”), Gerdau Aços Brasil, and Villares Metals.¹¹ Of these, ArcelorMittal Brasil, the second largest wire rod producer, was the only wire rod producer in Brazil that responded to the Commission's foreign producer questionnaire in the second five-year reviews. It reported no exports of the subject merchandise to the United States during 2008-13.¹² According to ***, production in Brazil during 2013 was *** short tons. Reported production by ArcelorMittal Brasil was *** short tons, yielding a theoretical coverage of *** percent of Brazilian production during 2013 by the responding firm. *** firm-by-firm capacity data indicated that ArcelorMittal Brasil accounted for *** percent of total wire rod rolling capacity in Brazil during 2013. Total wire rod rolling capacity and production data reported by *** included grade 1080 tire cord and tire bead wire rod, which were believed to have accounted for all exports of wire rod to the United States during 2008-13.¹³

¹¹ *** reported that CSN did not currently have the capacity to produce wire rod in Brazil but was expected to have *** short tons of capacity in 2014. The following additional firm in Brazil was identified by *** as having wire rod rolling capacity during 2013: **. *** estimated that this firm accounted for approximately *** percent of total wire rod rolling capacity in Brazil during 2013.

¹² As previously noted in this report, U.S. imports of subject wire rod from Brazil largely ceased following the imposition of duties in 2002.

¹³ According to Customs data, more than *** percent of imports reported from Brazil was imported from **. No antidumping duties were levied against those entries and **. Therefore, official import statistics on imports from Brazil were believed to be 1080 tire cord/bead and were reclassified as such.

Table IV-7 presents information on the wire rod operations of the responding producers and exporters in Brazil.

Table IV-7
Wire rod: Summary data for producers in Brazil, 2019

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)
ArcelorMittal Brasil	***	***	***	***	***
Gerdau Brasil	***	***	***	***	***
Grupo Simec SAB	***	***	***	***	***
Total	***	***	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Changes in operations

Brazil's recent developments

Since the last five year reviews, Brazilian steelmaker, CSN, began producing wire rod at its new plant in Volta Redonda. The plant has an annual capacity of 100 thousand tons per year.¹⁴ ArcelorMittal Brasil acquired Brazilian wire rod producer Votorantim Siderurgia SA in 2018, increasing ArcelorMittal Brasil's annual capacity to produce long steel products to 6 million metric tons (6.61 million short tons).¹⁵ In November 2018, Gerdau purchased the SILAT mill from Hierros Anon. The mill has an annual production capacity of 600 thousand tons of rebar and wire rod.¹⁶ While Gerdau and ArcelorMittal account for the majority of Brazilian wire rod capacity and production, new producers have entered the market since the last five-year reviews. In 2018, Aço Verde do Brasil began producing wire rod.¹⁷

As presented in table IV-8, producers in Brazil reported several operational and organizational changes since January 1, 2014.

Table IV-8
Wire rod: Reported changes in operations by firms in Brazil, since January 1, 2014

Item / Firm	Narrative
Acquisitions:	
***	***
***	***
Prolonged shutdowns or curtailments:	
***	***

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

¹⁴ Bnamericas, "CSN eyeing increased share of Brazil's long steel market," June 4, 2014, <https://www.bnamericas.com/en/news/csn-eyeing-increased-share-of-brazils-long-steel-market>, retrieved May 19, 2014.

¹⁵ Alerigi, Alberto, "ArcelorMittal to top Brazil's Long steel output after Votorantim deal: executive," Reuters, February 7, 2018, <https://www.reuters.com/article/us-votorantim-siderurgia-m-a-arcelormitt/arcelormittal-to-top-brazils-long-steel-output-after-votorantim-deal-executive-idUSKBN1FR2N6>, retrieved May 12, 2020.

¹⁶ "Gerdau buys steel mill in northeast Brazil for \$111 million," Reuters, November 2019, <https://www.reuters.com/article/gerdau-acquisition/gerdau-buys-steel-mill-in-northeast-brazil-for-111-million-idUSE5N27L00M>, retrieved May 12, 2020.

¹⁷ AVB's Steel Wire Rod Production, Aço Verde Do Brasil, <https://avb.com.br/wire-rod/?lang=en>, retrieved May 12, 2020.

Operations on wire rod

Table IV-9 presents data on the responding Brazilian producers' capacity, capacity utilization, ending inventories, and shipments.

In these reviews, the Commission received foreign producer questionnaire responses from three firms in Brazil, ***, which together are estimated to account for *** percent of wire rod production in Brazil in 2019.¹⁸

The responding Brazilian producers' wire rod production increased by *** percent between 2017 and 2018 to *** short tons and then decreased by *** percent to *** short tons in 2019. The responding foreign producers in Brazil reported an increased capacity of *** short tons, or *** percent from 2017 to 2019. This trend reflects ***. Capacity utilization remained above *** percent for all periods, peaked in 2018, and declined *** percentage points between in 2018 and 2019. During 2017-19, the responding Brazilian producers' shipments of wire rod concentrated largely on its internal market, with total home market shipments of wire rod accounting for more than *** percent of total shipments of wire rod during the same period. Internal consumption ranged from *** percent to *** percent during 2017-19. While Brazilian foreign producers had no shipments of subject wire rod to the United States during the period for which data were collected, their exports of all wire rod to the European Union, Asia, and all other markets, accounted for *** percent of total shipments of wire rod in 2019. Inventory levels of wire rod, as a share of production and total shipments, remained between *** percent and *** percent during 2017-19.

¹⁸ ***.

Table IV-9
Wire rod: Data on industry in Brazil, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Capacity ¹	***	***	***
Production	***	***	***
End-of-period inventories	***	***	***
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***

Table continued.

Table IV-9--Continued
Wire rod: Data on industry in Brazil, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Inventories/production	***	***	***
Inventories/total shipments	***	***	***
Share of total shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***

¹ ***.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Alternative products

As shown in table IV-10, responding firms from Brazil *** used to produce wire rod. *** reported being able to shift production to other products using the same equipment and labor. While Gerdau Brasil reported ***, ArcelorMittal noted that **. *** stated that billet production is limited by **, ** and **. ^{19 20} Overall, the combined share of production for wire rod remained above ** percent but declined in 2018 by ** percentage points, giving way to an increase in out-of-scope production. Out-of-scope production consisted of approximately ** of the responding foreign producers' total production in 2019.

Table IV-10
Wire rod: Brazil producers' overall capacity and production on the same equipment as subject production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Overall capacity	***	***	***
Production:			
Wire rod	***	***	***
Rebar	***	***	***
Other bar/rod products	***	***	***
Out-of-scope production	***	***	***
Total production	***	***	***
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Share of production:			
Wire rod	***	***	***
Rebar	***	***	***
Other bar/rod products	***	***	***
Out-of-scope production	***	***	***
Total production	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

¹⁹ Foreign producers' questionnaire responses, II-3e.

²⁰ Foreign producers' questionnaire responses, II-3d and II-3e.

Exports

According to GTA, the leading export markets for wire rod from Brazil in 2019 are the United States, Colombia, and Ecuador (table IV-11). During 2019, the United States was the top export market for wire rod from Brazil,²¹ accounting for 23.5 percent, followed by Colombia, accounting for 13.6 percent.

Table IV-11
Wire rod: Exports from Brazil, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	162,869	109,864	105,429
Colombia	62,535	46,918	61,277
Ecuador	33,139	56,057	47,773
Peru	23,323	32,903	47,110
Chile	51,767	25,051	25,444
Italy	28,559	22,830	24,108
Taiwan	---	3,205	19,849
Bolivia	19,819	5,838	17,123
South Korea	8,623	17,297	16,634
All other destination markets	174,430	138,412	84,714
Total exports	565,065	458,375	449,461
	Value (1,000 dollars)		
United States	85,924	67,062	71,107
Colombia	27,234	25,812	28,428
Ecuador	14,685	30,826	24,235
Peru	10,443	16,736	21,825
Chile	20,986	12,573	11,631
Italy	13,636	13,832	14,098
Taiwan	---	1,589	8,944
Bolivia	9,266	3,122	8,022
South Korea	5,243	10,472	9,639
All other destination markets	86,391	80,464	48,270
Total exports	273,809	262,487	246,199

Table continued.

²¹ All U.S. imports of wire rod from Brazil reported in official statistics are believed to be grade 1080 tire cord and tire bead wire rod and have therefore been classified as nonsubject imports in this report.

Table IV-11—Continued
Wire rod: Exports from Brazil, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	528	610	674
Colombia	436	550	464
Ecuador	443	550	507
Peru	448	509	463
Chile	405	502	457
Italy	477	606	585
Taiwan	---	496	451
Bolivia	468	535	468
South Korea	608	605	579
All other destination markets	495	581	570
Total exports	485	573	548
	Share of quantity (percent)		
United States	28.8	24.0	23.5
Colombia	11.1	10.2	13.6
Ecuador	5.9	12.2	10.6
Peru	4.1	7.2	10.5
Chile	9.2	5.5	5.7
Italy	5.1	5.0	5.4
Taiwan	---	0.7	4.4
Bolivia	3.5	1.3	3.8
South Korea	1.5	3.8	3.7
All other destination markets	30.9	30.2	18.8
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data may include grade 1080 tire cord and tire bead.

Source: Official exports statistics under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 as reported by SECEX – Foreign Trade Secretariat in the Global Trade Atlas database, accessed March 26, 2020.

The industry in Indonesia

Overview

Seven producers of wire rod in Indonesia were identified in the Commission's original investigations. Data presented in the Commission's final report were obtained from one producer, PT Ispat Indo, which reported that it accounted for *** percent of Indonesian wire rod production and *** percent of exports to the United States in 2001.²² In the first five-year reviews, the Commission received no questionnaire responses from Indonesian producers.²³

In the second five-year reviews PT Ispat Indo, which was identified by domestic interested parties as the largest wire rod producer in Indonesia at that time,²⁴ was the only wire rod producer in Indonesia to have responded to the Commission's foreign producer questionnaire. The firm reported no exports of the subject merchandise to the United States during 2008-13.²⁵ According to ***, production in Indonesia during 2013 was *** short tons. Reported production by PT Ispat Indo was *** short tons, yielding a theoretical coverage of *** percent of Indonesian production during 2013 by the responding firm. *** firm-by-firm capacity data indicate that PT Ispat Indo accounted for *** percent of total wire rod rolling capacity in Indonesia during 2013, although this figure does not include Master Steel.²⁶

PT Ispat is currently the largest wire rod producer in Indonesia, producing a wide range of wire rod products. PT Ispat Indo has an annual wire rod production capacity of 700,000 metric tons (772,000 short tons).²⁷

²² The following 2001 data were provided by PT Ispat Indo in the original investigations: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-22.

²³ The following published *** 2007 data for Indonesia were presented in the Commission's first five-year review staff report, as no questionnaire responses were provided by Indonesian producers: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); and exports/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-14.

²⁴ *Response of the Domestic Interested Parties*, July 2, 2013, p. 21.

²⁵ As previously noted in this report, U.S. imports of wire rod from Indonesia ceased after 2005.

²⁶ Second Review, Confidential Report, p. IV-28.

²⁷ PT. Ispat Indo Company Profile, <https://www.ispatindo.com/?action=article&articleId=1>, retrieved May 12, 2020.

Changes in operations

Table IV-12 presents events in the Indonesian industry since the last five-year reviews.

Table IV-12
Wire rod: Recent developments in the Indonesian industry

Item / Firm	Recent events
Expansions:	
PT Krakatau Steel	***1***2 Based on these production levels, Krakatau operated at capacity utilization rates, ranging between *** percent during 2015-2017. ³ Krakatau has made additional investments in its steel production equipment and capacity.***4
Gunung Steel Group	Gunung Steel is building a steelmaking complex in Medan, North Sumatra with a billet caster with annual capacity to produce 1.0 million metric-tons-per-year (1.1 million short tons) and two rebar and wire rod mills that each have annual production capacities of 500,000 metric tons (551,000 short tons). ⁵
PT Master Steel	Operates four steel plants with a combined annual capacity of 1.5 million metric tons (1.7 million short tons). PT Master steel expanded the annual capacity of its wire rod facility to 500,000 metric tons (551,000 short tons) in 2014. ⁶

1 ***

2 ***

3 ***

4 ***

⁵ *The Jakarta Globe*, "Gahapi Nisco Starts Work on Plant," March 1, 2014.

⁶ Master Steel Website. <https://www.themastersteel.com>, retrieved May 12, 2020.

Exports

According to GTA, the leading export markets for wire rod from Indonesia in 2019 are Bangladesh, Australia, and Thailand (table IV-13). During 2019, Bangladesh was the top export market for wire rod from Indonesia, accounting for 46.0 percent, followed by the Australia, accounting for 20.3 percent.

Table IV-13
Wire rod: Exports from Indonesia, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	---	---	---
Bangladesh	17,293	24,917	20,370
Australia	36,472	24,105	8,997
Thailand	528	3,647	5,440
New Zealand	899	1,283	3,130
Taiwan	1,182	4,500	2,490
Pakistan	2,269	2,403	998
Malaysia	7,190	5,191	965
Japan	26	18,122	794
All other destination markets	4,125	10,553	1,054
Total exports	69,982	94,723	44,238
	Value (1,000 dollars)		
United States	---	---	---
Bangladesh	8,507	14,552	10,969
Australia	16,234	13,185	4,483
Thailand	253	1,931	2,698
New Zealand	433	713	1,628
Taiwan	504	2,391	1,200
Pakistan	1,212	1,477	573
Malaysia	3,518	2,991	496
Japan	17	9,925	376
All other destination markets	1,979	6,081	570
Total exports	32,656	53,246	22,993

Table continued.

