

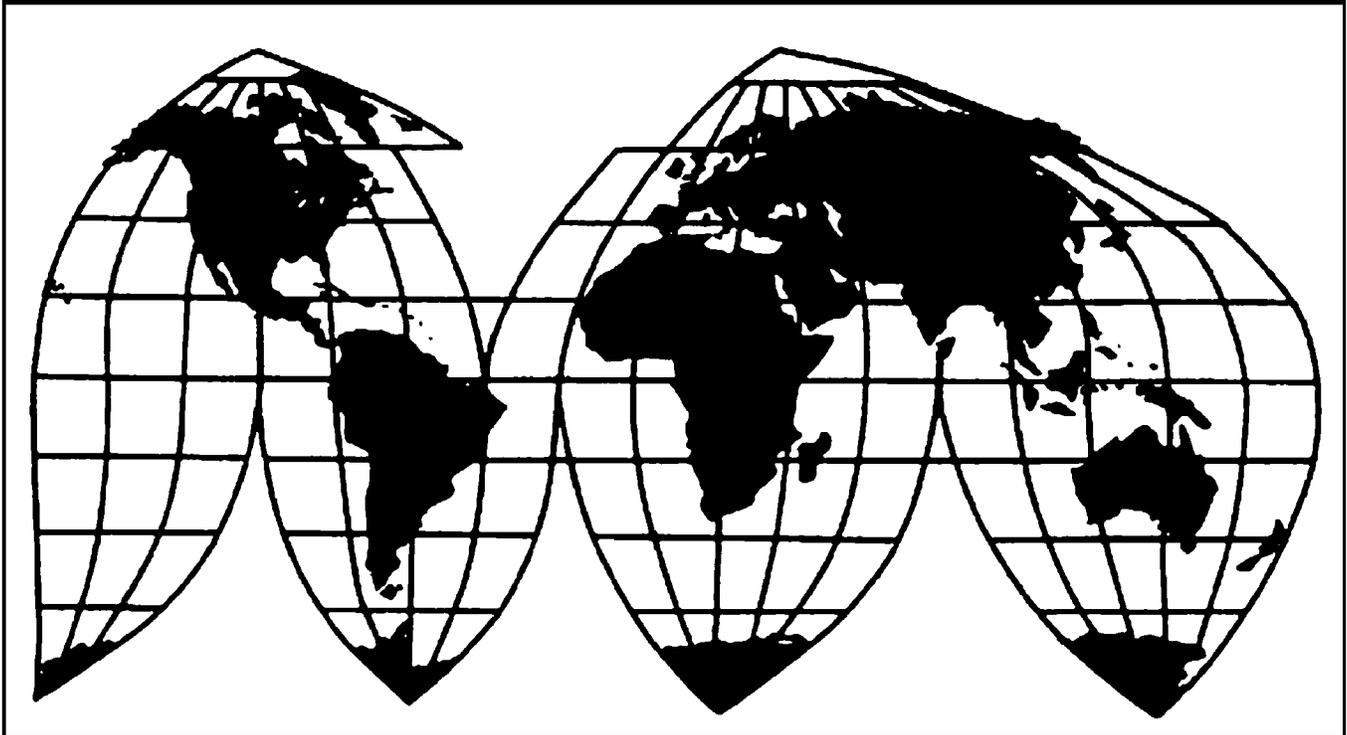
Boltless Steel Shelving Units Prepackaged for Sale from China

Investigation Nos. 701-TA-523 and 731-TA-1259 (Review)

Publication 5190

April 2021

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

Catherine DeFilippo
Director of Operations

Staff assigned

Andres Andrade, Investigator
Allison Thompson, Industry Analyst
Pamela Davis, Economist
Christopher Robinson, Attorney
Mary Messer, Supervisory Investigator

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

Boltless Steel Shelving Units Prepackaged for Sale from China

Investigation Nos. 701-TA-523 and 731-TA-1259 (Review)

Publication 5190



April 2021

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Information obtained in these reviews	I-1
Background	I-1
Responses to the Commission’s notice of institution	I-2
Individual responses	I-2
Party comments on adequacy	I-2
The original investigations	I-3
Previous and related investigations.....	I-3
Commerce’s five-year reviews.....	I-3
The product.....	I-4
Commerce’s scope.....	I-4
U.S. tariff treatment.....	I-6
Description and uses.....	I-7
Manufacturing process.....	I-11
The industry in the United States	I-12
U.S. producers.....	I-12
Recent developments	I-12
U.S. producers’ trade and financial data	I-13
Definitions of the domestic like product and domestic industry	I-14
U.S. imports and apparent U.S. consumption	I-15
U.S. importers	I-15
U.S. imports	I-15
Apparent U.S. consumption and market shares.....	I-16
The industry in China	I-17
Antidumping or countervailing duty orders in third-country markets.....	I-18
The global market	I-19

Appendixes

A. <i>Federal Register</i> notices	A-1
B. Company-specific data	B-1
C. Summary data compiled in prior proceedings	C-1
D. Purchaser questionnaire responses	D-1

Note: Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by headings in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-523 and 731-TA-1259 (Review)

Boltless Steel Shelving Units Prepackaged for Sale from China

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 antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on September 1, 2020 (85 FR 54404) and determined on December 7, 2020 that it would conduct expedited reviews (86 FR 18295, April 8, 2021).

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 antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. Edsal Manufacturing Company, Inc. (“Edsal”) filed antidumping and countervailing duty petitions on boltless steel shelving units prepackaged for sale (“boltless steel shelving”) from China on August 26, 2014.¹ In October 2015, the Commission determined that an industry in the United States was materially injured by reason of subject imports.² On October 21, 2015, the U.S. Department of Commerce (“Commerce”) issued antidumping and countervailing duty orders.³

Current Reviews. The Commission instituted these five-year reviews on September 1, 2020.⁴ Edsal, a domestic producer of boltless steel shelving, filed the sole response to the Commission’s notice of institution. On December 7, 2020, the Commission determined that the individual response of Edsal was adequate. The Commission determined that the domestic interested party group response was adequate and the respondent interested party group response was inadequate.⁵ Finding no other circumstances warranted conducting full reviews,

¹ *Boltless Steel Shelving Units Prepackaged for Sale from China*, Inv. Nos. 701-TA-523 and 731-TA-1259 (Final), USITC Pub. 4565 (Oct. 2015) (“*Original Determinations*”) at 1.

² *Original Determinations*, USITC Pub. 4565 at 3. Chairman Broadbent and Commissioner Johanson found that an industry in the United States was threatened with material injury by reason of subject imports. They joined the Commission opinion’s discussion of domestic like product, domestic industry, and conditions of competition. *Id.* at 25.

³ *Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Antidumping Duty Order*, 80 Fed. Reg. 63741 (Oct. 21, 2015); *Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 Fed. Reg. 63745 (Oct. 21, 2015).

⁴ *Boltless Steel Shelving Units Prepackaged for Sale From China; Institution of Five-Year Reviews*, 85 Fed. Reg. 54404 (Sept. 1, 2020).

⁵ Explanation of Commission Determination on Adequacy, EDIS Doc. 727880 (Dec. 7, 2020).

it determined to conduct expedited reviews of the orders.⁶ Edsal subsequently filed final comments pursuant to Commission Rule 207.62(d)(1).⁷

U.S. industry data are based on the data Edsal, which estimated that it accounted for *** percent of domestic production of boltless steel shelving in 2019, furnished in its response to the notice of institution.⁸ U.S. import data and related information are based on the Commerce’s official import statistics.⁹ Foreign industry data and related information are based on information furnished by Edsal, questionnaire responses from the original investigations, as well as publicly available information gathered by Commission staff.¹⁰ Three U.S. purchasers of boltless steel shelving responded to the Commission’s adequacy phase questionnaire.¹¹

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.”¹² 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.”¹³ 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.¹⁴

⁶ *Boltless Steel Shelving Units Prepackaged for Sale from China; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 18295 (Apr. 8, 2021).

⁷ Domestic Producer’s Confidential Comments, EDIS Doc. 739551 (Apr. 12, 2021) (“Final Comments”).