Table IV-13--Continued
Wire rod: Exports from Indonesia, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	---	---	---
Bangladesh	492	584	538
Australia	445	547	498
Thailand	480	529	496
New Zealand	482	556	520
Taiwan	426	531	482
Pakistan	534	614	574
Malaysia	489	576	514
Japan	647	548	473
All other destination markets	480	576	541
Total exports	467	562	520
	Share of quantity (percent)		
United States	---	---	---
Bangladesh	24.7	26.3	46.0
Australia	52.1	25.4	20.3
Thailand	0.8	3.9	12.3
New Zealand	1.3	1.4	7.1
Taiwan	1.7	4.8	5.6
Pakistan	3.2	2.5	2.3
Malaysia	10.3	5.5	2.2
Japan	0.0	19.1	1.8
All other destination markets	5.9	11.1	2.4
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data may include grade 1080 tire cord and tire bead.

Source: Official exports statistics under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 as reported by Statistics Indonesia in the Global Trade Atlas database, accessed March 26, 2020.

The industry in Mexico

Overview

At the time of the original investigations, six Mexican firms were believed to have produced wire rod. Two firms, accounting for *** percent of Mexican production of wire rod, provided data in response to the Commission's questionnaire in the original investigations: Hylsa and Siderurgica Lazaro Cardenas Las Truchas ("Sicartsa"). These two firms reported that they collectively accounted for *** percent of exports to the United States during 2001. According to official Commerce statistics, exports by these firms to the United States in 2001 accounted for *** percent of U.S. imports of subject wire rod from Mexico in 2001.²⁸

The following seven firms were identified as producers of wire rod in Mexico in the Commission's first five-year reviews: Aceros Nacionales, Aceros San Luis, AHMSA-Altos Hornos de Mexico, Atlax, Deacero, Sicartsa, and Hylsa. Responses to the Commission's questionnaire were received from producers Deacero, Hylsa, and Sicartsa. By their estimation, these three producers accounted for *** percent of production in Mexico during 2007 (***).²⁹

²⁸ The following 2001 data were provided by the two responding Mexican firms in the original investigations: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-24.

²⁹ The following 2007 data were provided by the three responding Mexican firms in the first five-year reviews: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-24.

Deacero, Ternium, and ArcelorMittal Las Truchas provided responses to the Commission's foreign producer questionnaire in the second five-year reviews. Hearing testimony indicated that these three companies were the principal producers of wire rod in Mexico,³⁰ although Talleres y Aceros and Simec also were believed to produce wire rod.^{31 32}

Deacero was the largest manufacturer of wire rod in Mexico in 2013, accounting for *** percent of total wire rod production. According to ***, production in Mexico during 2013 was *** short tons. Aggregate reported production by the three responding wire rod producers in Mexico was *** million short tons, yielding a theoretical coverage of *** percent of Mexican production during 2013 by the responding firms. *** firm-by-firm capacity data indicated that the three responding Mexican producers accounted for *** wire rod rolling capacity in Mexico during 2013, other than that attributed to AHMSA, Aceros Nacionales, Siderurgica Tultitlan, and Camesa.

Table IV-14 presents information on the wire rod operations of the three responding producers and exporters in Mexico in the current review.

³⁰ Hearing transcript, p. 153 (Campbell).

³¹ Talleres y Aceros (sometimes identified as TYASA) was located in Orizaba, Veracruz, and produced a variety of long products, including wire rod and products produced from wire rod. Talleres y Aceros, "Talleres y Aceros , fabricante de productos TA," found at talleresyaceros.com.mx. TYASA reported that it maintained annual wire rod capacity of *** tons during 2008-13. TYASA stated that it focused on *** sales, exporting only to ***, and that it produced *** tons of wire rod in 2013. Letter from *** to Mary Messer, May 16, 2014. Revision Memorandum (INV-MM-052), May 23, 2014 to *Staff Report*, May 16, 2014 (INV-MM-047), p. IV-39.

³² Grupo Simec is a diversified manufacturer, processor and distributor of SBQ steel and structural steel products with production and commercial operations in the United States, Mexico and Canada. On May 30, 2008, Simec acquired all the capital stock of Aceros DM, and certain affiliated companies ("Grupo San"), with corrugated rebar and other long product operations in San Luis Potosí, Mexico. Simec operated five minimills in Mexico, with a wire rod rolling mill in its Aceros DM / San Luis Potosí location. Simec sold 21,400 tons of wire rod in 2012, 100 percent of which was sold within Mexico. Simec's Aceros DM / San Luis Potosí location, with installed capacity of 400,000 tons, produced 388,047 tons of finished product in 2012, distributed as follow (in percent): rebar (78), light structurals (5), wire rod (5), electro-welded wire mesh (5), and electro-welded wire mesh panel (7). See generally Grupo Simec, Form 20-F, Annual Report Pursuant To Section 13 or 15(D) Of The Securities Exchange Act Of 1934 for the fiscal year ended December 31, 2012.

Table IV-14
Wire rod: Summary data for producers in Mexico, 2019

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
ArcelorMittal Mexico	***	***	***	***	***	***
Deacero	***	***	***	***	***	***
Grupo Simec	***	***	***	***	***	***
Total	***	***	***	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table IV-15 presents events in the Mexican industry since the last five-year review.

Table IV-15
Wire rod: Recent developments in the Mexican industry

Item / Firm	Recent events
Expansions:	
Grupo Simec	In February 2018, Grupo Simec started a new \$600 million wire rod production line at its Apizaco, Tlaxcala plant with an annual production capacity of 600,000 metric tons (661,000 short tons) for wire rod, blooms and bar. ¹
Talleres y Aceros ("TYASA")	In early 2014, TYASA started a new electric arc furnace which has an annual steel production capacity of 1.2 million tons (1.3 million short tons), increasing TYASA's total annual steelmaking capacity, from 450,000 metric tons (496,000 short tons) to 1.65 million metric tons (1.81 million short tons). TYASA produces wire rod and other long products. ²
ArcelorMittal	On September 28, 2017, ArcelorMittal announced a \$1 billion, three-year investment program at its Mexican operations. ⁴ In 2016, ArcelorMittal Mexico had 1.3 million tons of annual capacity to produce long products. ⁵ As a result of this investment, ArcelorMittal's long product capacity will increase to 1.8 million tons and its overall steelmaking capacity will increase from 4 million tons to 5.3 million tons.

¹ MEXICONOW "Grupo Simec starts up new production line at Tlaxcala facility," February 12, 2018.

² TYASA Press Release, "New plant of TYASA begins operations," May 22, 2019.

³ ArcelorMittal, "Annual Report 2018", February 5, 2018, p. 313.

⁴ ArcelorMittal, "Fact Book 2016", n.d., p. 48.

⁵ ArcelorMittal, "Annual Report 2018", February 5, 2018, p. 313.

Operations on wire rod

In these reviews, the Commission received foreign producer questionnaire responses from three firms in Mexico, ***, which are estimated to account for *** percent of Mexico's production of wire rod. ***, producers of wire rod in Mexico, did not submit questionnaire responses to the Commission during the current review, but provided written statements to the Commission instead.³³

Capacity increased by *** percent between 2017 and 2019, and production decreased by *** percent during the same period. The aggregated capacity increase reflects *** added capacity of *** short tons between 2017 and 2019. Production levels for *** foreign producers from Mexico declined between 2017 and 2019, with *** accounting for the largest decline.

³³ Both firms' statements contained partial data on their individual operations. These companies cited their inability to devote resources to prepare a certified foreign producer questionnaire response. Due to the incomplete information provided by these firms, their data are not included in the dataset. ***. *** declaration and letter to the Commission, April 6, 2020 and June 26, 2020. ***. *** Statements to the Commission, June 25 and June 30, 2020.

Capacity utilization rates decreased during 2017-19 and were *** percent in 2019. Total home market shipments, as a share of total shipments steadily declined from 2017 to 2019, but overall remained more than *** percent through all periods. Internal consumption accounted for *** percent of total shipments in 2019, exports to the U.S. accounted for *** percent of total shipments. Inventories levels in 2019 were equivalent to *** percent of Mexico's production of wire rod and *** percent of total shipments. Producers in Mexico did not report *** but noted that their main export markets are Latin America and Canada.³⁴

³⁴ *** foreign producer questionnaire response, II-8.

*** stated the firm has not exported wire rod before or after 2014. Commission Staff requested a revision of *** foreign producer questionnaire. The firm subsequently revised its response to include production and capacity from the new *** facility.

According to Grupo Simec, the Tlaxcala facility is primarily dedicated to the production of ***. Grupo Simec's Email to USITC staff, June 26, 2020.

***. Grupo Simec's 2019 Annual Report Form 20-F Filing with the Securities and Exchange Commission, p. 38.

***. Domestic Interested Parties' Posthearing Brief, Exhibit 90.

Table IV-16
Wire rod: Data on industry in Mexico, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Capacity	***	***	***
Production	***	***	***
End-of-period inventories	***	***	***
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***

Table continued.

Table IV-16--Continued
Wire rod: Data on industry in Mexico, 2017-19

Item	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
Shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Inventories/production	***	***	***
Inventories/total shipments	***	***	***
Share of total shipments:			
Internal consumption/ transfers	***	***	***
Commercial home market shipments	***	***	***
Total home market shipments	***	***	***
Export shipments to:			
United States	***	***	***
European Union	***	***	***
Asia	***	***	***
All other markets	***	***	***
Total exports	***	***	***
Total shipments	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Alternative products

As shown in table IV-17, responding firms from Mexico produced other products on the same equipment and machinery used to produce wire rod. Wire rod production accounted for *** percent of total production in 2017 but declined to *** percent in 2019. The share of out-of-scope production was *** percent in 2017 and increased only slightly in 2019 by *** percentage points. *** reported being able to shift production to other products using the same equipment and labor. These firms reported producing *** on the same machinery used to produce wire rod. While *** reported no production constraints, *** noted several factors that affect the firm's ability to shift production capacity.³⁵

Table IV-17

Wire rod: Mexico producers' overall capacity and production on the same equipment as subject production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
Overall capacity	***	***	***
Production:			
Wire rod	***	***	***
Rebar	***	***	***
Other bar/rod products	***	***	***
Out-of-scope production	***	***	***
Total production	***	***	***
	Ratios and shares (percent)		
Capacity utilization	***	***	***
Share of production:			
Wire rod	***	***	***
Rebar	***	***	***
Other bar/rod products	***	***	***
Out-of-scope production	***	***	***
Total production	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

³⁵ Foreign producers' questionnaire responses to II-3e. ***.

Exports

According to GTA, the leading export markets for wire rod from Mexico in 2019 are Colombia, Guatemala, and El Salvador (table IV-18). During 2019, Colombia was the top export market for wire rod from Mexico, accounting for 37.6 percent, followed by the Guatemala, accounting for 21.6 percent.

Table IV-18
Wire rod: Exports from Mexico, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	46,933	9,340	15,414
Colombia	71,607	67,302	114,635
Guatemala	28,089	33,183	65,935
El Salvador	7,101	36,363	56,612
Canada	70,614	55,374	20,169
Peru	2,442	17,046	16,346
Honduras	1,396	6,648	13,720
Chile	320	76	1,131
Argentina	---	---	1,038
All other destination markets	5,788	20,516	4
Total exports	234,289	245,847	305,005
	Value (1,000 dollars)		
United States	18,030	4,337	7,673
Colombia	34,261	38,224	59,537
Guatemala	14,496	19,824	35,364
El Salvador	4,036	21,744	30,269
Canada	34,919	31,606	10,499
Peru	1,165	9,541	8,323
Honduras	776	3,805	7,357
Chile	151	43	585
Argentina	---	---	585
All other destination markets	3,545	12,139	9
Total exports	111,379	141,261	160,201

Table continued.

Table IV-18--Continued
Wire rod: Exports from Mexico, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	384	464	498
Colombia	478	568	519
Guatemala	516	597	536
El Salvador	568	598	535
Canada	494	571	521
Peru	477	560	509
Honduras	556	572	536
Chile	472	562	517
Argentina	---	---	564
All other destination markets	612	592	2,193
Total exports	475	575	525
	Share of quantity (percent)		
United States	20.0	3.8	5.1
Colombia	30.6	27.4	37.6
Guatemala	12.0	13.5	21.6
El Salvador	3.0	14.8	18.6
Canada	30.1	22.5	6.6
Peru	1.0	6.9	5.4
Honduras	0.6	2.7	4.5
Chile	0.1	0.0	0.4
Argentina	---	---	0.3
All other destination markets	2.5	8.3	0.0
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data may include grade 1080 tire cord and tire bead.

Source: Export statistics for Mexico under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 were incomplete. The constructed quantities and values presented above represent aggregated data for imports from Mexico under the relevant HS subheadings as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed May 8, 2020.

The industry in Moldova

Overview

The only firm believed to be producing wire rod in Moldova, Moldova Steel Works, provided data in response to the Commission's questionnaire in the original investigations.³⁶ Moldova Steel Works also provided data in the first five-year reviews.³⁷ However, the firm did not submit a response to the Commission's foreign producer questionnaire in the second five-year reviews. The structure of the wire rod industry in Moldova has changed little since the imposition of the original order, with Moldova Steel Works accounting for all known production in Moldova.³⁸

According to the domestic interested parties, Moldova Steel Works continues to be the sole carbon and alloy steel wire rod producer in Moldova, producing both low-carbon and high-carbon wire rod, including welding quality and cold heading rod. Since the previous five-year reviews, ***.³⁹ Moldova Steel Works' current total annual production capacity is estimated at over 900,000 metric tons (992,000 short tons) of rolled products.⁴⁰ With production reaching *** metric tons *** in 2017, Moldova Steel Works' capacity utilization for rolled products in 2017 was about *** percent.⁴¹

³⁶ The following 2001 data were provided by Moldova Steel Works in the original investigations: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-28.

³⁷ The following 2007 data were provided by Moldova Steel Works in the first five-year reviews: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-28.

³⁸ The domestic interested parties reported that, since the last five-year reviews, the ownership of Moldova Steel Works has changed. It stated that the Moldovan producer is currently managed by Metallinvest Holding, Russia's largest iron ore miner. *Staff Report*, May 16, 2014 (INV-MM-047), p. IV-51.

³⁹ ***.

⁴⁰ Moldova Steelworks Website, <https://www.aommz.com/en/about>, retrieved May 14, 2020.

⁴¹ ***.

Exports

According to GTA, the leading export markets for wire rod from Moldova in 2019 are Romania, Poland, and Ukraine (table IV-19). During 2019, Romania was the top export market for wire rod from Moldova, accounting for 40.3 percent, followed by the Poland, accounting for 28.0 percent.

Table IV-19
Wire rod: Exports from Moldova, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	---	---	---
Romania	123,084	97,335	67,513
Poland	26,145	55,924	46,931
Ukraine	35,987	56,399	39,166
Bulgaria	2,727	6,979	6,634
Czech Republic	288	4,330	3,033
Slovakia	2,532	5,698	2,321
Macedonia	---	462	1,089
Russia	---	---	655
All other destination markets	---	22,179	318
Total exports	190,764	249,307	167,660
	Value (1,000 dollars)		
United States	---	---	---
Romania	55,702	52,390	31,690
Poland	11,705	29,311	22,442
Ukraine	16,165	30,891	18,428
Bulgaria	1,292	3,851	3,350
Czech Republic	125	2,552	1,551
Slovakia	1,159	3,063	1,109
Macedonia	---	261	548
Russia	---	---	356
All other destination markets	---	12,315	174
Total exports	86,148	134,635	79,648

Table continued.

Table IV-19--Continued
Wire rod: Exports from Moldova, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	---	---	---
Romania	453	538	469
Poland	448	524	478
Ukraine	449	548	471
Bulgaria	474	552	505
Czech Republic	433	589	511
Slovakia	458	538	478
Macedonia	---	565	503
Russia	---	---	544
All other destination markets	---	555	549
Total exports	452	540	475
	Share of quantity (percent)		
United States	---	---	---
Romania	64.5	39.0	40.3
Poland	13.7	22.4	28.0
Ukraine	18.9	22.6	23.4
Bulgaria	1.4	2.8	4.0
Czech Republic	0.2	1.7	1.8
Slovakia	1.3	2.3	1.4
Macedonia	---	0.2	0.6
Russia	---	---	0.4
All other destination markets	---	8.9	0.2
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data may include grade 1080 tire cord and tire bead.

Source: Export statistics for Moldova under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 were unavailable. The constructed quantities and values presented above represent aggregated data for imports from Moldova under the relevant HS subheadings as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed March 27, 2020.

The industry in Trinidad and Tobago

Overview

One firm, accounting for all Trinidadian production of wire rod, provided data in response to the Commission's questionnaire in the original investigations: Caribbean Ispat.⁴² The successor firm to Caribbean Ispat, ArcelorMittal Point Lisas, responded to the Commission's questionnaire in the first sunset review.⁴³ ArcelorMittal Point Lisas, which accounted for all known production of wire rod in Trinidad and Tobago and had an annual capacity of 700,000 metric tons (772,000 short tons),⁴⁴ provided a response to the Commission's questionnaire in the second five-year review. The production facility was shut down by ArcelorMittal and sold to Aeternus (owned by other holding company) between the second and third reviews.

Since the Commission's second five-year review, ArcelorMittal operated the Point Lisas facility at low capacity utilization levels until it finally idled the plant in 2016.⁴⁵ ***.⁴⁶

⁴² The following 2001 data were provided by Caribbean Ispat in the original investigations: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-31.

⁴³ The following 2007 data were provided by the ArcelorMittal Point Lisas in the first five-year reviews: capacity (*** short tons); production (*** short tons); capacity utilization (*** percent); exports/shipments (*** percent); and inventories/shipments (*** percent). *Staff Report*, May 15, 2008 (INV-FF-058), table IV-31.

⁴⁴ *Staff Report*, May 16, 2014 (INV-MM-047), p. IV-56 and Paul Ploumis, "ArcelorMittal's Idled Point Lisas Steel Plant to Restart Soon,"

Scrap Monster, May 17, 2019, https://www.scrapmonster.com/news/arcelormittals-idled-point-lisas-steel-plant-to-restart-soon/1/71425?utm_source=dlvr.it, retrieved May 14, 2020.

⁴⁵ *Ibid.*

⁴⁶ See email from *** to USITC Staff on June 3, 2020.

Exports

According to GTA, the leading export markets for wire rod from Trinidad and Tobago in 2019 were Honduras and the United Kingdom (table IV-20). During 2019, Honduras was the top export market for wire rod from Trinidad and Tobago, accounting for 93.1 percent, followed by the United Kingdom, accounting for 6.9 percent.

Table IV-20
Wire rod: Exports from Trinidad and Tobago, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	---	42	---
Honduras	---	---	9
United Kingdom	---	---	1
St. Vincent & the Grenadines	0	0	---
Guyana	24	---	---
Barbados	1	---	---
All other destination markets	---	---	---
Total exports	25	42	9
	Value (1,000 dollars)		
United States	---	50	---
Honduras	---	---	5
United Kingdom	---	---	9
St. Vincent & the Grenadines	0	0	---
Guyana	15	---	---
Barbados	0	---	---
All other destination markets	---	---	---
Total exports	15	51	13

Table continued.

Table IV-20--Continued
Wire rod: Exports from Trinidad and Tobago, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	---	1,198	---
Honduras	---	---	511
United Kingdom	---	---	13,413
St. Vincent & the Grenadines	2,918	2,371	---
Guyana	608	---	---
Barbados	262	---	---
All other destination markets	---	---	---
Total exports	602	1,202	1,408
	Share of quantity (percent)		
United States	---	99.6	---
Honduras	---	---	93.1
United Kingdom	---	---	6.9
St. Vincent & the Grenadines	0.3	0.4	---
Guyana	96.3	---	---
Barbados	3.4	---	---
All other destination markets	---	---	---
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data may include grade 1080 tire cord and tire bead.

Source: Export statistics for Trinidad and Tobago under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 were unavailable. The constructed quantities and values presented above represent aggregated data for imports from Trinidad and Tobago under the relevant HS subheadings as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed March 27, 2020.

Antidumping or countervailing duty orders in third-country markets

Ongoing safeguard investigations and safeguard measures imposed by third countries on the subject merchandise are listed in table IV-21.

Table IV-21
Safeguard actions in third-country markets, 2013-19

Country/region imposing remedy	Covered product	Subject Country(ies)	Type of remedy	Date of duty Imposition	Duty
Chile ¹	Steel wire rod	Brazil, Indonesia, Moldova, Trinidad and Tobago	Safeguard measure	4/22/2016	38.9 percent duty for a period of 6 months.
European Union ²	Steel wire rod	Moldova	Safeguard measure	2/2/2019	25 percent tariff rate quota on subject imports above quota limit.
Mexico ³	Steel wire rod	Brazil, Indonesia, Moldova, Trinidad and Tobago	Safeguard measure	3/27/2019	15 percent

¹ World Trade Organization (“WTO”), Committee on Safeguards, Notification on Finding Serious Injury or Threat Thereof Caused by Increased Imports, *Chile*, G/SG/N/8/CHL/7, April 12, 2016.

² WTO, Committee on Safeguards, Notification on Finding Serious Injury or Threat Thereof Caused by Increased Imports, *European Union*, G/SG/N/8/EU/Suppl.1, February 7, 2019.

³ *Reuters*, “Mexico renews 15 percent steel tariff on countries without trade deals,” March. 25, 2019.

Global market

Production

China, Germany, and Japan are among the largest global producers of wire rod. The largest wire rod producers in China include Benxi Beiyang Iron & Steel Group, Hebei Iron and Steel Group Co., Jiangsu Shangang Group Co. Ltd., Qiananshi Jiujiang Wire Co., Ltd., Wuhan Iron and Steel Group Corp., and Xingtai Iron and Steel Co., Ltd.⁴⁷ China's wire rod production declined from 2014 to 2016 (the most recent year data were available). In 2016, China accounted for almost 74 percent of global wire rod production. The largest wire rod producers in Germany include ArcelorMittal, Badische Stahlwerke, Riva Stahl, and Sairstahl AG. Production in Germany has remained level since 2013, representing 3 percent of global wire rod production. The largest wire rod producers in Japan include JFE, Kobe Steel, Nakayama Steel Works, and Nippon Steel & Sumitomo Metals Corp. Japanese wire rod production has contracted somewhat since 2013, but still represents 3 percent of global wire rod production.

Table IV-22 presents wire rod production estimates, by country, between 2013 and 2017.

⁴⁷ *Carbon and Certain Alloy Steel Wire Rod From China, Inv. Nos. 701-TA-512 and 731-TA-1248*, USITC Publication 4509, January 2015, p. I-4.

Table IV-22
Wire rod: Global production by major sources, 2013-17

Item	2013	2014	2015	2016	2017
	Quantity (1,000 short tons)				
China	164,213	169,573	162,295	156,074	NA
Germany	6,619	6,487	6,859	6,617	NA
Japan	6,840	6,893	6,527	6,549	6,601
Italy	3,955	3,943	4,208	4,538	4,925
South Korea	3,291	3,650	3,575	3,585	3,639
Brazil	3,542	3,461	3,278	3,422	3,551
Russia	2,993	2,926	2,878	3,142	3,385
Taiwan	3,128	3,240	2,973	3,093	3,211
Spain	2,682	3,015	2,940	2,881	3,125
Mexico	2,617	2,649	2,583	2,818	2,806
France	2,275	2,274	2,176	2,045	1,986
Czech Republic	1,605	1,505	1,662	1,763	1,676
United States	2,410	2,373	2,101	1,757	2,119
Ukraine	1,961	1,683	1,571	1,696	1,479
Vietnam	1,103	1,141	1,264	1,435	2,310
Poland	1,162	1,171	1,276	1,325	1,326
Canada	710	419	1,002	1,114	1,052
Australia	761	794	794	1,022	1,026
United Kingdom	1,120	1,066	1,156	1,021	776
Egypt	1,344	1,135	962	811	1,014
Byelorussia	599	621	734	758	946
Malaysia	1,108	1,138	495	715	1,079
Indonesia	741	692	729	656	886
Belgium	877	873	880	655	NA
Austria	554	540	607	623	635
Thailand	656	474	480	582	827
Bosnia-Herzegovina	367	371	389	419	455
Netherlands	187	196	180	182	186

Table continued.

Table IV-22--Continued
Wire rod: Global production by major sources, 2013-17

Item	2013	2014	2015	2016	2017
	Quantity (1,000 short tons)				
Bulgaria	NA	NA	10	11	15
Hungary	NA	NA	3	1	NA
Trinidad and Tobago	327	331	455	NA	NA
Argentina	650	588	570	NA	NA
Chile	122	174	177	NA	NA
Colombia	204	191	171	NA	NA
Ecuador	24	25	26	NA	NA
Peru	150	96	148	NA	NA
Venezuela	287	209	NA	NA	NA
Total	221,184	225,914	218,136	211,308	51,036

Note: Because of rounding, figures may not add to total shown. NA: Not available. Data include grade 1080 tire cord and tire bead.

Source: "Steel Statistical Yearbook 2018," World Steel Association., November 2018. pp. 40–41, retrieved May 6, 2020. https://www.worldsteel.org/en/dam/jcr:e5a8eda5-4b46-4892-856b-00908b5ab492/SSY_2018.pdf.

Table IV-23
Wire rod: Global exports by reporting country, 2017-19

Reporting country	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
United States	107,216	85,116	53,896
Brazil	565,065	458,375	449,461
Indonesia	69,982	94,723	44,238
Mexico	280,003	256,346	---
Moldova	190,764	249,307	167,660
Trinidad and Tobago	25	42	9
Subject sources	1,105,839	1,058,793	661,368
China	6,808,959	6,131,448	4,545,194
Germany	1,852,907	1,740,557	1,543,135
Malaysia	57,746	203,053	1,438,978
Japan	1,780,852	1,659,427	1,429,277
Turkey	1,168,197	1,527,885	1,367,264
Spain	937,290	911,517	1,233,907
Italy	934,396	951,488	1,028,548
South Korea	872,402	960,730	1,028,391
All other reporting countries	9,537,176	9,539,511	7,172,839
Total exports	25,162,981	24,769,523	21,502,796
	Value (1,000 dollars)		
United States	95,534	74,480	47,816
Brazil	273,809	262,487	246,199
Indonesia	32,656	53,246	22,993
Mexico	120,889	143,920	---
Moldova	86,148	134,635	79,648
Trinidad and Tobago	15	51	13
Subject sources	513,516	594,339	348,853
China	2,975,290	3,260,642	2,179,492
Germany	1,055,774	1,201,339	937,655
Malaysia	28,343	119,549	639,380
Japan	1,317,069	1,351,560	1,184,618
Turkey	512,799	790,783	613,359
Spain	526,058	607,400	691,193
Italy	480,059	575,779	539,116
South Korea	507,648	618,080	630,672
All other destination markets	4,780,069	5,719,894	3,897,229
Total exports	12,792,159	14,913,845	11,709,382

Table continued.