⁸ Confidential Report (“CR”) and Public Report (“PR”) at Table I-1; Response at 16.

⁹ See CR/PR at Table I-3.

¹⁰ See CR/PR at I-17-19.

¹¹ CR/PR at D-3.

¹² 19 U.S.C. § 1677(4)(A).

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

¹⁴ 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).

Commerce has defined the scope of the antidumping and countervailing duty orders under review as follows:

{B}oltless steel shelving, with or without decks. The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (i.e., uprights and posts) and steel horizontal supports (i.e., beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (e.g., two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts, or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab, or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts, or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular,

square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).¹⁵

The scope definition set out above is unchanged since the original investigations.¹⁶

Boltless steel shelving is relatively high load-capacity, stand-alone shelving that may be assembled without tools. Boltless steel shelving provides a sturdy frame for functional, non-aesthetic storage in garages, basements, and similar locations. Since boltless steel shelving is prepackaged, the end user may purchase the unit at home improvement stores or mass-merchandise retailers, handle the product, and transport the unit to its ultimate location.¹⁷

Boltless steel shelving is manufactured using hot rolled, flat-rolled carbon steel, slit to widths for producing horizontal beam, brace, and vertical post profiles. The slit steel blanks are then punched with notch holes and cut to length, formed to the final shapes and profiles, and packaged together with component pieces for sale as a complete shelving unit.¹⁸

In the original investigations, the Commission found a clear dividing line between boltless steel shelving and other forms of shelving that did not correspond to the scope of investigations. It however did not find a clear dividing line between low- and high-capacity boltless steel shelving, a distinction proposed by a respondent in the preliminary phase.¹⁹ There was no dispute as to the domestic like product definition in the final phase.

¹⁵ *Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China* (Dec. 28, 2020) ("AD I&D Memo") at 2-3; *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China* (Dec. 28, 2020) ("CVD I&D Memo") at 2-3. Commerce specifically excluded several products from the scope of the orders under review: (1) wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor; (2) wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit; (3) bulk-packed parts or components of boltless steel shelving units; and (4) made-to-order shelving systems. *Id.*

¹⁶ See *Original Determinations*, USITC Pub. 4565 at 5-6.

¹⁷ CR/PR at I-7.

¹⁸ CR/PR at I-9-11.

¹⁹ See *Boltless Steel Shelving Units Prepackaged for Sale from China*, Inv. Nos. 701-TA-523 and 731-TA-1259 (Preliminary), USITC Pub. 4495 at 8-10 (Oct. 2014).

Consequently, the Commission found a single domestic like product coextensive with the scope definition.²⁰

In these reviews, the record contains no new information suggesting that the characteristics and uses of domestically produced boltless steel shelving have changed since the original investigations.²¹ Edsal agrees with the definition of the domestic like product adopted by the Commission in its original determinations.²² We therefore define a single domestic like product consisting of boltless steel shelving units prepackaged for sale coextensive with Commerce's scope definition.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."²³ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In these reviews, we must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.²⁴ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.²⁵

²⁰ *Original Determinations*, USITC Pub. 4565 at 6-7.

²¹ See generally CR/PR at I-7-12.

²² Response at 16.

²³ 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.

²⁴ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

²⁵ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

In the original investigations, the Commission considered whether appropriate circumstances existed to exclude Edsal under the related parties provision. Edsal was subject to the related parties provision because it (1) *** a boltless steel shelving production facility in China, Edsal Sandusky; (2) imported subject merchandise during the period of investigation (“POI”); and (3) arranged for other U.S. importers to import subject merchandise ***.²⁶ The Commission found that Edsal’s domestic production was considerably larger than its importing activities and that because it accounted for *** percent of domestic production of boltless steel shelving during the POI, its exclusion would result in a skewed depiction of the domestic industry.²⁷ Moreover, Edsal was the petitioner and made substantial investments in domestic production. For those reasons, the Commission found that appropriate circumstances did not exist to exclude Edsal from the domestic industry as a related party. Accordingly, the Commission defined the domestic industry to include all U.S producers of the domestic like product.²⁸

In these reviews, the record shows that Edsal is subject to the related parties provision because it *** subject merchandise during the 2015 to 2019 period of review (“POR”) and ***.²⁹ We find that appropriate circumstances do not exist to exclude Edsal from the domestic industry. The record indicates that Edsal *** subject merchandise during only a small portion of the POR (*i.e.*, in *** only), and these *** were *** in relation to the \$22.9 million in total subject imports in ***.³⁰ Moreover, Edsal is the only domestic producer that responded to the Commission’s notice of institution in these reviews and accounted for an estimated *** percent of domestic production of boltless steel shelving in 2019.³¹ Consequently, any exclusion of Edsal from the domestic industry would provide the Commission an unrepresentative depiction

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
(4) the ratio of import shipments to U.S. production for the imported product; and
(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. U.S. Int’l Trade Comm’n*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int’l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

²⁶ *Original Determinations*, USITC Pub. 4565 at 8; *Confidential Original Determinations*, EDIS Doc. 724154 (“*Confidential Original Determinations*”) at 10.

²⁷ *Original Determinations*, USITC Pub. 4565 at 9; *Confidential Original Determinations* at 11.

²⁸ *Original Determinations*, USITC Pub. 4565 at 9.

²⁹ Domestic Producers’ Response to Commission’s Request for Clarifying Information, EDIS Doc. 722151 (Oct. 15, 2020) at 2-3. Edsal and ***. *Id.*

³⁰ Edsal *** units of subject merchandise in ***, with a value of \$***. ***. Domestic Producers’ Response to Commission’s Request for Clarifying Information, EDIS Doc. 722151 (Oct. 15, 2020) at 3.

³¹ CR/PR at Table I-1.

of the industry, as well as essentially deprive it of industry data for the POR for purposes of these reviews. Therefore, we define the domestic industry to include all domestic producers of boltless steel shelving units prepackaged for sale.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³² The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³³ Thus, the likelihood standard is prospective in nature.³⁴ 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.³⁵

³² 19 U.S.C. § 1675a(a).

³³ SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

³⁴ 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.

³⁵ 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. App. 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

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.”³⁶ 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.”³⁷

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³⁸ 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).³⁹ 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.⁴⁰

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.⁴¹ 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;

(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’”).

³⁶ 19 U.S.C. § 1675a(a)(5).

³⁷ 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.*

³⁸ 19 U.S.C. § 1675a(a)(1).

³⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings on the orders under review. See AD I&D Memo at 4.

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

⁴¹ 19 U.S.C. § 1675a(a)(2).

(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.⁴²

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.⁴³

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.⁴⁴ 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.⁴⁵

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the boltless steel shelving industry

⁴² 19 U.S.C. § 1675a(a)(2)(A-D).

⁴³ 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.

⁴⁴ 19 U.S.C. § 1675a(a)(4).

⁴⁵ 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.

in China. There also is limited new information on the boltless steel shelving market in the United States during the POR. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴⁶ The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. In the original investigations, the Commission observed that boltless steel shelving is a final good that is sold prepackaged in a kit, ready for assembly and installation by the consumer for storage use in basements, garages, laundry rooms, and similar locations.⁴⁷ It found that demand for boltless steel shelving generally accords with overall economic conditions, although spikes in demand coincide with consumers’ spring and fall cleanup activities.⁴⁸ The record indicated that apparent U.S. consumption increased from *** units in 2012 to *** units in 2013 and *** units in 2014.⁴⁹

Current Reviews. In the current reviews, the record gives no indication that the factors affecting demand for boltless steel shelving have changed since the original investigations. Edsal asserts that demand still reflects the overall economic condition of the U.S. market and, in particular, the home improvement market, with typical demand spikes during spring and fall cleanup activities. It contends that U.S. consumption of boltless steel shelving was flat to declining from 2015 to 2019.⁵⁰ Although both the quantity of the domestic industry’s U.S. shipments and the total value of imports of boltless steel shelving from all sources decreased somewhat from 2014 to 2019, apparent U.S. consumption, as measured by value, increased

⁴⁶ 19 U.S.C. § 1675a(a)(4).