Table IV-23--Continued
Wire rod: Global exports by reporting country, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Unit value (dollars per short ton)		
United States	891	875	887
Brazil	485	573	548
Indonesia	467	562	520
Mexico	432	561	---
Moldova	452	540	475
Trinidad and Tobago	602	1,202	1,408
Subject sources	464	561	527
China	437	532	480
Germany	570	690	608
Malaysia	491	589	444
Japan	740	814	829
Turkey	439	518	449
Spain	561	666	560
Italy	514	605	524
South Korea	582	643	613
All other reporting countries	501	600	543
Total exports	508	602	545
	Share of quantity (percent)		
United States	0.4	0.3	0.3
Brazil	2.2	1.9	2.1
Indonesia	0.3	0.4	0.2
Mexico	1.1	1.0	---
Moldova	0.8	1.0	0.8
Trinidad and Tobago	0.0	0.0	0.0
Subject sources	4.4	4.3	3.1
China	27.1	24.8	21.1
Germany	7.4	7.0	7.2
Malaysia	0.2	0.8	6.7
Japan	7.1	6.7	6.6
Turkey	4.6	6.2	6.4
Spain	3.7	3.7	5.7
Italy	3.7	3.8	4.8
South Korea	3.5	3.9	4.8
All other reporting countries	37.9	38.5	33.4
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data. Data include grade 1080 tire cord and tire bead.

Note: 2019 data on global exports from Mexico were not available.

Source: Official exports statistics and official imports statistics from Moldova and Trinidad and Tobago (constructed export statistics for Moldova and Trinidad and Tobago) under HS subheadings 7213.91, 7213.99, 7227.20, and 7227.90 as reported by various national statistical authorities in the Global Trade Atlas database, accessed March 27, 2020.

Prices

As reported by ***, world prices for wire rod increased between January 2017 and May 2020, increasing from *** per short ton to *** per short ton during that time, but below the peak price of *** per short ton in September 2018. Figure IV-5 presents the average world price of wire rod between January 2017 and May 2020. Regionally, wire rod prices in North America were higher than European and Asian wire rod prices between January 2017 and February 2020. Figure IV-6 presents prices of wire rod by regions between January 2017 and May 2020.

Figure IV-5
Wire rod: Average world price per short ton for wire rod, January 2017-May 2020

* * * * *

Figure IV-6
Wire rod: Prices per short ton by region, January 2017-May 2020

* * * * *

As presented in table IV-24, country-specific monthly transaction prices for wire rod (also compiled by ***) show monthly price fluctuations across major producing countries. According to data compiled by ***, U.S. negotiated transaction prices for U.S.-produced wire rod rose since the beginning of 2017 to a peak of *** per short ton which lasted from June 2018 to January 2019. U.S. wire rod prices began to fall after January 2019, reaching a low point of *** per short ton in February 2020.

Prices in Canada closely followed U.S. prices, with the price differential ranging between \$*** above U.S. prices in February 2018 and \$*** below U.S. prices in January 2019. Since May 2018, Canadian prices have trended lower than U.S. prices, but the gap has narrowed since late 2019.

In Europe, wire rod prices have been markedly lower than U.S. prices since 2018. The largest price differential occurred in January 2019 when European Union average prices were *** per short ton less than U.S. wire rod prices. The differential has decreased to *** per short ton as of May 2020.

With regard to Asian markets, Chinese market prices were consistently below, by \$*** per short ton, U.S. wire rod prices, throughout January 2017 to May 2020. Korean wire rod market prices were below those in the United States over the same period, by ***, but the differential has become smaller since late 2019. Japanese market prices were below U.S. prices from January 2017 to October 2019, but temporarily exceeded U.S. Prices in November 2019 before again falling below U.S. price levels. As of May 2020, Japanese wire rod prices are *** per short ton below U.S. prices.

Table IV-24
Wire rod: Negotiated transaction prices (ex-mill) for wire rod,¹ by country and by month, January 2017-May 2020

Period	Price (per short ton)							
	United States	Canada	China	Japan	Korea	Poland	Czech & Slovak Reps.	European Union (average)
2017								
January	***	***	***	***	***	***	***	***
February	***	***	***	***	***	***	***	***
March	***	***	***	***	***	***	***	***
April	***	***	***	***	***	***	***	***
May	***	***	***	***	***	***	***	***
June	***	***	***	***	***	***	***	***
July	***	***	***	***	***	***	***	***
August	***	***	***	***	***	***	***	***
September	***	***	***	***	***	***	***	***
October	***	***	***	***	***	***	***	***
November	***	***	***	***	***	***	***	***
December	***	***	***	***	***	***	***	***

Table continued.

Table IV-24--Continued

Wire rod: Negotiated transaction prices (ex-mill) for wire rod,¹ by country and by month, January 2017-May 2020

Price (per short ton)								
Period	United States	Canada	China	Japan	Korea	Poland	Czech & Slovak Reps.	European Union (average)
2018								
January	***	***	***	***	***	***	***	***
February	***	***	***	***	***	***	***	***
March	***	***	***	***	***	***	***	***
April	***	***	***	***	***	***	***	***
May	***	***	***	***	***	***	***	***
June	***	***	***	***	***	***	***	***
July	***	***	***	***	***	***	***	***
August	***	***	***	***	***	***	***	***
September	***	***	***	***	***	***	***	***
October	***	***	***	***	***	***	***	***
November	***	***	***	***	***	***	***	***
December	***	***	***	***	***	***	***	***

Table continued.

Table IV-24--Continued

Wire rod: Negotiated transaction prices (ex-mill) for wire rod,¹ by country and by month, January 2017-May 2020

Period	Price (per short ton)							
	United States	Canada	China	Japan	Korea	Poland	Czech & Slovak Reps.	European Union (average)
2019								
January	***	***	***	***	***	***	***	***
February	***	***	***	***	***	***	***	***
March	***	***	***	***	***	***	***	***
April	***	***	***	***	***	***	***	***
May	***	***	***	***	***	***	***	***
June	***	***	***	***	***	***	***	***
July	***	***	***	***	***	***	***	***
August	***	***	***	***	***	***	***	***
September	***	***	***	***	***	***	***	***
October	***	***	***	***	***	***	***	***
November	***	***	***	***	***	***	***	***
December	***	***	***	***	***	***	***	***
2020								
January	***	***	***	***	***	***	***	***
February	***	***	***	***	***	***	***	***
March	***	***	***	***	***	***	***	***
April	***	***	***	***	***	***	***	***
May	***	***	***	***	***	***	***	***

¹ *** defines wire rod as mesh quality wire rod having a diameter between 8 and 12 mm except the U.S. and Canada, where it has a diameter between 0.31 and 0.5 inches.

Note: Prices are based on low transaction values negotiated in the month and paid by consumers and stockholders for prime material in the specified steel products. Prices are for regular business transactions between customers and their local steel mills, negotiated during the current month for delivery in the future. Transaction prices include all extras for the lowest priced grade of steel for the selected products sold ex-mill. Delivery charges and local taxes are not included in the quoted prices. Extended contract deals arranged in the domestic market, or agreements for lots of imported steel, are specifically excluded from prices.

Source: ***

Part V: Pricing data

Factors affecting prices

Raw material costs

The primary inputs used in the production of wire rod are billets produced from steel scrap, natural gas, and electricity. Different types of steel scrap are used in different types of wire rod, with busheling scrap used to produce higher-end product, and heavy melt used to produce less-specialized wire rod.¹ The automotive recycling industry is a major source of scrap metal for steel producers.² As discussed in greater detail in Part III of this report, raw materials as a share of cost of goods sold (“COGS”) ranged between 63.6 percent in 2017 and 59.0 percent in 2019.

Steel scrap prices fluctuated between January 2014 and May 2020, with *** in January 2014 and *** in December 2015 (figure V-1).³ Prices of no. 1 busheling scrap, no. 1 heavy melt scrap, and shredded auto scrap decreased from the beginning of 2014 to the end of 2015 then increased irregularly from the end of 2015 through 2018. Prices decreased again for most of 2019 then increased between October 2019 and May 2020.

The majority of responding U.S. producers (6 of 10) reported raw material costs fluctuated since January 2014.⁴ Two producers reported that wire rod pricing is influenced by prices for steel scrap, but added that they are unable to recover costs during periods of raw material price increases due to low-priced wire rod imports. Five U.S. producers reported that they expect steel scrap costs to continue fluctuating in the future; one producer anticipates an overall increase in raw material costs in the future.

¹ *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, p. V-1.

² *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008, p. IV-54.

³ Correlations between average quarterly prices presented in figure V-1 and the quarterly prices of the four domestic pricing products presented later in Part V for each quarter from 2017 to 2019 ranged between 0.36 and 0.62 for no. 1 busheling; 0.51 and 0.72 for no. 1 heavy melt; and 0.55 and 0.75 for auto scrap. A value less than 0.5 indicates a weak or no linear correlation, between 0.5 and 0.7 a moderate correlation, and greater than 0.7 a strong correlation.

⁴ Republic Steel submitted a U.S. producers’ questionnaire but its wire rod production was idled during the reporting period. Thus, its response was not used in this analysis.

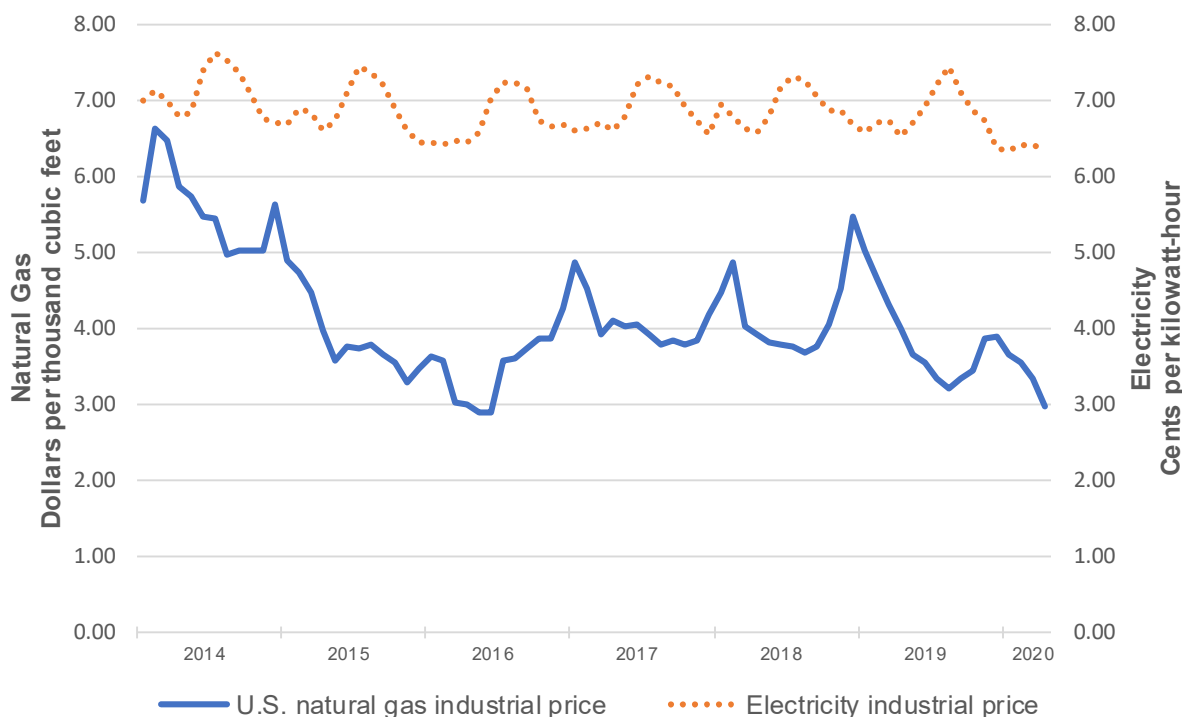
Figure V-1
U.S. ferrous scrap prices: Weekly scrap prices, January 2014–May 2020

* * * * *

Energy prices have also fluctuated since 2014; however, the price fluctuations for natural gas prices were more pronounced than those for electricity (figure V-2). Overall, U.S. natural gas prices decreased during the period.⁵ U.S. natural gas prices peaked in early 2014 at \$6.63 per thousand cubic feet and then fell gradually to a low of \$2.89 per thousand cubic feet in June 2016. Prices of natural gas increased irregularly between June 2016 to \$5.48 in December 2018 before decreasing to \$3.88 per thousand cubic feet in December 2019. Electricity prices for industrial customers fluctuated seasonally with a 3.9 percent decrease in the average annual price from 7.09 cents per kilowatt-hour in 2014 to 6.82 cents per kilowatt-hour in 2019.

⁵ Average annual U.S. natural gas prices for industrial customers fell 30.9 percent from \$5.58 per thousand cubic feet in 2014 to \$3.85 per thousand cubic feet in 2019.

Figure V-2
U.S. natural gas and electricity prices for industrial customers, monthly, January 2014–April 2020



Source: U.S. Energy Information Administration, www.eia.doe.gov, retrieved on June 30, 2020.

Transportation costs to the U.S. market

Overseas transportation costs have fluctuated since 2014. One index often used as a broad measure of overseas shipping costs is the Baltic Dry Index.⁶ In early 2014, the index was approximately 2,000 before decreasing irregularly to approximately 300 in early 2016. The index increased irregularly to above 2,500 in September 2019 then decreased to below 400 in May 2020. The index reached above 1,500 in June 2020.⁷

Transportation costs for wire rod shipped from subject countries to the United States averaged 15.2 percent for Brazil and 7.6 percent for Mexico during 2019.⁸ These estimates were derived from official import data and represent the transportation and other charges on

⁶ The Baltic Dry Index is “a shipping and trade index created by the London-based Baltic Exchange that measures changes in the cost to transport raw materials such as coal and steel.” Found at http://www.investopedia.com/terms/b/baltic_dry_index.asp, retrieved June 22, 2020.

⁷ Source: <https://tradingeconomics.com/commodity/baltic>, retrieved June 22, 2020.

⁸ Wire rod shipped from Brazil is (nonsubject) 1080 tire cord and tire bead. There were no reported imports of subject product from Indonesia, Moldova, and Trinidad and Tobago during 2019.

imports.^{9 10} Expected transportation costs for foreign producer Deacero from Celaya Mexico to Houston, Texas (the location of importer Deacero USA) via rail is \$*** and via truck is \$*** per short ton.¹¹ In the previous review, four foreign producers from Brazil, Indonesia, Mexico, and Trinidad and Tobago reported that the exporter arranged transportation, three of these firms reported the cost of shipping wire rod to the United States in 2013; the Brazilian producer reported that transportation cost was \$*** per short ton; the Mexican producer (***) reported \$*** per short ton; and the Indonesian producer reported \$*** per short ton.¹²

U.S. inland transportation costs

All ten U.S. producers and 8 of 22 responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 4 to 15 percent. U.S. producer Liberty reported average inland transportation costs in the United States typically range from \$*** to \$*** per short ton.¹³ Two responding importers (***) reported U.S. inland transportation costs of 10 percent each.¹⁴

⁹ The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the same HTS subheadings used in Part IV.

¹⁰ In the original investigations, transportation costs averaged 14.4 percent for Brazil, 10.1 percent for Indonesia, 8.9 percent for Mexico, 11.6 percent for Moldova, and 8.4 percent for Trinidad and Tobago. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546, October 2002, p. V-1.

¹¹ Deacero's posthearing brief, Responses to Commissioner Questions, p. 13. Values are in metric tons and are converted to short tons using a 1 metric ton to 1.10231 short ton conversion factor. Shipment costs are reportedly higher from Celaya Mexico via rail and truck than via vessel from Turkey/Europe and China/Asia for each city listed in the brief (Chicago, New Orleans, Houston, Baltimore, and Los Angeles).

¹² Staff Report, *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, INV-MM-047, May 14, 2014, pp. V-4–V-5.

¹³ Liberty's posthearing brief, p. 2 of Declaration of Timothy Dillon.

¹⁴ *** reported selling ***, see part II "Geographic distribution" for more detail on geographical shipments. *** reported imports from Japan, Russia, and Turkey and did not report import prices.

Pricing practices

Pricing methods

As presented in table V-1, U.S. producers and importers sell primarily on transaction-by-transaction negotiations. However, firms also reported using contracts, and set price lists. U.S. producer *** reported that prices are determined on a customer-by-customer basis, depending on raw material costs, market conditions, import levels, and the customer's ability to buy volume over an annualized period.

Table V-1

Wire rod: U.S. producers' and importers' reported price setting methods, by number of responding firms, 2019

Method	U.S. producers	U.S. importers
Transaction-by-transaction	8	11
Contract	4	5
Set price list	2	---
Other	---	---
Responding firms	10	14

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

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

As shown in table V-2, U.S. producers reported selling *** of their 2019 U.S. commercial shipments of wire rod in ***; importers of wire rod from Mexico reported selling *** of their product in ***.

Table V-2

Wire rod: U.S. producers' and U.S. importers' reported use of contracts and spot sales, 2019

Type of sale	Share of commercial U.S. shipments (percent)	
	U.S. producers	Subject U.S. importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***

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

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

The majority of purchasers (21 of 28) reported that they purchase product monthly, 5 purchase weekly, and 2 purchase daily. Most responding purchasers (27 firms) reported that they did not expect their purchasing frequency to change in the next two years. Most (21 of 28) purchasers contact 1 to 5 suppliers before making a purchase.

Sales terms and discounts

U.S. producers and importers quote prices both on an f.o.b. and a delivered basis. Six of 10 U.S. producers and 3 of 5 responding importers reported that they sold on a delivered basis. The majority of producers (6 of 10) and responding importers (13 of 14) do not offer discounts. U.S. producer (***) reported offering quantity, annual total volume, and cash discounts; *** reported offering quantity-based discounts and “foreign fighter pricing” to compete with imports; *** reported discounts for early payment; and *** reported market price discounts.¹⁵ One responding importer (***) reported offering cash discounts.

Price leadership

Nineteen of the 28 purchasers reported Nucor as a price leader; four firms listed Liberty Steel; three purchasers listed Charter Steel and Optimus respectively. Other price leaders reported were Belgo Mineira (Brazil), Deacero (Mexico), Leggett & Platt (United States), Ivaco (Canada), and POSCO (Korea). Purchasers frequently stated that Nucor is often one of the first to announce price changes and others usually follow.¹⁶

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value, net of all inland freight, discounts, and rebates, of the following wire rod products shipped to unrelated U.S. customers during 2014-19.

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

¹⁵ *** typically offers quantity discounts *** Annual total volume agreements are *** and cash discounts are typically ***. Staff email correspondence with ***, July 3, 2020.

¹⁶ See, e.g., testimony of Chris Pratt, Mid-Continent Steel & Wire (named Nucor a price leader and testified that import prices typically follow the price leader). Hearing transcript, pp. 186-187 (Pratt).

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

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

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

Ten U.S. producers and one importer provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹⁷ Pricing data reported by these firms accounted for approximately 42.6 percent of U.S. producers' shipments of wire rod and *** percent of U.S. shipments of subject imports from Mexico in 2019. Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-3 to V-6.^{18 19}

¹⁷ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

¹⁸ When asked about ***, U.S. producer ***, ***, explained that it has been required to reduce selling prices to maintain production levels and meet import pricing to retain market share during the period. Staff email correspondence with ***, May 13, 2020. As described in "Sales terms and discounts" p. V-7, *** offers quantity-based discounts to large purchasers ***, leading to lower wire rod pricing during this time of the year. ***.

¹⁹ *** imported *** of the pricing products during 2017 and imported *** of the pricing products during 2018. Imports by *** during 2017-18 mostly consisted of ***. Staff email correspondence with ***, April 22, 2020.

Table V-3

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period of shipment	United States		Mexico		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:					
January-March	489	62,851	***	***	***
April-June	540	57,492	***	***	***
July-September	542	58,740	***	***	***
October-December	484	75,821	***	***	***
2018:					
January-March	576	99,582	***	***	***
April-June	689	102,737	***	***	***
July-September	745	84,903	***	***	***
October-December	581	105,749	***	***	***
2019:					
January-March	773	86,220	***	***	***
April-June	697	79,515	***	***	***
July-September	630	77,946	***	***	***
October-December	539	77,872	***	***	***

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

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

Table V-4

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period of shipment	United States		Mexico		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:					
January-March	529	52,871	***	***	***
April-June	561	49,040	***	***	***
July-September	565	44,263	***	***	***
October-December	540	52,996	***	***	***
2018:					
January-March	612	65,322	***	***	***
April-June	697	92,081	***	***	***
July-September	762	87,520	***	***	***
October-December	681	84,503	***	***	***
2019:					
January-March	747	63,747	***	***	***
April-June	701	62,345	***	***	***
July-September	624	65,352	***	***	***
October-December	500	94,462	***	***	***

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

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

Table V-5

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period of shipment	United States		Mexico		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:					
January-March	499	124,742	***	***	***
April-June	562	100,003	***	***	***
July-September	568	87,633	***	***	***
October-December	535	106,762	***	***	***
2018:					
January-March	600	119,784	***	***	***
April-June	686	124,733	***	***	***
July-September	730	126,907	***	***	***
October-December	716	114,342	***	***	***
2019:					
January-March	728	91,762	***	***	***
April-June	708	128,357	***	***	***
July-September	623	116,184	***	***	***
October-December	554	120,031	***	***	***

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

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

Table V-6

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period of shipment	United States		Mexico		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2017:					
January-March	536	35,443	***	***	***
April-June	590	27,991	***	***	***
July-September	579	24,478	***	***	***
October-December	579	30,481	***	***	***
2018:					
January-March	633	34,741	***	***	***
April-June	718	39,872	***	***	***
July-September	787	26,473	***	***	***
October-December	818	27,867	***	***	***
2019:					
January-March	793	34,104	***	***	***
April-June	774	30,040	***	***	***
July-September	674	23,187	***	***	***
October-December	608	16,540	***	***	***

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

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

Figure V-3

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarter, January 2017 through December 2019

* * * * *

Figure V-4

Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarter, January 2017 through December 2019

* * * * *

Figure V-5
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarter, January 2017 through December 2019

* * * * *

Figure V-6
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarter, January 2017 through December 2019

* * * * *

Price trends

Prices for wire rod fluctuated during 2017-19 with prices increasing during 2017-18 before decreasing in 2019.²⁰ Overall, prices for wire rod increased between the first quarter of 2017 and the last quarter in 2019. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from 10.2 percent to 13.5 percent during 2017-19, while the import price ***. Domestic prices for all four products steadily increased from the first quarter of 2017 and then peaked during the fourth quarter of 2018; domestic prices generally declined over the following five quarters. Available price data of wire rod imported from Mexico is sporadic and shows more of a price fluctuation in 2019 compared to falling domestic prices in 2019.

Table V-7

Wire rod: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and Mexico, January 2017 through December 2019

Item	Number of quarters	Low price (dollars per short ton)	High price (dollars per short ton)	Change in price (percent)
Product 1.-- United States	12	484	773	10.2
Mexico	***	***	***	***
Product 2.-- United States	12	500	762	(5.3)
Mexico	***	***	***	***
Product 3.-- United States	12	499	730	10.9
Mexico	***	***	***	***
Product 4.-- United States	12	536	818	13.5
Mexico	***	***	***	***

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

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

²⁰ In 2017-18, the Commission conducted antidumping and countervailing duty (AD/CVD) investigations concerning wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom (Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358), resulting in affirmative determinations. AD/CVD orders went into effect in January, March, and May 2018.

Purchasers were asked how the prices of wire from the United States had changed relative to the prices of wire rod from subject countries Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago since 2014. A majority of responding purchasers reported that prices had changed for wire rod produced in the United States, Brazil, Mexico, and Moldova. A plurality of responding purchasers reported that prices had changed for wire rod produced in Trinidad and Tobago. A majority of responding purchasers reported that prices had not changed for wire rod produced in Indonesia. When comparing price changes between U.S.-produced wire rod and wire rod from Mexico, most responding purchasers reported that the price of domestic wire rod is relatively higher. A majority of responding purchasers reported that the price of wire rod produced in the United States is relatively higher than prices from Brazil, Indonesia, Moldova, and Trinidad and Tobago.

Price comparisons

As shown in table V-8, prices for wire rod imported from Mexico were below those for U.S.-produced product in 7 of 10 instances; margins of underselling ranged from 7.7 to 34.7 percent. In the remaining 3 instances, prices for wire rod imported from Mexico were higher than domestic prices, by margins ranging from 2.3 to 15.7 percent.

Table V-8

Wire rod: Instances of underselling/overselling and the range and average of margins, by product from Mexico, dollars per short ton, January 2017 through December 2019

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	---	---	---	---	---
Product 2	---	---	---	---	---
Product 3	4	***	***	***	***
Product 4	3	***	***	***	***
Total, underselling	7	***	19.1	7.7	34.7
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	---	---	---	---	---
Product 2	1	***	***	***	***
Product 3	1	***	***	***	***
Product 4	1	***	***	***	***
Total, overselling	3	***	(7.1)	(2.3)	(15.7)

Note: In the original investigations, Brazilian product undersold domestic product in 38 of 47 possible price comparisons, with an average margin of *** percent; Indonesian product undersold domestic product in all 3 possible price comparisons, with an average margin of *** percent; product imported from Mexico undersold domestic product in 37 of 46 possible comparisons, with an average margin of *** percent; product imported from Moldova undersold domestic product in 19 of 22 possible price comparisons, with an average margin of *** percent; product imported from Trinidad and Tobago undersold domestic product in 36 of 52 possible price comparisons, with an average margin of *** percent. Also, domestic producers alleged lost revenues from imports from Brazil (***) and lost sales from imports from Brazil (***) allegations), Moldova (***) allegations), Mexico (***) allegations), Trinidad and Tobago (3) allegations). Domestic producers alleged *** lost revenues or lost sales from imports from Indonesia. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, USITC Publication 3546, October 2002, pp. V-15 – V-29 and tables V-11 and V-12.

In the first reviews, product imported from Brazil undersold domestic product in all 3 possible price comparisons, with an average margin of *** percent; Indonesian product undersold domestic product in all 3 possible price comparisons, with an average margin of *** percent; product imported from Mexico undersold domestic product in 26 of 54 possible comparisons, with margins of underselling ranging from *** to *** percent; product imported from Moldova undersold domestic product in all 5 possible price comparisons, with an average margin of *** percent; product imported from Trinidad and Tobago undersold domestic product in 8 of 14 possible price comparisons, with margins of underselling ranging from *** to *** percent. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review)*, USITC Publication 4014, June 2008, p. V-26.