⁴⁷ *Original Determinations*, USITC Pub. 4565 at 13.

⁴⁸ *Original Determinations*, USITC Pub. 4565 at 13-14.

⁴⁹ *Original Determinations*, USITC Pub. 4565 at 14; *Confidential Original Determinations* at 18-19. The value of apparent consumption increased from \$*** in 2012 to \$*** in 2013 and to \$*** in 2014. Original Investigation Confidential Report INV-NN-063, EDIS Doc. 724144 (“Original CR”), at Table IV-5.

⁵⁰ Response at 16; Final Comments at 4.

over that time.⁵¹ Apparent U.S. consumption of boltless steel shelving was \$*** in 2019, higher than the \$*** in 2014.⁵²

2. Supply Conditions

Original Investigations. In the original investigations, the Commission observed that the domestic industry, which consisted of four domestic producers, was the predominant supplier of boltless steel shelving to the U.S. market. Edsal accounted for *** percent of domestic production during the POI.⁵³ The domestic industry's production capacity increased from *** units in 2012 to *** units in 2013 and 2014. The industry's share of apparent U.S. consumption, after increasing from *** percent in 2012 to *** percent in 2013, decreased to *** percent in 2014.⁵⁴

The Commission observed that subject imports had the next largest U.S. market presence after the domestic industry. Their share of apparent U.S. consumption, after decreasing from *** percent in 2012 to *** percent in 2013, increased to *** percent in 2014. Nonsubject imports had a very small presence, with a market share ranging between *** percent and *** percent during the POI.⁵⁵

Current Reviews. The domestic industry was the largest source of supply to the U.S. market in 2019. Its shipments, valued at \$***, accounted for *** percent of apparent U.S. consumption.⁵⁶ Edsal estimates that it accounted for *** percent of domestic production in 2019. It identified two additional current U.S. producers of boltless steel shelving, Hallowell aka List Industries, Inc. and Tenssco, LLC, and states that one firm, ***.⁵⁷

⁵¹ The domestic industry's U.S. shipments were *** units in 2014 and *** units in 2019, and by value they were \$*** in 2014 and \$*** in 2019. Imports from all sources totaled \$*** in 2014 and \$78.0 million in 2019. CR/PR at Table I-4. For the POR, only value data are available from official import statistics due to modifications in the reporting requirements for the relevant statistical reporting numbers under which boltless steel shelving is classified in the Harmonized Tariff Schedule of the United States (HTSUS). Consequently, we rely on value data to measure imports and apparent U.S. consumption in these reviews. By contrast, in the original investigations, import data were based on questionnaire responses and the Commission primarily relied on quantity-based measures of shipments and consumption. See CR/PR at I-15, Tables I-3-4; see also *Original Determinations*, USITC Pub. 4565 at 13-15, 21.

⁵² CR/PR at Table I-4. Of the three responding U.S. purchasers, one reported that ***. CR/PR at App. D-3.

⁵³ *Original Determinations*, USITC Pub. 4565 at 14; *Confidential Original Determinations* at 19.

⁵⁴ *Original Determinations*, USITC Pub. 4565 at 14; *Confidential Original Determinations* at 19.

⁵⁵ *Original Determinations*, USITC Pub. 4565 at 14-15; *Confidential Original Determinations* at 19-20.

⁵⁶ See CR/PR at I-15, Tables I-3-4; see also *Original Determinations*, USITC Pub. 4565.

⁵⁷ CR/PR at I-12; Response at 16.

Subject imports were the smallest source of supply to the U.S. market in 2019; they totaled \$12.6 million and accounted for *** percent of apparent U.S. consumption. Nonsubject imports have increased their presence in the U.S. market from their very small market share during the original investigations. They totaled \$65.4 million in 2019, accounting for *** percent of apparent U.S. consumption.⁵⁸ Since 2017, the largest sources of nonsubject imports have been Taiwan and Vietnam.⁵⁹

3. Substitutability and Other Conditions

Original Investigations. In the original investigations, the Commission found that there was a moderate to high degree of substitutability between the domestic like product and subject imports.⁶⁰ It observed that the overwhelming majority of market participants reported that domestically produced boltless steel shelving and subject imports were always or frequently interchangeable. Moreover, 14 of 17 responding purchasers listed price as a very important factor in purchasing decisions.⁶¹

The Commission found that the vast majority of U.S. importers' U.S. shipments of subject imports were directly imported by retailers, which then sold the merchandise to consumers.⁶² It also observed that some purchasers employed line reviews, typically every two or three years, in which the purchaser met with all interested vendors which presented product samples along with price quotes and other terms of sale.⁶³ Further, the Commission characterized price as an important factor in purchasing decisions.⁶⁴

The Commission observed that the principal raw materials used in the production process were hot-rolled steel and finishing components for decking, such as particle board. It further observed that despite an overall decline in hot-rolled steel sheet prices from January 2012 to June 2015, the domestic industry's total raw material costs increased on a per unit basis between 2012 and 2014.⁶⁵

The Current Reviews. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or the importance of price in purchasing decisions has changed since the original

⁵⁸ CR/PR at Table I-4.

⁵⁹ CR/PR at Table I-3.

⁶⁰ *Original Determinations*, USITC Pub. 4565 at 15.

⁶¹ *Original Determinations*, USITC Pub. 4565 at 15.

⁶² *Original Determinations*, USITC Pub. 4565 at 15.

⁶³ *Original Determinations*, USITC Pub. 4565 at 15.

⁶⁴ *Original Determinations*, USITC Pub. 4565 at 17.

⁶⁵ *Original Determinations*, USITC Pub 4565 at 16.

investigations.⁶⁶ Accordingly, we again find that there is a moderate to high degree of substitutability between domestically produced boltless steel shelving and subject imports and that price continues to be an important factor in purchasing decisions.

We observe that effective September 24, 2018, subject imports became subject to a 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974⁶⁷ (“section 301 tariffs”).⁶⁸ Effective May 10, 2019, section 301 tariffs increased to 25 percent *ad valorem*.⁶⁹

C. Likely Volume of Subject Imports

1. The Original Investigations

In the original investigations, the Commission observed that the quantity of subject imports increased from *** units in 2012 to *** units in 2013 and *** units in 2014, an increase of *** percent, while apparent U.S. consumption increased by only *** percent during that period. Subject imports’ share of apparent U.S. consumption declined from *** percent in 2012 to *** percent in 2013 before increasing to *** percent in 2014.⁷⁰ The Commission found that given the virtual absence of nonsubject imports in the U.S. market, subject imports’ increased market share during the POI came directly at the expense of the domestic industry.⁷¹ It concluded that the volume of subject imports, as well as the increase in that volume, was significant both in absolute terms and relative to apparent U.S. consumption.⁷²

⁶⁶ This is consistent with Edsal’s assertions. See Final Comments at 7-8. The only change in conditions of competition cited by one of the three purchasers that responded to the adequacy phase questionnaire was ***. CR/PR at D-3.

⁶⁷ 19 U.S.C. § 2411.

⁶⁸ CR/PR at I-6 & n.17; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018).

⁶⁹ CR/PR at I-6; *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20459 (May 9, 2019).

⁷⁰ *Original Determinations*, USITC Pub. 4565 at 16; *Confidential Original Determinations* at 22. The Commission observed that that the volume and market share of subject imports in January-March (interim) 2015 was considerably lower than in interim 2014 and found those changes were largely the result of the filing of the petitions and pendency of the investigations. The Commission therefore accorded reduced weight to interim 2015 data. *Original Determinations*, USITC Pub. 4565 at 16-17, 19, 22.

⁷¹ *Original Determinations*, USITC Pub. 4565 at 16; *Confidential Original Determinations* at 22-23.

⁷² *Original Determinations*, USITC Pub. 4565 at 17.

2. The Current Reviews

In the current reviews, the available data show that the value of subject imports fluctuated between 2015 and 2018 and then declined considerably from 2018 to 2019. The value of subject imports ranged from a period low of \$12.6 million in 2019 to a period high of \$29.7 million in 2016.⁷³ The value of subject imports throughout the POR was considerably below the peak value of \$*** reached in 2014 during the original investigations.⁷⁴ In light of these data, we find that the orders have had a disciplining effect on subject import volume.

The record indicates that subject producers in China have both the means and the incentive to increase shipments of subject merchandise to the U.S. market to significant levels within a reasonably foreseeable time if the antidumping and countervailing duty orders were revoked. As previously stated, no importer, producer, or exporter of subject merchandise participated in these expedited reviews. In the original investigations, the record reflected that there were approximately 50 producers of boltless shelving products in China.⁷⁵ Questionnaire data from the original investigations indicated that the subject industry in China had substantial capacity and excess capacity. Its production capacity was *** units in 2014 and its capacity utilization rate was *** percent.⁷⁶ There is no indication in the record of these reviews that the capacity or excess capacity of the subject industry has declined. To the contrary, Edsal estimates that in 2019, Chinese producers' capacity reached ***, and provided a list of 16 active boltless shelving producers in China, all of which claim of substantial production capacity on their respective websites.⁷⁷

The record in these reviews also indicates that the subject industry is export oriented and that it views the United States as an attractive export market. As indicated, subject imports maintained a presence in the U.S. market throughout the POR. Moreover, on their public websites, numerous Chinese producers claim to export the majority of their merchandise, including to North America and the United States.⁷⁸ Furthermore, Commerce observed that twelve of the subsidy programs it found were likely to continue or recur were export subsidy programs within the meaning of Article 3.1 of the WTO Subsidies Agreement.⁷⁹ Such programs serve as an incentive for export activity.

⁷³ See CR/PR at Table I-3.

⁷⁴ See Original CR at Table I-2.

⁷⁵ Response at 6.

⁷⁶ *Original CR* at Table VII-1.

⁷⁷ See Response at 6, 7-8, Ex. 3.

⁷⁸ Response at 7-8, Ex. 3.

⁷⁹ CVD I&D Memo at 9.

Global Trade Atlas (“GTA”) data indicate that China was the world’s largest exporter of “other furniture and parts thereof, other metal furniture” by value throughout the POR.⁸⁰ China’s global exports of such merchandise increased from \$6.9 billion in 2015 to \$8.5 billion in 2019.⁸¹ GTA data also indicate that the United States was the top export destination for “other furniture and parts thereof, other metal furniture” from China in 2019 by value. China’s exports to the United States of such merchandise increased from \$2.2 billion in 2015 to \$2.7 billion in 2019.⁸²

Given the subject industry’s substantial capacity and export orientation, and the interest of subject producers in the U.S. market, we find that subject imports will likely increase absent the discipline of the orders. We consequently conclude that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.⁸³

D. Likely Price Effects

1. The Original Investigations

The Commission began its price effects analysis in the original investigations by reiterating that the domestic like product and subject imports were moderately to highly substitutable and that price was an important factor in purchasing decisions.⁸⁴ It observed that prices of subject imports sold to resellers were below prices for the domestic like product in 33 of 55 quarterly comparisons, encompassing *** units (**% percent of the total), at margins ranging from 0.3 to 87.0 percent. In the remaining 22 comparisons, encompassing *** units (**% percent of the total), prices for subject imports were between 2.6 percent and 20.4

⁸⁰ CR/PR at Table I-7. GTA data encompass merchandise classified under HTS subheading 9403.20, a category containing both boltless steel shelving and products outside the scope of the orders under review.

⁸¹ CR/PR at Table I-7.

⁸² CR/PR at Table I-6.

⁸³ No U.S. purchaser reported that the current Section 301 tariffs have had an effect on either the supply of or demand for subject imports or that they anticipated such effects in the reasonably foreseeable future. CR/PR at D-3. Moreover, notwithstanding Section 301 tariffs, the facts available indicate that subject imports were higher during the first half of 2020 than the first half of 2019. Response at Ex. 1.

We observe that the record in these expedited reviews contains no information concerning inventories of the subject merchandise or the potential for product shifting. The record indicates that subject merchandise is not subject to antidumping or countervailing duty orders or investigations in markets other than the United States. CR/PR at I-18.

⁸⁴ *Original Determinations*, USITC Pub 4565 at 17.

percent above prices for the domestic like product.⁸⁵ Overall, the Commission found that the underselling and overselling by subject imports was mixed.⁸⁶

The Commission observed that prices for the domestic like product declined during 2012 and prices for both the domestic like product and subject imports fluctuated within a narrow range during 2013 and 2014.⁸⁷ It stated that as the volume of subject imports increased in 2014, domestic producers were unable to increase prices to cover increasing costs, even as apparent U.S. consumption was increasing.⁸⁸ The domestic industry's ratio of cost of goods sold ("COGS") to net sales increased from *** percent in 2012 to *** percent in 2013 and to *** percent in 2014. The Commission found that intense price competition by subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree.⁸⁹ Record evidence showed that purchasers switched from domestic sources to subject sources for price reasons, and that the domestic industry had to lower its prices to compete with subject imports. Moreover, confirmed lost sales allegations indicated that the domestic industry lost business to lower-priced subject imports.⁹⁰ In light of the evidence of lost sales due to lower prices of the subject imports and its finding that the subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree, the Commission found that subject imports had significant price effects.⁹¹

2. The Current Reviews

As previously discussed in Section III.B.3., there is a moderate to high degree of substitutability between the domestic like product and subject imports and price continues to be an important factor in purchasing decisions. Due to the expedited nature of these reviews,

⁸⁵ *Original Determinations*, USITC Pub 4565 at 18; *Confidential Original Determinations* at 25. The Commission also collected direct import cost data from firms that imported boltless steel shelving and sold these items directly to retail customers, and importers generally reported higher costs than those prices charged by either U.S. producers or other importers of subject merchandise. It found, however, that such estimates were not consistent with direct importers' assertions that they directly imported because there was a cost benefit, and it noted that responding firms appeared to use an inconsistent basis to report costs included in direct imports. Based on these inconsistencies, the Commission accorded less weight to data concerning direct import purchase costs in its price effects analysis. *Original Determinations*, USITC Pub 4565 at 18-19.

⁸⁶ *Original Determinations*, USITC Pub 4565 at 19.

⁸⁷ *Original Determinations*, USITC Pub 4565 at 19.

⁸⁸ *Original Determinations*, USITC Pub 4565 at 19.

⁸⁹ *Original Determinations*, USITC Pub 4565 at 19-20; *Confidential Original Determinations* at 27-28.

⁹⁰ *Original Determinations*, USITC Pub 4565 at 20.

⁹¹ *Original Determinations*, USITC Pub 4565 at 20.

the record does not contain new product-specific pricing information. In the original investigations, Commission found underselling in the majority of quarterly comparisons and intense price competition between domestically produced boltless steel shelving and subject imports that had prevented price increases for the domestic product that otherwise would have occurred to a significant degree.⁹² The Commission also found that the domestic industry lost sales to lower-priced subject imports.⁹³ In light of these considerations, we find that if the orders were revoked, likely significant volumes of subject imports would likely result in a recurrence of intense price competition between the domestic like product and subject imports leading subject imports to gain sales and market share at the expense of the domestic industry and/or to have price-depressing or suppressing effects on the domestic like product. Accordingly, we find that subject imports are likely to have significant price effects if the orders were revoked.

E. Likely Impact

1. The Original Investigations

In the original investigations, the Commission reiterated that subject imports increased their market share from 2012 to 2014 at the direct expense of the domestic industry and noted that subject imports' gain in market share of *** percentage points from 2013 to 2014 mirrored domestic producers' decline in market share for the same period.⁹⁴ The Commission found that the shift in market share was caused, in large part, by purchasers shifting their source of supply from domestic product to low-priced subject imports.⁹⁵ The Commission observed that even as apparent U.S. consumption increased from 2012 to 2014, many indicators of the domestic industry's performance lagged. Specifically, in 2014 when the quantity and market share of subject imports reached peak levels, the record showed notable declines, as compared with 2013, in U.S. production, capacity utilization, U.S. shipments (by quantity), production-related workers, hours worked, and wages paid.⁹⁶

Additionally, the industry's financial performance deteriorated from 2012 to 2014, with pronounced declines between 2013 and 2014 with respect to net sales (by quantity and value), operating income, and the ratio of operating income to net sales. Gross profit and net income

⁹² *Original Determinations*, USITC Pub 4565 at 19, 20.