In the second reviews, product imported from Mexico undersold domestic product in 30 of 37 possible comparisons, with margins of underselling ranging from *** to *** percent. Pricing data for Brazil, Canada, Germany, Indonesia, Moldova, Trinidad and Tobago, Turkey, and Ukraine were not reported. *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review)*, USITC Publication 4472, June 2014, pp. V-18 – V-19.

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

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
84 FR 25564 June 3, 2019	<i>Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-06-03/pdf/2019-11343.pdf
84 FR 25741 June 4, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11655.pdf
84 FR 50474 September 6, 2019	<i>Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Notice of Commission Determinations To Conduct Full Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-09-25/pdf/2019-20799.pdf
84 FR 53673 October 8, 2019	<i>Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-08/pdf/2019-21936.pdf
84 FR 53675 October 8, 2019	<i>Carbon and Certain Alloy Steel Wire Rod From Brazil: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-08/pdf/2019-21937.pdf
85 FR 14506 March 12, 2020	<i>Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Scheduling of Full Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-03-12/pdf/2020-05081.pdf

Note: The press release announcing the Commission's determinations concerning adequacy and the conduct of a full or expedited review can be found at https://www.usitc.gov/carbon_and_certain_alloy_steel_wire_rod_brazil.htm_0. A summary of the Commission's votes concerning adequacy and the conduct of a full or expedited review can be found at <https://pubapps2.usitc.gov/sunset/caseProf/show/11258>. The Commission's explanation of its determinations can be found at https://www.usitc.gov/investigations/701731/2019/carbon_and_certain_alloy_steel_wire_rod_brazil/third_review_full.htm.

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago

Inv. Nos.: 701-TA-417 and 731-TA-953, 957-959, and 961 (Third Review)

Date and Time: June 16, 2020 - 9:30 a.m.

Sessions were held in connection with these investigations via videoconference and/or through written testimony.

EMBASSY APPEARANCE:

**Embassy of Mexico
Washington, DC**

**Gerardo Lamedo, Head of the Office of the Secretary of the Economy
in Washington, D.C.**

OPENING REMARKS:

In Support of Continuation (**Alan H. Price**, Wiley Rein LLP)
In Opposition to Continuation (**Rosa S. Jeong**, Greenberg Traurig, LLP)

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

Kelley Drye & Warren LLP
Washington, DC
on behalf of

Charter Steel
Liberty Steel USA
Optimus Steel, LLC
Evraz Rocky Mountain Steel

Edward P. Goettl, Vice President, Sales and Marketing,
Optimus Steel, LLC

Timothy Dillon, Senior Vice President, Sales and Marketing,
Liberty Steel, USA

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

Gina Beck, Economist, Georgetown Economic Services LLC

Paul C. Rosenthal)
Kathleen W. Cannon)
) – OF COUNSEL
R. Alan Luberda)
Brooke M. Ringel)

Wiley Rein LLP
Washington, DC
on behalf of

Nucor Corporation
Commercial Metals Company

Eric Zernikow, Commercial Director, Engineered Bar Group,
Nucor Corporation

Alan H. Price)
Derick G. Holt) – OF COUNSEL
Adam M. Teslik)

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

Greenberg Traurig, LLP
Washington, DC
on behalf of

Deacero S.A.P.I. de C.V. (“Deacero”)
Deacero USA, Inc. (“Deacero USA”)

Antonio Guerra, Director of Market Strategy,
Deacero S.A.P.I. de C.V.

Fernando Villanueva, Chief Executive Officer,
Mid Continent Steel & Wire

Chris M. Pratt, US Operations General Manager,
Mid Continent Steel & Wire

Jennifer Lutz, Vice President, Economic Consulting Services, LLC

**In Opposition to the Continuation of the
Antidumping and Countervailing Duty Orders (continued):**

Cara Groden, Senior Economist, Economic Consulting Services, LLC

Irwin P. Altschuler)
Rosa S. Jeong)
) – OF COUNSEL
Franchiny M. Ovalle)
Axel S. Urie)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation (**Alan H. Price**, Willey Rein LLP; and **Paul C. Rosenthal**, Kelley Drye & Warren LLP)

In Opposition to Continuation (**Rosa S. Jeong** and **Irwin P. Altschuler**, Greenberg Traurig, LLP)

-END-

APPENDIX C
SUMMARY DATA

Table C-1

Wire rod: Summary data concerning the U.S. market, 2017-19

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Comparison years		
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. consumption quantity:						
Amount.....	***	***	***	▼***	▲***	▼***
Producers' share (fn1).....	***	***	***	▲***	▲***	▲***
Importers' share (fn1):						
Brazil.....	***	***	***	***	***	***
Indonesia.....	***	***	***	***	***	***
Mexico.....	***	***	***	▲***	▲***	▲***
Moldova.....	***	***	***	***	***	***
Trinidad and Tobago.....	***	***	***	***	▲***	▼***
Subject sources.....	***	***	***	▲***	▲***	▲***
Grade 1080 tire cord/bead from subject sources	***	***	***	▼***	▼***	▲***
All other sources.....	***	***	***	▼***	▼***	▼***
Nonsubject sources.....	***	***	***	▼***	▼***	▼***
All import sources.....	***	***	***	▼***	▼***	▼***
U.S. consumption value:						
Amount.....	***	***	***	▲***	▲***	▼***
Producers' share (fn1).....	***	***	***	▲***	▲***	▲***
Importers' share (fn1):						
Brazil.....	***	***	***	***	***	***
Indonesia.....	***	***	***	***	***	***
Mexico.....	***	***	***	▲***	▲***	▲***
Moldova.....	***	***	***	***	***	***
Trinidad and Tobago.....	***	***	***	***	▲***	▼***
Subject sources.....	***	***	***	▲***	▲***	▲***
Grade 1080 tire cord/bead from subject sources	***	***	***	▼***	▼***	▲***
All other sources.....	***	***	***	▼***	▼***	▼***
Nonsubject sources.....	***	***	***	▼***	▼***	▼***
All import sources.....	***	***	***	▼***	▼***	▼***
U.S. imports from:						
Brazil:						
Quantity.....	---	---	---	---	---	---
Value.....	---	---	---	---	---	---
Unit value.....	---	---	---	---	---	---
Ending inventory quantity.....	***	***	***	***	***	***
Indonesia:						
Quantity.....	---	---	---	---	---	---
Value.....	---	---	---	---	---	---
Unit value.....	---	---	---	---	---	---
Ending inventory quantity.....	***	***	***	***	***	***
Mexico:						
Quantity.....	***	***	***	▲***	▲***	▲***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Moldova:						
Quantity.....	---	---	---	---	---	---
Value.....	---	---	---	---	---	---
Unit value.....	---	---	---	---	---	---
Ending inventory quantity.....	***	***	***	***	***	***

Table continued.

Table C-1--Continued

Wire rod: Summary data concerning the U.S. market, 2017-19

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Comparison years		
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. imports from:--Continued						
Trinidad and Tobago:						
Quantity.....	---	42	---	---	▲---	▼(100.0)
Value.....	---	55	---	---	▲---	▼(100.0)
Unit value.....	---	\$1,312	---	---	▲---	▼(100.0)
Ending inventory quantity.....	***	***	***	***	***	***
Subject sources:						
Quantity.....	***	***	***	▲***	▲***	▲***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Grade 1080 tire cord/bead from subject sources:						
Quantity.....	174,961	105,848	104,681	▼(40.2)	▼(39.5)	▼(1.1)
Value.....	100,537	70,982	83,890	▼(16.6)	▼(29.4)	▲18.2
Unit value.....	\$575	\$671	\$801	▲39.5	▲16.7	▲19.5
All other sources:						
Quantity.....	1,419,648	1,146,008	938,059	▼(33.9)	▼(19.3)	▼(18.1)
Value.....	904,016	983,492	781,031	▼(13.6)	▲8.8	▼(20.6)
Unit value.....	\$637	\$858	\$833	▲30.8	▲34.8	▼(3.0)
Nonsubject sources:						
Quantity.....	1,594,609	1,251,856	1,042,740	▼(34.6)	▼(21.5)	▼(16.7)
Value.....	1,004,553	1,054,474	864,921	▼(13.9)	▲5.0	▼(18.0)
Unit value.....	\$630	\$842	\$829	▲31.7	▲33.7	▼(1.5)
Ending inventory quantity.....	***	***	***	▼***	▲***	▼***
All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▼***	▲***	▼***
Unit value.....	***	***	***	▲***	▲***	▼***
Ending inventory quantity.....	51,209	58,373	34,497	▼(32.6)	▲14.0	▼(40.9)
U.S. producers':						
Average capacity quantity.....	4,660,259	5,422,991	5,433,837	▲16.6	▲16.4	▲0.2
Production quantity.....	3,835,080	4,270,934	3,830,680	▼(0.1)	▲11.4	▼(10.3)
Capacity utilization (fn1).....	82.3	78.8	70.5	▼(11.8)	▼(3.5)	▼(8.3)
U.S. shipments:						
Quantity.....	3,767,965	4,238,986	3,758,113	▼(0.3)	▲12.5	▼(11.3)
Value.....	2,252,799	3,126,036	2,661,027	▲18.1	▲38.8	▼(14.9)
Unit value.....	\$598	\$737	\$708	▲18.4	▲23.3	▼(4.0)
Export shipments:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▼***	▲***	▼***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	315,554	359,554	340,736	▲8.0	▲13.9	▼(5.2)
Inventories/total shipments (fn1).....	***	***	***	▲***	▲***	▲***
Production workers.....	2,587	3,001	2,850	▲10.2	▲16.0	▼(5.0)
Hours worked (1,000s).....	5,359	6,040	6,008	▲12.1	▲12.7	▼(0.5)
Wages paid (\$1,000).....	195,932	228,359	228,863	▲16.8	▲16.6	▲0.2
Hourly wages.....	\$36.56	\$37.81	\$38.09	▲4.2	▲3.4	▲0.8
Productivity (short tons per 1,000 hours).....	715.6	707.1	637.6	▼(10.9)	▼(1.2)	▼(9.8)
Unit labor costs.....	\$51.09	\$53.47	\$59.74	▲16.9	▲4.7	▲11.7

Table continued.

Table C-1--Continued

Wire rod: Summary data concerning the U.S. market, 2017-19

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Comparison years		
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. producers'--Continued						
Net sales:						
Quantity.....	3,812,514	4,282,945	3,792,962	▼(0.5)	▲12.3	▼(11.4)
Value.....	2,282,852	3,158,772	2,687,046	▲17.7	▲38.4	▼(14.9)
Unit value.....	\$599	\$738	\$708	▲18.3	▲23.2	▼(3.9)
Cost of goods sold (COGS):						
Raw materials.....	1,305,780	1,756,539	1,416,154	▲8.5	▲34.5	▼(19.4)
Energy costs.....	147,463	162,903	149,352	▲1.3	▲10.5	▼(8.3)
Direct labor cost.....	152,974	183,151	177,240	▲15.9	▲19.7	▼(3.2)
Other factory costs.....	447,935	658,909	656,684	▲46.6	▲47.1	▼(0.3)
Total COGS.....	2,054,152	2,761,502	2,399,430	▲16.8	▲34.4	▼(13.1)
Gross profit or (loss) (fn2).....	228,700	397,270	287,616	▲25.8	▲73.7	▼(27.6)
SG&A expenses.....	77,311	118,337	111,125	▲43.7	▲53.1	▼(6.1)
Operating income or (loss) (fn2).....	151,389	278,933	176,491	▲16.6	▲84.2	▼(36.7)
Net income or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
Capital expenditures.....	95,971	173,332	142,064	▲48.0	▲80.6	▼(18.0)
R&D expenses.....	***	***	***	▲***	▼***	▲***
Net assets.....	1,651,386	2,424,445	2,226,378	▲34.8	▲46.8	▼(8.2)
Operating return on assets (fn1).....	9.2	11.5	7.9	▼(1.2)	▲2.3	▼(3.6)
Unit COGS.....	\$539	\$645	\$633	▲17.4	▲19.7	▼(1.9)
Unit SG&A expenses.....	\$20	\$28	\$29	▲44.5	▲36.3	▲6.0
Unit operating income or (loss) (fn2).....	\$40	\$65	\$47	▲17.2	▲64.0	▼(28.6)
Unit net income or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
COGS/sales (fn1).....	90.0	87.4	89.3	▼(0.7)	▼(2.6)	▲1.9
Operating income or (loss)/sales (fn1).....	6.6	8.8	6.6	▼(0.1)	▲2.2	▼(2.3)
Net income or (loss)/sales (fn1).....	***	***	***	▲***	▲***	▼***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

Note.--Official import statistics for Brazil have been reclassified as 1080 tire cord/tire bead imports from subject sources. Merchandise from Brazil in official import statistics is exclusively nonsubject grade 1080 tire cord/bead product. Volume of *** "smaller diameter" wire rod not included in 2017/18.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035, accessed May 5, 2020.

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

The pages that follow are a direct duplication of the historical data presented in table I-1 of the Commission's staff report in the first five-year reviews and a C-table from the second reviews of the orders.