⁹³ *Original Determinations*, USITC Pub 4565 at 20.

⁹⁴ *Original Determinations*, USITC Pub 4565 at 21; *Confidential Original Determinations* at 30.

⁹⁵ *Original Determinations*, USITC Pub 4565 at 21.

⁹⁶ *Original Determinations*, USITC Pub 4565 at 21-22; *Confidential Original Determinations* at 30-

also fell from 2012 to 2014.⁹⁷ The record thus showed that the domestic industry's net sales revenue and operating income declined between 2012 and 2013 in the face of increased volumes of low-priced subject imports, notwithstanding increases in certain trade and employment indicators. Then, from 2013 to 2014, as both the volume and market share of subject imports increased, the industry's trade and employment indicators declined, and its financial performance deteriorated further.⁹⁸ On these bases, the Commission found that subject imports had a significant impact on the domestic industry.⁹⁹

The Commission also considered whether other factors had an impact on the domestic industry to ensure that it was not attributing to subject imports any injury caused by other factors.¹⁰⁰ It found that nonsubject imports had only a small presence in the market during the POI and did not explain the declines in the domestic industry's performance.¹⁰¹ The Commission also considered whether Edsal's importing activities were an alternative cause of injury. It found that Edsal provided evidence showing that it used subject imports to retain important customer accounts. Moreover, a majority of the volume of subject imports, and the increase in that volume, "was product that was unrelated to Edsal."¹⁰² Accordingly, Edsal's activities with respect to subject imports did not sever the causal link between subject imports and injury to the domestic industry.¹⁰³

2. The Current Reviews

Due to the expedited nature of these reviews, the record contains limited information on the domestic industry's performance since the original investigations. The available information concerning the domestic industry's condition consists primarily of the data Edsal provided in response to the notice of institution.

⁹⁷ *Original Determinations*, USITC Pub 4565 at 22; *Confidential Original Determinations* at 31-32. Although the domestic industry's trade, employment, and financial indicators were generally better in interim 2015 than in interim 2014, the Commission found those improvements were a product of the decreased volume of subject imports during the pendency of the investigations and confirmation that subject imports were a cause of the industry's poor performance from 2012 to 2014. *Original Determinations*, USITC Pub 4565 at 22-23.

⁹⁸ *Original Determinations*, USITC Pub 4565 at 22.

⁹⁹ *Original Determinations*, USITC Pub 4565 at 21, 23.

¹⁰⁰ *Original Determinations*, USITC Pub 4565 at 23.

¹⁰¹ *Original Determinations*, USITC Pub 4565 at 23.

¹⁰² *Original Determinations*, USITC Pub 4565 at 23.

¹⁰³ *Original Determinations*, USITC Pub 4565 at 23.

The available data indicate that in 2019 the domestic industry's production capacity was *** units, its production was *** units, and its capacity utilization rate was *** percent.¹⁰⁴ U.S. shipments were *** units in 2019, with a value of \$*** and an average unit value (AUV) of \$***.¹⁰⁵ The industry's reported total net sales were \$*** in 2019, its operating income was \$*** in 2019, and its operating income margin was *** percent in 2019.¹⁰⁶ Because of the expedited nature of these reviews, the limited information in the record is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury if the orders were revoked.

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

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. As discussed previously, the facts available show that nonsubject imports increased their presence in the U.S. market since the original investigations. Nonetheless, the increasing presence of nonsubject imports did not preclude the domestic industry from obtaining higher AUVs for its products and improving its financial condition since the original investigations.¹⁰⁷ Given the substitutability between the domestic like product and subject imports, and in light of likely price competition between subject imports and the domestic like product, we find it likely that any increase in subject imports would come at least in part at the expense of the domestic industry. Consequently, subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports.

¹⁰⁴ CR/PR at Table I-2. Reported capacity and production were lower, but capacity utilization was higher in 2019 than in 2014. *Id.*

¹⁰⁵ CR/PR at Table I-2. Reported U.S. shipment quantity was lower in 2019 than 2014, but shipment value and AUVs were higher. *Id.*

¹⁰⁶ CR/PR at Table I-2. Each of these financial measures was higher in 2019 than 2014. *Id.*

¹⁰⁷ CR/PR at Table I-2. In 2014, domestic producers reported average unit values of U.S. shipments of \$***, while in 2019 domestic producers reported a value of \$***. Due to higher net sales in 2019 relative to 2014, the domestic industry's operating income and operating income as a ratio to net sales were also higher between these years. *Id.*

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

IV. Conclusion

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

Information obtained in these reviews

Background

On September 1, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale (“boltless steel shelving”) from China would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
September 1, 2020	Notice of initiation by Commerce (85 FR 54348 September 1, 2020)
September 1, 2020	Notice of institution by Commission (85 FR 54404, September 1, 2020)
December 7, 2020	Commission’s vote on adequacy
January 4, 2021	Commerce’s results of its expedited reviews
April 29, 2021	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 85 FR 54404, September 1, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 54348, September 1, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

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

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

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. The submission was filed on behalf of Edsal Manufacturing Company, LLC (“Edsal”), a domestic producer of boltless steel shelving (referred to herein as “domestic interested party”).⁵

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

Table I-1
Boltless steel shelving: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	1	***%

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of boltless steel shelving during 2019. Domestic interested party’s response to the notice of institution, October 1, 2020, p. 16.

Party comments on adequacy

No party submitted comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews.

⁵ Edsal reported that it is currently not an importer of boltless steel shelving from China. The domestic producer noted ***. Edsal supports the continuation of the orders covering imports of boltless steel shelving from China. Domestic interested party’s response to the notice of institution, October 1, 2020, pp. 3 and 15; Domestic interested party’s supplemental response, October 15, 2020, p. 3.

The original investigations

The original investigations resulted from petitions filed on August 26, 2014 with Commerce and the Commission by Edsal, Chicago, Illinois.⁶ On August 26, 2015, Commerce determined that imports of boltless steel shelving from China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.⁷ The Commission determined on October 7, 2015 that the domestic industry was materially injured by reason of imports of boltless steel shelving from China that were found by the Department of Commerce to be sold in the United States at less than fair value (“LTFV”), and to be subsidized by the government of China.⁸ On October 21, 2015, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 17.55 to 112.68 percent and net subsidy rates ranging from 12.40 to 80.45 percent.⁹

Previous and related investigations

Boltless steel shelving has not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

Commerce’s five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of boltless steel shelving from China and intends to issue the final results of these reviews based on the facts available not later than December 30, 2020.¹⁰ Commerce’s Issues and Decision Memoranda, published concurrently with Commerce’s final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and countervailing duty

⁶ Boltless Steel Shelving Units Prepackaged for Sale from China, Inv. Nos. 701-TA-523 and 731-TA-1259 (Final), USITC Publication 4565, October 2015 (“Original publication”), p. I-1.

⁷ 80 FR 51775 and 80 FR 51779, August 26, 2015.

⁸ 80 FR 61841, October 14, 2015.

⁹ 80 FR 63741 and 80 FR 63745, October 21, 2015. The AD cash deposit rate for exporters receiving a separate rate was adjusted from 17.55 percent to 17.53 percent. 81 FR 44843, July 11, 2016.

¹⁰ Letter from Alex Villanueva, Senior Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, October 27, 2020.

orders on imports of boltless steel shelving from China are noted in the sections titled “The original investigations” and “U.S. imports,” if applicable.

The product

Commerce’s scope

Commerce has defined the scope as follows:

The scope of this investigation covers boltless steel shelving, with or without decks. The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (i.e., uprights and posts) and steel horizontal supports (i.e., beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (e.g., two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts, or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab, or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts, or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-

beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- *Wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;¹¹*
- *wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;*
- *bulk-packed parts or components of boltless steel shelving units; and*
- *made-to-order shelving systems.¹²*

¹¹ The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

¹² 80 FR 63745, October 21, 2015.

U.S. tariff treatment

Boltless steel shelving is currently imported under Harmonized Tariff Schedule of the United States (“HTSUS” or “HTS”) statistical reporting number 9403.20.0075 (“Boltless or press-fit steel shelving units prepackaged for sale. . .”, which are “household” in nature),¹³ and may also be currently imported under HTS statistical reporting number 9403.10.0040 (“Metal furniture of a kind used in offices, other than filing cabinets”).¹⁴ Boltless steel shelving from China is imported into the U.S. market at a column 1-general duty rate of “free” under HTS subheadings 9403.10.00 and 9403.20.00.¹⁵ Boltless steel shelving originating in China that is imported into the United States under HTS subheadings 9403.10.00 and 9403.20.00 is currently subject to an additional 25 percent ad valorem duty under Section 301 of the Trade Act of 1974 (“Trade Act”), as amended,¹⁶ as of May 10, 2019.¹⁷ See also U.S. notes 20(e) and 20(f) to subchapter III of HTS chapter 99.¹⁸ As of October 30, 2020, no exclusions from this additional duty under Section 301 have been granted for boltless steel shelving originating in China. Boltless steel shelving imported from China is not subject to additional duties under Section 232

¹³ During 2015-17, boltless steel shelving was imported under HTS statistical reporting number 9403.20.0025. Beginning in 2018, boltless steel shelving was imported under HTS statistical reporting number 9403.20.0075.

¹⁴ HTS statistical reporting number 9403.10.0040 includes other items outside the scope of these reviews.

¹⁵ HTSUS (2020), Revision 26, USITC Publication 5134, October 2020, p. 94-8.

¹⁶ Section 301 of the Trade Act (19 U.S.C. § 2411) authorizes the Office of the United States Trade Representative (“USTR”), at the direction of the President, to take appropriate action to respond to a foreign country’s unfair trade practices.

¹⁷ HTS subheadings 9403.10.00 and 9403.20.00 were included in USTR’s third enumeration (“Tranche 3”) of products originating in China that became subject to an additional 10 percent ad valorem Section 301 duty, as of September 24, 2018 (Annexes A and C of 83 FR 47974, September 21, 2018).

Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR 14906, April 6, 2018) to March 2, 2019 (83 FR 65198, December 19, 2018), but was subsequently postponed until further notice (84 FR 7966, March 5, 2019), and then was implemented as of May 10, 2019 (84 FR 20459, May 9, 2019).

A subsequent modification was provided for subject goods exported from China prior to May 10, 2019 not to be subject to the escalated 25 percent duty, as long as such goods entered the United States prior to June 1, 2019 (84 FR 21892, May 15, 2019). This entry date subsequently was extended to prior to June 15, 2019 (84 FR 26930, June 10, 2019).

USTR proposed raising this additional duty from 25 percent to 30 percent on such products imported from China, on or after October 1, 2019 (Annex C – (List 3 - \$200 Billion Action), Part 1, of 84 FR 46212, September 3, 2019).

¹⁸ HTSUS (2020), Revision 26, USITC Publication 5134, October 2020, pp. 99-III-23 – 99-III-46, 99-III-42, 99-III-235.

of the Trade Expansion Act of 1962, as amended. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses¹⁹

Boltless²⁰ steel shelving units are relatively high load-capacity, stand-alone shelving in which horizontal support members connect to vertical posts without the use of nuts, bolts, screws, tubular collars, or other fasteners (figure I-1). These units are designed for end-user convenience by the boltless system that eliminates the need for tools and a prepackaged unit containing all the appropriate parts that is sold in a number of common sizes. Since boltless steel shelving is prepackaged, the end user may easily purchase the unit at a large home-improvement store or mass-merchandise retailer, handle the product, and transport the unit to its ultimate location. The units may be sold with or without decking (i.e., shelves).

¹⁹ Unless otherwise noted, this information is based on Original publication, pp. I-9-I-12.

²⁰ “Boltless” refers to a system of assembly that uses rivets or other protrusions on horizontal support members that fit into slots in the vertical posts (also called “uprights”) of the units and thereby avoids the use of nuts and bolts, screws, or tubular collars on posts. The boltless system does not require tools for assembly.

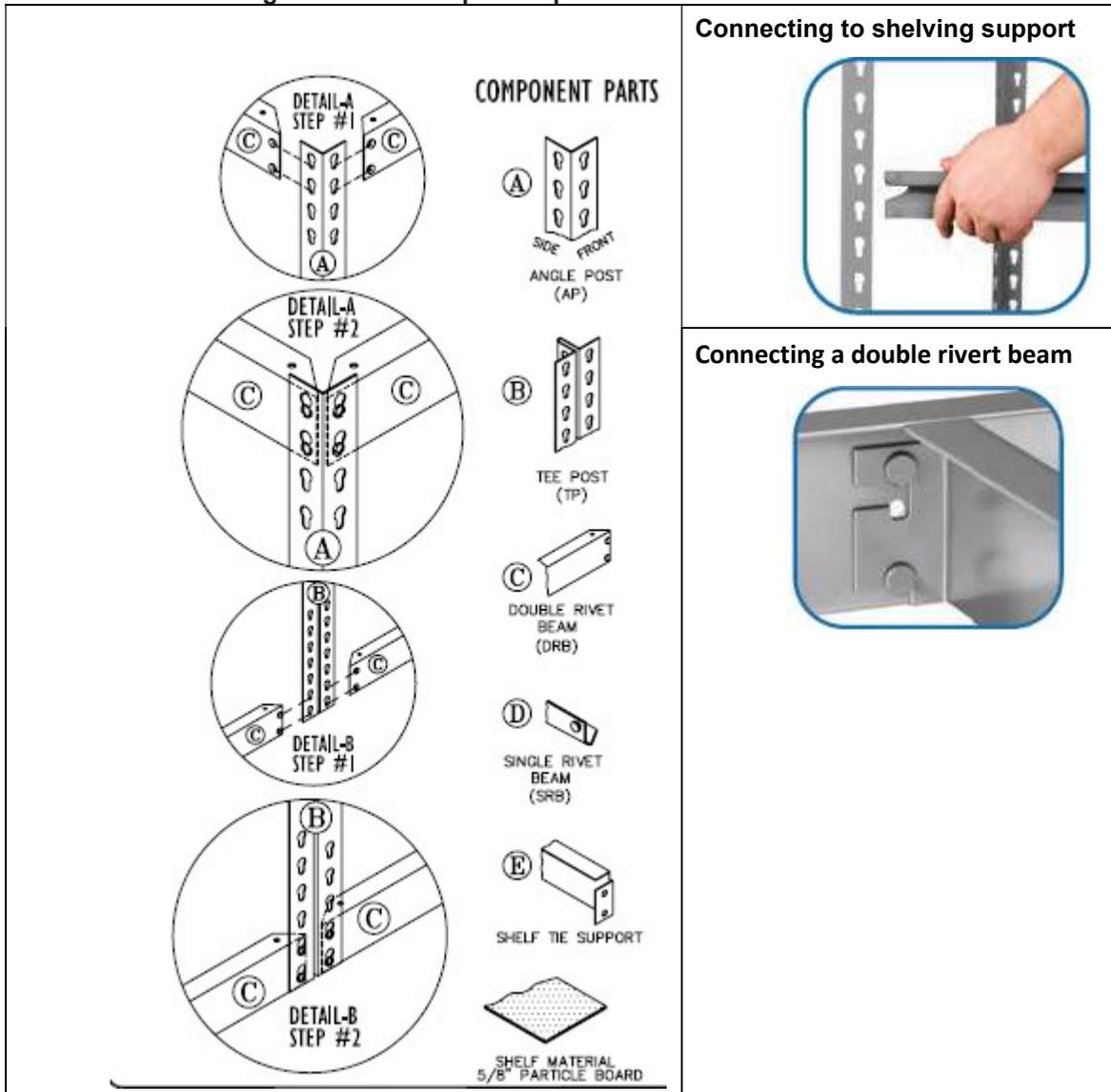
Figure I-1
Boltless steel shelving: Boltless steel shelving unit



Source: Edsal Manufacturing Co., <http://www.edsal.com/index.php>, retrieved November 5, 2020.