Table I-1**Wire rod: Summary data from the original investigations and the current full five-year reviews, 1999-2007**(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. consumption quantity: Amount	***	***	***	7,753,874	6,590,919	8,135,080	6,505,628	7,109,045	5,858,981
Producers' share ¹	***	***	***	51.4	62.8	50.3	57.4	53.7	69.6
Importer's share: Brazil ^{1 2}	***	***	***	***	0.0	0.0	0.0	0.0	0.0
Canada ¹	***	***	***	***	***	***	***	***	***
Indonesia ¹	***	***	***	0.5	0.0	0.4	0.0	0.0	0.0
Mexico ¹	***	***	***	1.6	0.3	0.8	0.2	0.1	0.1
Moldova ¹	***	***	***	0.2	0.0	0.0	0.0	0.0	0.0
Ukraine ¹	***	***	***	0.1	0.0	0.0	0.0	0.0	0.0
Subtotal ¹	***	***	***	***	***	***	***	***	***
Trinidad & Tobago ¹	***	***	***	5.0	2.2	3.2	1.6	1.9	1.6
Subject subtotal ¹	***	***	***	***	***	***	***	***	***
Stelco ¹	***	***	***	***	***	***	***	***	***
Grade 1080 tire cord/tire bead ^{1 2}	(?)	(?)	(?)	***	***	***	***	***	***
Other countries ^{1 2}	***	***	***	29.2	22.8	35.2	30.7	35.9	16.9
Total imports ¹	***	***	***	48.6	37.2	49.7	42.6	46.3	30.4
U.S. consumption value: Amount	***	***	***	2,411,891	2,138,988	4,109,959	3,592,264	3,838,199	3,403,602
Producers' share ¹	***	***	***	53.5	63.3	53.1	58.1	56.0	68.8
Importer's share: Brazil ^{1 2}	***	***	***	***	0.0	0.0	0.0	0.0	0.0
Canada ^{1 2}	***	***	***	***	***	***	***	***	***
Indonesia ¹	***	***	***	0.4	0.0	0.4	0.0	0.0	0.0
Mexico ¹	***	***	***	1.4	0.3	0.8	0.2	0.1	0.1
Moldova ¹	***	***	***	0.2	0.0	0.0	0.0	0.0	0.0
Ukraine ¹	***	***	***	0.1	0.0	0.0	0.0	0.0	0.0
Subtotal ¹	***	***	***	***	***	***	***	***	***
Trinidad & Tobago ¹	***	***	***	4.5	1.8	3.0	1.4	1.7	1.4
Subject subtotal ¹	***	***	***	***	***	***	***	***	***
Stelco ¹	***	***	***	***	***	***	***	***	***
Grade 1080 tire cord/tire bead ^{1 2}	(?)	(?)	(?)	***	***	***	***	***	***
Other countries ^{1 2}	***	***	***	25.8	21.6	31.8	28.5	32.4	16.9
Total imports ¹	***	***	***	46.5	36.7	46.9	41.9	44.0	31.2

Table continued on following page.

Table I-1--Continued

Wire rod: Summary data from the original investigations and the current full five-year reviews, 1999-2007

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit financial data are per short ton)

Item	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. imports from--									
Brazil:									
Quantity	***	***	***	***	0	0	0	0	0
Value	***	***	***	***	0	0	0	0	0
Unit value	\$***	\$***	\$***	\$***	--	--	--	--	--
Canada:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Indonesia:									
Quantity	69,805	86,940	60,065	40,863	0	29,937	333	0	0
Value	14,884	19,669	13,116	10,494	0	17,247	262	0	0
Unit value	\$213	\$226	\$216	\$257	--	\$576	\$785	--	--
Mexico:									
Quantity	122,038	159,818	266,925	123,380	19,986	68,498	11,480	4,256	8,244
Value	29,449	39,337	64,309	34,548	6,296	33,332	6,283	2,032	4,263
Unit value	\$241	\$246	\$241	\$280	\$315	\$487	\$547	\$477	\$517
Moldova:									
Quantity	190,239	191,074	187,370	18,826	0	0	0	0	0
Value	38,888	41,667	39,439	3,708	0	0	0	0	0
Unit value	\$204	\$216	\$210	\$197	--	--	--	--	--
Ukraine:									
Quantity	193,003	367,712	258,526	11,159	0	0	738	0	0
Value	35,568	75,568	49,770	2,446	0	0	501	0	0
Unit value	\$184	\$206	\$193	\$219	--	--	\$680	--	--
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Trinidad & Tobago:									
Quantity	341,815	287,507	355,089	386,419	146,783	260,618	104,804	133,326	95,325
Value	87,289	75,511	91,335	107,445	39,267	124,194	50,039	64,253	46,228
Unit value	\$255	\$263	\$257	\$278	\$268	\$477	\$477	\$482	\$485
Subject subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***

Table continued on following page.

Table I-1--Continued

Wire rod: Summary data from the original investigations and the current full five-year reviews, 1999-2007

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. imports from-- Stelco: Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Grade 1080 tire cord/tire bead: Quantity	(?)	(?)	(?)	***	***	***	***	***	***
Value	(?)	(?)	(?)	***	***	***	***	***	***
Unit value	(?)	(?)	(?)	\$***	\$***	\$***	\$***	\$***	\$***
All other countries: ² Quantity	***	***	***	2,262,306	1,505,183	2,859,490	1,997,826	2,554,966	992,163
Value	***	***	***	622,360	462,923	1,308,240	1,024,997	1,244,511	574,316
Unit value	\$***	\$***	\$***	\$275	\$308	\$458	\$513	\$487	\$579
All countries: Quantity	2,787,291	2,987,084	3,066,218	3,765,047	2,453,575	4,039,783	2,773,119	3,294,798	1,782,699
Value	807,586	899,451	875,963	1,121,780	784,088	1,927,796	1,505,063	1,690,689	1,063,201
Unit value	\$290	\$301	\$286	\$298	\$320	\$477	\$543	\$513	\$596
U.S. producers'-- Capacity quantity	***	***	***	4,771,377	5,040,727	4,920,229	5,392,176	5,371,016	5,429,678
Production quantity	***	***	***	4,035,005	4,052,215	4,089,091	3,741,120	3,877,367	4,067,549
Capacity utilization	***	***	***	84.6	80.4	83.1	69.4	72.2	74.9
U.S. shipments: Quantity	***	***	***	3,988,827	4,137,344	4,095,297	3,732,509	3,814,247	4,076,282
Value	***	***	***	1,290,111	1,354,900	2,182,163	2,087,201	2,147,510	2,340,401
Unit value	\$***	\$***	\$***	\$323	\$327	\$533	\$559	\$563	\$574
Export shipments: Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***

Table continued on following page.

Table I-1--Continued

Wire rod: Summary data from the original investigations and the current full five-year reviews, 1999-2007

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. producers'-- Ending inventory quantity	***	***	***	250,935	136,816	140,019	164,647	174,288	152,512
Inventories/total shipments ¹	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	2,461	2,513	2,543	2,407	2,395	2,397
Hours worked (1,000 hours)	***	***	***	5,545	5,378	5,474	4,919	5,296	5,174
Wages paid (1,000 dollars)	***	***	***	140,328	139,194	145,620	143,664	161,223	161,821
Hourly wages	\$***	\$***	\$***	\$25.31	\$25.88	\$26.60	\$29.21	\$30.45	\$31.28
Productivity (tons/1,000 hours)	***	***	***	728	754	747	761	732	786
Unit labor costs	\$***	\$***	\$***	\$34.78	\$34.35	\$35.61	\$38.40	\$41.58	\$39.78
Net sales: Quantity	***	***	***	3,996,011	4,151,601	4,103,563	3,749,761	3,844,808	4,087,541
Value	***	***	***	1,291,920	1,358,707	2,182,872	2,100,194	2,165,513	2,347,208
Unit value	\$***	\$***	\$***	\$323	\$327	\$532	\$560	\$563	\$574
Cost of goods sold ("COGS")	***	***	***	1,188,586	1,361,436	1,819,855	1,887,745	2,024,653	2,219,518
Gross profit or (loss)	***	***	***	103,334	(2,729)	363,017	212,449	140,860	127,690
Operating income or (loss)	***	***	***	59,982	(45,952)	305,241	158,656	85,506	74,869
U.S. producers'-- Unit COGS	\$***	\$***	\$***	\$296	\$328	\$443	\$503	\$527	\$543
Unit operating income or (loss)	\$***	\$***	\$***	\$16	(\$11)	\$74	\$42	\$22	\$18
COGS/sales ¹	***	***	***	92.0	100.2	83.4	89.9	93.5	94.6
Operating income or (loss)/sales ¹	***	***	***	4.6	(3.4)	14.0	7.6	3.9	3.2
Capital expenditures	***	***	***	30,524	44,338	49,807	83,826	68,513	49,632

¹ In percent.

² Imports of Grade 1080 wire rod have been subtracted from U.S. imports of wire rod ***. Grade 1080 is included in imports from "all other sources." See data files in the original investigations.

Note.--Because of the pending negative determination on remand regarding Trinidad & Tobago, throughout this report, data concerning Trinidad & Tobago are presented as subject merchandise but appear separately from the subtotals of data concerning the other six subject countries.

Source: INV-Z-162, table C-2a, for 1999-2001. Data for 2002-07 were compiled in response to Commission questionnaires and from official Commerce statistics.

Table C-1
Wire rod: Summary data concerning the U.S. market, 2008-13
 (Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data						Period changes					
	Calendar year						Comparison periods					
	2008	2009	2010	2011	2012	2013	2008-13	2008-09	2009-10	2010-11	2011-12	2012-13
U.S. consumption quantity:												
Amount.....	***	***	***	***	***	5,300,149	***	***	***	***	***	***
Producers' share (1).....	***	***	***	***	***	67.9	***	***	***	***	***	***
Importers' share (1):												
Brazil.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico.....	***	***	***	***	***	0.2	***	***	***	***	***	***
Moldova.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trinidad & Tobago.....	***	0.0	0.0	0.0	0.0	0.0	***	***	***	***	***	***
Ukraine.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources.....	***	***	***	***	***	0.2	***	***	***	***	***	***
1080 tire cord/tire bead.....	***	***	***	***	***	1.8	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	30.1	***	***	***	***	***	***
Subtotal, nonsubject sources.....	***	***	***	***	***	31.9	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	32.1	***	***	***	***	***	***
U.S. consumption value:												
Amount.....	***	***	***	***	***	3,756,412	***	***	***	***	***	***
Producers' share (1).....	***	***	***	***	***	67.3	***	***	***	***	***	***
Importers' share (1):												
Brazil.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico.....	***	***	***	***	***	0.2	***	***	***	***	***	***
Moldova.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trinidad & Tobago.....	***	***	***	***	***	0.0	***	***	***	***	***	***
Ukraine.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal, subject sources.....	***	***	***	***	***	0.2	***	***	***	***	***	***
1080 tire cord/tire bead.....	***	***	***	***	***	1.7	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	30.8	***	***	***	***	***	***
Subtotal, nonsubject sources.....	***	***	***	***	***	32.5	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	32.7	***	***	***	***	***	***
U.S. imports from:												
Brazil:												
Quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Value.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Unit value.....	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Ending inventory quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Indonesia:												
Quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Value.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Unit value.....	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Ending inventory quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Mexico:												
Quantity.....	***	***	***	***	***	10,333	***	***	***	***	***	***
Value.....	***	***	***	***	***	6,128	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	\$593	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	0	***	***	***	***	***	***
Moldova:												
Quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Value.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Unit value.....	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Ending inventory quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Trinidad & Tobago:												
Quantity.....	21,794	0	0	0	0	0	(100.0)	(100.0)	(²)	(²)	(²)	(²)
Value.....	14,298	0	0	0	0	0	(100.0)	(100.0)	(²)	(²)	(²)	(²)
Unit value.....	\$656	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Ending inventory quantity.....	***	0	0	0	0	0	***	***	(²)	(²)	(²)	(²)
Ukraine:												
Quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Value.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Unit value.....	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Ending inventory quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
Subtotal, subject sources:												
Quantity.....	***	***	***	***	***	10,333	***	***	***	***	***	***
Value.....	***	***	***	***	***	6,128	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	\$593	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	0	***	***	***	***	***	***

Table continued on next page.....