The boltless system relies on rivets or punched or cut tabs on the beams or braces fitting into slots that are punched or cut into the posts at set intervals (figure I-2). Boltless steel shelving uses several configurations of beam and brace profiles in order to provide high load capacity and also hold the decking. The Z-beam, C-beam, L-beam, and step beam are commonly used in boltless steel shelving.

Figure I-2
Boltless steel shelving: Common component parts



Source: Shelf Master, Assembly Instruction Manuals in Anaheim, CA, <https://www.shelfmaster.com/assembly-instruction-manuals/>, retrieved November 5, 2020; and Tennsco, Product Brochures, <https://www.tennsco.com/pricelist-brochures>, retrieved November 5, 2020.

Boltless steel shelving units are produced and sold in common shelving unit sizes and approximate per-shelf weight capacities, although the scope of the subject product in these reviews is not limited by these parameters. Both shelving unit sizes and per-shelf weight capacities determine the construction and configuration of horizontal support members and the vertical posts that are needed for other supports (front-to-back supports that connect the front posts and rear posts and tie bars or center supports for decking support). Typical sizes for widths are 36, 48, 60, or 77 inches; depths are 18 or 24 inches; and heights are 60, 72, 78, or 84 inches. Of the five products identified in the original investigations as representing a “significant volume of U.S. sales and imports,” the two products with a 77-inch width had per-shelf load capacities in the range of 1,000–2,500 pounds, and the three products with widths of 34–48 inches had per-shelf load capacities in the range of 250–1,000 pounds.

Boltless steel shelving units are frequently sold with 4 or 5 levels of decking in the package. Popular decking materials are particle board, laminated boards, and steel wire. Some units may be sold without decking, so the user may purchase the decking of their choice. Other accessories include add-on kits that allow the end user to add an extension shelving unit onto an existing boltless shelving unit so that the original unit and extension share some common frame elements, such as posts. End users may also separately purchase additional beams, braces, and decking (although these items are not prepackaged) in order to add shelves beyond those that came in their original unit.

Boltless steel shelving is used for storage in homes, garages, offices, and commercial and industrial operations. Because it is prepackaged in a limited number of sizes and other specifications, it may not be suitable for certain offices, commercial, and industrial operations requiring more customized shelving. Boltless steel shelving is designed for utility, rather than aesthetic appearance, and therefore is likely to be used in a garage, basement, or back room, rather than in a kitchen, living room, or sales display area.

Manufacturing process²¹

There are six major steps in the manufacture of boltless steel shelving. First, hot-rolled, flat-rolled carbon steel is slit to widths for producing horizontal beam, brace, and vertical post profiles. Slit steel blanks are punched with notch holes and cut to length, formed to the final shape and profile, painted or coated, and attached with rivets or welded with supports. Then the component pieces are packaged together for sale as a complete shelving unit.

The slitting process cuts the steel to the desired widths to produce beam and post profiles. The slitting may be performed in-house by the producer, a service center, or another third party. The slit steel blanks are then fed into presses that punch notch holes and cut to length the posts, beams, or braces. These parts are then roll- or press-formed into their final shape and profile. For higher capacity boltless steel shelving, a small frame which has punched or cut out tabs is welded to each end of the beams. Welding of front-to-back supports to vertical posts to form end units also is done at this time. The next step is phosphating and painting or coating. Phosphating changes the steel surface to iron phosphate to increase corrosion resistance and provide a strong bonding surface for painting or other coatings.²² The posts, beams, and braces are either painted, galvanized, powder coated,²³ enameled, or treated with other coatings. Rivets are attached to each end of the beams and braces. Decking, which is often supplied by outside vendors, is typically particle board, other composite material (painted, printed, or laminated on the top), or steel wire mesh. The appropriate posts, beams, braces, and decking for a complete unit, as well as plastic end pieces, center supports, other accessories, and assembly instructions, are gathered together, packaged, labeled for the order, and shipped.

The Chinese manufacturing processes are likely similar to those of the U.S. industry. However, unlike U.S. producers that design and produce their own boltless steel shelving products, some Chinese producers may produce under contract for U.S. importers or marketers that provide the Chinese manufacturers with the design of the shelving and assistance with the

²¹ Unless otherwise noted, this information is based on Original publication, pp. I-12-I-13

²² Corrosionpedia, "Phosphating," <http://www.corrosionpedia.com/definition/876/phosphating>, retrieved November 5, 2020.

²³ Powder coating is a high-quality finish found on many products. Using the process of electrostatic spray deposition, a spray gun generates an electrostatic charge to powdered coating material that then is attracted and coats the target part that is grounded for the charge. The part is then baked in a curing oven. Powder Coating Institute, "What is powder coating," <https://www.powdercoating.org/page/WhatIsPC>, retrieved November 5, 2020.

manufacturing process, as well as other services, such as quality control, logistics, and product testing.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from four firms, which accounted for all known U.S. production of boltless steel shelving in the United States during 2014.²⁴ In response to the Commission's notice of institution in these current reviews, the domestic interested party provided a list of three known and currently operating U.S. producers of boltless steel shelving. One firm providing U.S. industry data in response to the Commission's notice of institution in these current reviews accounted for approximately *** percent of production of boltless steel shelving in the United States during 2019.²⁵

Recent developments

During the Commission's original investigations, Hirsh Industries LLC ("Hirsh") produced a relatively small volume of boltless steel shelving in its Dover, Delaware facility²⁶ ***.²⁷

²⁴ Original publication, p. I-4.

²⁵ Domestic interested party's response to the notice of institution, October 1, 2020, p. 16.

²⁶ The Commission reported in the original investigations that Hirsh accounted for *** percent of U.S. production of boltless steel shelving during January 2012-March 2015. Investigation No. 701-TA-523 and 731-TA-1259 (Final): Boltless Steel Shelving Units Prepackaged for Sale from China, Confidential Report, INV-NN-063, September 2, 2015, as revised in INV-NN-067, September 8, 2015 ("Original confidential report"), table III-1.

²⁷ Domestic interested party's response to the notice of institution, October 1, 2020, p. 14; Domestic interested party's supplemental response, October 15, 2020, p. 2.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.²⁸ Table I-2 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and the current five-year reviews.

Table I-2

Boltless steel shelving: Trade and financial data submitted by U.S. producers, 2012-14, and 2019

Item	2012	2013	2014	2019
Capacity (units)	***	***	***	***
Production (units)	***	***	***	***
Capacity utilization (percent)	***	***	***	***
U.S. shipments: Quantity (units)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (per unit)	***	***	***	***
Net sales (\$1,000)	***	***	***	***
COGS (\$1,000)	***	***	***	***
COGS/net sales (percent)	***	***	***	***
Gross profit (loss) (\$1,000)	***	***	***	***
SG&A expenses (\$1,000)	***	***	***	***
Operating income (loss) (\$1,000)	***	***	***	***
Operating income (loss)/net sales (percent)	***	***	***	***

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

Source: For the years 2012-14, data are compiled using data submitted in the Commission's original investigations. For the year 2019, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, October 1, 2020, exh. 4.