Table C-1
Wire rod: Summary data concerning the U.S. market, 2008-13
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data						Period changes					
	Calendar year						Comparison periods					
	2008	2009	2010	2011	2012	2013	2008-13	2008-09	2009-10	2010-11	2011-12	2012-13
U.S. imports from:												
1080 tire cord/tire bead:												
Quantity.....	139,459	71,759	129,184	116,513	102,517	96,639	(30.7)	(48.5)	80.0	(9.8)	(12.0)	(5.7)
Value.....	126,654	50,808	91,621	103,073	84,521	64,506	(49.1)	(59.9)	80.3	12.5	(18.0)	(23.7)
Unit value.....	\$908	\$708	\$709	\$885	\$824	\$667	(26.5)	(22.0)	0.2	24.7	(6.8)	(19.0)
Ending inventory quantity.....	0	0	0	0	0	0	(²)	(²)	(²)	(²)	(²)	(²)
All other sources:												
Quantity.....	1,536,768	777,083	1,284,771	1,059,512	1,391,895	1,593,718	3.7	(49.4)	65.3	(17.5)	31.4	14.5
Value.....	1,360,431	550,614	988,457	992,791	1,159,903	1,156,290	(15.0)	(59.5)	79.5	0.4	16.8	(0.3)
Unit value.....	\$885	\$709	\$769	\$937	\$833	\$726	(18.0)	(20.0)	8.6	21.8	(11.1)	(12.9)
Ending inventory quantity.....	106,455	61,033	72,308	61,769	90,584	105,991	(0.4)	(42.7)	18.5	(14.6)	46.6	17.0
Subtotal, nonsubject sources:												
Quantity.....	1,676,227	848,842	1,413,955	1,176,024	1,494,413	1,690,357	0.8	(49.4)	66.6	(16.8)	27.1	13.1
Value.....	1,487,005	601,423	1,080,078	1,095,863	1,244,424	1,220,797	(17.9)	(59.6)	79.6	1.5	13.6	(1.9)
Unit value.....	\$887	\$709	\$764	\$932	\$833	\$722	(18.6)	(20.1)	7.8	22.0	(10.6)	(13.3)
Ending inventory quantity.....	106,455	61,033	72,308	61,769	90,584	105,991	(0.4)	(42.7)	18.5	(14.6)	46.6	17.0
Total imports:												
Quantity.....	***	***	***	***	***	1,700,690	***	***	***	***	***	***
Value.....	***	***	***	***	***	1,226,925	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	\$721	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	105,991	***	***	***	***	***	***
U.S. producers':												
Average capacity quantity.....	5,546,751	5,295,752	4,965,095	5,173,168	5,131,954	5,073,815	(8.5)	(4.5)	(6.2)	4.2	(0.8)	(1.1)
Production quantity.....	4,055,641	2,837,165	3,384,322	3,907,416	3,879,060	3,655,088	(9.9)	(30.0)	19.3	15.5	(0.7)	(5.8)
Capacity utilization (1).....	73.1	53.6	68.2	75.5	75.6	72.0	(1.1)	(19.5)	14.6	7.4	0.1	(3.5)
U.S. shipments:												
Quantity.....	4,050,961	2,833,426	3,340,954	3,876,145	3,809,728	3,599,459	(11.1)	(30.1)	17.9	16.0	(1.7)	(5.5)
Value.....	3,485,005	1,651,451	2,246,759	3,012,054	2,826,974	2,529,487	(27.4)	(52.6)	36.0	34.1	(6.1)	(10.5)
Unit value.....	\$860	\$583	\$672	\$777	\$742	\$703	(18.3)	(32.3)	15.4	15.6	(4.5)	(5.3)
Export shipments:												
Quantity.....	39,707	39,301	42,049	34,687	26,748	24,319	(38.8)	(1.0)	7.0	(17.5)	(22.9)	(9.1)
Value.....	31,925	22,886	26,912	28,888	31,597	22,566	(29.3)	(28.3)	17.6	7.3	9.4	(28.6)
Unit value.....	\$804	\$582	\$640	\$833	\$1,181	\$928	15.4	(27.6)	9.9	30.1	41.8	(21.4)
Ending inventory quantity.....	231,279	195,717	196,677	193,261	235,848	266,868	15.4	(15.4)	0.5	(1.7)	22.0	13.2
Inventories/total shipments (In1).....	5.7	6.8	5.8	4.9	6.1	7.4	1.7	1.2	(1.0)	(0.9)	1.2	1.2
Production workers.....	2,339	2,083	2,173	2,239	2,269	2,192	(6.3)	(10.9)	4.3	3.0	1.3	(3.4)
Hours worked (1,000s).....	4,741	3,825	4,220	4,552	4,587	4,258	(10.2)	(19.3)	10.3	7.9	0.8	(7.2)
Wages paid (\$1,000).....	170,467	128,170	145,939	166,385	174,648	156,838	(8.0)	(24.8)	13.9	14.0	5.0	(10.2)
Hourly wages.....	\$35.96	\$33.51	\$34.58	\$36.55	\$38.07	\$36.83	2.4	(6.8)	3.2	5.7	4.2	(3.3)
Productivity (short tons per 1,000 hours).....	855.4	741.7	802.0	858.4	845.7	858.4	0.3	(13.3)	8.1	7.0	(1.5)	1.5
Unit labor costs.....	\$42.03	\$45.18	\$43.12	\$42.58	\$45.02	\$42.91	2.1	7.5	(4.5)	(1.3)	5.7	(4.7)
Net sales:												
Quantity.....	4,126,388	2,881,432	3,384,018	3,920,918	3,836,475	3,623,777	(12.2)	(30.2)	17.4	15.9	(2.2)	(5.5)
Value.....	3,547,031	1,679,395	2,274,325	3,048,561	2,858,572	2,552,054	(28.1)	(52.7)	35.4	34.0	(6.2)	(10.7)
Unit value.....	\$860	\$583	\$672	\$778	\$745	\$704	(18.1)	(32.2)	15.3	15.7	(4.2)	(5.5)
Cost of goods sold (COGS).....	3,116,677	1,652,958	2,083,987	2,743,826	2,622,588	2,358,335	(24.3)	(47.0)	26.1	31.7	(4.4)	(10.1)
Gross profit of (loss).....	430,354	26,437	190,338	304,735	235,984	193,719	(55.0)	(93.9)	620.0	60.1	(22.6)	(17.9)
SG&A expenses.....	83,259	69,352	91,584	86,722	87,633	86,025	3.3	(16.7)	32.1	(5.3)	1.1	(1.8)
Operating income or (loss).....	347,095	(42,915)	98,754	218,013	148,351	107,694	(69.0)	(²)	(²)	120.8	(32.0)	(27.4)
Capital expenditures.....	54,283	35,731	48,287	54,987	95,351	163,405	201.0	(34.2)	35.1	13.9	73.4	71.4
Unit COGS.....	\$755	\$574	\$616	\$700	\$684	\$651	(13.8)	(24.0)	7.4	13.6	(2.3)	(4.8)
Unit SG&A expenses.....	\$20	\$24	\$27	\$22	\$23	\$24	17.7	19.3	12.4	(18.3)	3.3	3.9
Unit operating income or (loss).....	\$84	\$(15)	\$29	\$56	\$39	\$30	(64.7)	(²)	(²)	90.5	(30.5)	(23.1)
COGS/sales (1).....	87.9	98.4	91.6	90.0	91.7	92.4	4.5	10.6	(6.8)	(1.6)	1.7	0.7
Operating income or (loss)/sales (1).....	9.8	(2.6)	4.3	7.2	5.2	4.2	(5.6)	(12.3)	6.9	2.8	(2.0)	(1.0)

Notes:

(1)--Report data are in percent and period changes are in percentage points.

(2)--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce as adjusted.

APPENDIX D

COMMENTS ON EFFECTS OF ORDERS AND LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE PARTICULAR EFFECT OF THE ORDERS

Table D-1

Wire rod: Firms' narratives on the effect of the order(s)

Item / Firm	Narrative
U.S. producers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

**U.S. PRODUCERS' COMMENTS REGARDING THE LIKELY IMPACT OF
REVOCATION OF THE ORDERS**

Table D-2

Wire rod: Firms' narratives on the likely impact of revocation

Item / Firm	Narrative
U.S. producers: Likely impact of revocation:	
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table D-2--Continued
Wire rod: Firms' narratives on the likely impact of revocation

Item / Firm	Narrative
U.S. producers: Likely impact of revocation:	
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

**U.S. IMPORTERS' COMMENTS ON THE PARTICULAR EFFECT OF
IMPOSITION OF THE ORDERS**

**Table D-3
Wire rod: Firms' narratives on the effect of the order(s)**

U.S. importers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

**U.S. IMPORTERS' COMMENTS REGARDING THE LIKELY IMPACT OF
REVOCATION OF THE ORDERS**

Table D-4

Wire rod: Firms' narratives on the likely impact of revocation

U.S. importers: Likely impact of revocation of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

U.S. PURCHASERS' COMMENTS REGARDING THE PARTICULAR EFFECT OF THE ORDERS

**Table D-5
Wire rod: Firms' narratives on the effect of the order(s)**

U.S. purchasers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table D-5--Continued
Wire rod: Firms' narratives on the effect of the order(s)

U.S. purchasers: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

**U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY IMPACT OF
 REVOCATION OF THE ORDERS**

Table D-6
Wire rod: Firms' narratives on the likely impact of revocation

U.S. purchasers: Likely impact of revocation:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table D-6--Continued
Wire rod: Firms' narratives on the likely impact of revocation

U.S. purchasers: Likely impact of revocation:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

FOREIGN PRODUCERS/EXPORTERS COMMENTS ON THE PARTICULAR EFFECT OF IMPOSITION OF THE SPECIFIC ORDERS

Table D-7
Wire rod: Firms' narratives on the effect of the order(s)

Foreign producers or exporters: Effect of order:	
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

FOREIGN PRODUCERS' COMMENTS REGARDING THE LIKELY IMPACT OF REVOCATION OF SPECIFIC ORDERS

Table D-8
Wire rod: Firms' narratives on the likely impact of revocation

Foreign producers or exporters: Likely effect of revocation of order:	
***	***
***	***

Source: Compiled from responses to Commission questionnaires.

APPENDIX E

U.S. PRODUCERS' AND U.S. IMPORTERS' U.S. SHIPMENTS BY PRODUCT TYPE

Table E-1

Wire rod: U.S. producers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. producers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Value (1,000 dollars)		
U.S. producers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Unit value (dollars per short ton)		
U.S. producers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Table continued.

Table E-1--Continued

Wire rod: U.S. producers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. producers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Share of value (percent)		
U.S. producers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table E-2

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. importers: Mexico:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Value (1,000 dollars)		
U.S. importers: Mexico:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Unit value (dollars per short ton)		
U.S. importers: Mexico:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Table continued.

Table E-2--Continued

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. importers: Mexico:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Share of value (percent)		
U.S. importers: Mexico:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table E-3

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. importers: Subject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Value (1,000 dollars)		
U.S. importers: Subject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Unit value (dollars per short ton)		
U.S. importers: Subject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Table continued.

Table E-3--Continued

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. importers: Subject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Share of value (percent)		
U.S. importers: Subject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table E-4

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. importers: Nonsubject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Value (1,000 dollars)		
U.S. importers: Nonsubject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Unit value (dollars per short ton)		
U.S. importers: Nonsubject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Table continued.

Table E-4--Continued

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. importers: Nonsubject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Share of value (percent)		
U.S. importers: Nonsubject sources:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Grade 1080 tire cord	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table E-5

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (short tons)		
U.S. importers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Value (1,000 dollars)		
U.S. importers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Unit value (dollars per short ton)		
U.S. importers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Table continued.

Table E-5--Continued

Wire rod: U.S. importers' U.S. shipments by product type, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. importers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***
	Share of value (percent)		
U.S. importers:			
Low industrial / standard	***	***	***
High industrial / standard	***	***	***
Tire cord other than grade 1080	***	***	***
Welding quality wire rod	***	***	***
CHQ wire rod	***	***	***
Other specialty	***	***	***
All other products	***	***	***
All product types	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

APPENDIX F
SECTION 232 ACTIONS

Table F-1
Section 232 actions: Presidential proclamations affecting imports of steel articles, since 2018

Item	Action and duration (effective dates)	Federal Register Notice
General action	The President implemented 25 percent ad valorem national-security duties on U.S. steel imports— March 23, 2018 to present.	83 FR 11625 ¹
Argentina	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361 ²
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683 ³
	Exemption from duties continued, but subject to annual quota limits— June 1, 2018 to present.	83 FR 25857 ⁴
Australia	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361 ²
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683 ³
	Exemption from duties continued— June 1, 2018 to present.	83 FR 40429 ⁵
Brazil	Exempted from duties— March 23, 2018 to April 30, 2018	83 FR 13361 ²
	Exemption from duties continued— May 1, 2018 to May 31, 2018	83 FR 20683 ³
	Exemption from duties continued, but subject to annual quota limits— June 1, 2018 to present.	83 FR 25857 ⁴
Canada	Exempted from duties— March 23, 2018 to May 31, 2018.	83 FR 11625 ¹
	Exemption from duties not continued— June 1, 2018 to May 19, 2019.	83 FR 20683 ⁴
	Exemption from duties reinstated— May 20, 2019 to present.	84 FR 23987 ⁶
European Union (“EU”) member countries	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361 ²
	Exemption from duties continued— May 1, 2018 to May 31, 2018.	83 FR 20683 ³
	Exemption from duties not continued— June 1, 2018 to present.	83 FR 20683 ⁴
Korea	Exempted from duties— March 23, 2018 to April 30, 2018.	83 FR 13361 ²
	Exemption from duties continued, but subject to annual quota limits— May 1, 2018 to present.	83 FR 20683 ⁴
Mexico	Exempted from duties— March 23, 2018 to May 31, 2018.	83 FR 11625 ¹
	Exemption from duties not continued— June 1, 2018 to May 19, 2019.	83 FR 20683 ⁴
	Exemption from duties reinstated— May 20, 2019 to present.	84 FR 23987 ⁶
Turkey	Duty rate doubled to 50 percent ad valorem— August 13, 2018 to May 20, 2019.	83 FR 40429 ⁵
	Duty rate reduced from 50 percent to 25 percent ad valorem— May 21, 2019 to present.	84 FR 23421 ⁷

¹ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

² *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018.

³ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018.

⁴ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

⁵ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018.

⁶ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019.

⁷ *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019.

Note.--Presidential Proclamation 9705 (clause (1)) defined "steel articles" at the Harmonized Tariff Schedule of the United States ("HTS") 6-digit level as: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90, including any subsequent revisions to these HTS classifications.

Note: —Annual quota limits for wire rod are as follow:

Argentina: 201 short tons

Brazil: 104,221 short tons

Korea: 62,252 short tons