²⁸ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.²⁹

In its original determinations, the Commission defined a single domestic like product that is coextensive with Commerce’s scope and it defined the domestic industry as all U.S. producers of the domestic like product.³⁰ During the original investigations, U.S. producer Edsal reported that it was related to a boltless steel shelving production facility in China, Edsal Sandusky Corporation Zhongshan (“Edsal Sandusky Zhongshan”), and that it imported subject merchandise from China.³¹ In 2014, Edsal’s direct imports of *** units of boltless steel shelving from China accounted for *** percent of total subject U.S. imports from China and its direct subject imports were equivalent to *** percent of the quantity of its U.S. production of boltless steel shelving.³² One of four domestic producers of boltless steel shelving in 2014, Edsal accounted for *** percent of U.S. production at that time.³³ In its response to the notice of institution in these current reviews, Edsal reported that it ***,³⁴ but that ***.³⁵ Edsal reported that it is currently not an importer of boltless steel shelving from China and ***

²⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁰ 85 FR 54404, September 1, 2020.

³¹ Original publication, p. III-6.

³² Original confidential report, tables III-7 and IV-2.

³³ Original confidential report, table III-1.

³⁴ ***. Domestic interested party’s supplemental response, October 15, 2020, p. 2.

³⁵ ***. Domestic interested party’s supplemental response, October 15, 2020, p. 3.

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 20 firms, which accounted for the vast majority of total U.S. imports of boltless steel shelving from China during 2014.³⁷ Import data presented in the original investigations are based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party provided a list of 46 potential U.S. importers of boltless steel shelving.³⁸ Import data presented in this report for 2015-19 are based on official Commerce statistics.

U.S. imports

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

Table I-3
Boltless steel shelving: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
	Landed, duty-paid value (\$1,000)				
China, subject	22,877	29,656	20,261	23,779	12,591
Taiwan	1,003	7,631	13,267	10,741	25,573
Vietnam	6,196	18,537	18,728	18,544	22,787
Canada	8,255	10,303	6,410	10,393	7,297
All other sources	2,815	3,700	5,073	4,222	9,722
Subtotal, nonsubject	18,268	40,171	43,478	43,901	65,379
Total imports	41,145	69,827	63,739	67,679	77,971

Note: Because of rounding, table may not add to total shown. Quantity data are not available.

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 9403.20.0025 (2015-17) and 9403.20.0075 (2018-19).

³⁶ Domestic interested party's response to the notice of institution, October 1, 2020, pp. 3 and 15; Domestic interested party's supplemental response, October 15, 2020, p. 3.

³⁷ Original publication, p. IV-1.

³⁸ Domestic interested party's response to the notice of institution, October 1, 2020, exh. 7

Apparent U.S. consumption and market shares

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

Table I-4

Boltless steel shelving: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2012-14, and 2019

Item	2012	2013	2014	2019
Quantity (units)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from --				
China	***	***	***	Unavailable
All other sources	***	***	***	Unavailable
Total imports	***	***	***	Unavailable
Apparent U.S. consumption	***	***	***	Unavailable
Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from --				
China	***	***	***	12,591
All other sources	***	***	***	65,379
Total imports	***	***	***	77,971
Apparent U.S. consumption	***	***	***	***
Share of consumption based on quantity (percent)				
U.S. producers' share	***	***	***	Unavailable
U.S. imports from.--				
China	***	***	***	Unavailable
All other sources	***	***	***	Unavailable
Total imports	***	***	***	Unavailable
Share of consumption based on value (percent)				
U.S. producers' share	***	***	***	***
U.S. imports from.--				
China	***	***	***	***
All other sources	***	***	***	***
Total imports	***	***	***	***

Note: For 2019 imports, official Commerce statistics do not provide quantity data for HTS statistical reporting numbers 9403.20.0025 and 9403.20.0075.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

Source: For the years 2012-14, data are compiled using data submitted in the Commission's original investigations. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 9403.20.0025 and 9403.20.0075.

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four firms, which accounted for approximately *** percent of production capacity of boltless steel shelving in China during 2014, and approximately *** percent of boltless steel shelving exports from China to the United States during 2014.³⁹

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of 37 possible producers of boltless steel shelving in China.⁴⁰

In its response to the notice of institution, the domestic interested party identified one development in the Chinese industry since the Commission's original investigations (table I-5).

Table I-5
Boltless steel shelving: Recent development in the China industry

Item	Firm	Event
Expansion	Global Storage Equipment Manufacturer Limited ("Global")	Global is "one of the Chinese leading suppliers of warehouse equipment" and the company has the ability to "manufacture a vast array of heavy duty, medium duty and light duty racks." Global exports to a number of markets, including the United States. In 2017, the company relocated to a new factory with eight automated rolling lines, capable of producing 80 to 100 containers per month, with likely expansions.

Source: Domestic interested party's response to the notice of institution, October 1, 2020, exh. 3, pp. 5-7.

Table I-6 presents export data for GTA HTS subheading 9403.20, a category that includes boltless steel shelving and out-of-scope products, from China (by export destination in descending order of value in 2019). China's principal export market for such merchandise during the period of review was the United States, which accounted for approximately 32 percent of such exports, by value, in 2019. China's second largest export market was the United Kingdom, which represented approximately 5 percent of such exports, by value, in 2019.

³⁹ Original confidential report, p. VII-5.

⁴⁰ Domestic interested party's response to the notice of institution, October 1, 2020, exh. 6.

Table I-6
Other furniture and parts thereof, other metal furniture: Exports from China, by destination, 2015-19

Item	Calendar year				
	2015	2016	2017	2018	2019
Value (\$1,000)					
United States	2,220,399	2,178,923	2,487,215	3,051,441	2,679,892
United Kingdom	360,723	314,546	311,516	346,789	408,100
Japan	277,359	275,482	293,629	318,195	335,830
Germany	255,429	238,458	251,415	270,794	327,417
Singapore	193,775	132,884	80,472	156,479	319,693
Australia	255,690	232,653	243,683	287,040	307,569
Canada	216,245	198,477	209,042	250,317	296,877
Malaysia	192,501	118,374	119,827	151,794	291,382
Netherlands	160,139	144,887	168,661	216,277	246,127
France	161,130	150,036	167,366	207,841	237,427
All other	2,635,852	2,291,386	2,415,054	2,673,916	3,026,677
Total	6,929,242	6,276,106	6,747,879	7,930,882	8,476,989

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings, accessed November 13, 2020. These data may be overstated for boltless steel shelving as HTS subheading 9403.20 may contain products outside the scope of these reviews.

Antidumping or countervailing duty orders in third-country markets

Since the original investigations, there has been one known trade remedy action on boltless steel shelving from China in third-country markets. On January 4, 2015, Australia imposed an antidumping duty order on boltless steel shelving from China that was terminated on February 23, 2017.⁴¹

⁴¹ World Trade Organization (“WTO”), Committee on Anti-Dumping Practices, Semi-Annual Report Under Article I6.4 of the WTO Antidumping Agreement: Australia, G/ADP/N/300/AUS, June 30, 2017.

The global market

According to GTA data, the five leading global exporters of “other metal furniture” under HTS subheading 9403.20, a category that includes boltless steel shelving as well as out-of-scope products, in terms of value were China, followed by Germany, the United States, Italy, and Taiwan. Of the top ten exporting countries, China accounted for approximately 50 percent of total world exports in 2019, while the next nine countries accounted for another 33 percent.

Table I-7 presents global export data for HTS subheading 9403.20 (by source in descending order of value for 2019). The value of total world exports increased by approximately 20 percent from 2015 to 2019.

Table I-7
Other furniture and parts thereof, other metal furniture: Global exports by major sources, 2015-19

Item	2015	2016	2017	2018	2019
Value (\$1,000)					
China	6,929,242	6,276,106	6,747,879	7,930,882	8,476,989
Germany	1,271,348	1,322,746	1,421,001	1,522,267	1,486,991
United States	866,624	782,799	756,701	815,881	764,996
Italy	581,480	582,206	617,552	679,849	664,401
Taiwan	493,616	474,534	477,961	493,402	612,157
Netherlands	231,042	337,611	392,085	478,526	494,670
Canada	419,057	457,457	461,719	475,891	486,589
Poland	218,382	243,749	287,666	352,944	389,248
Spain	241,704	273,599	305,191	293,811	304,095
United Kingdom	241,596	238,368	232,788	251,348	271,095
All other	2,492,118	2,579,219	2,838,307	3,205,173	2,874,653
Total	13,986,209	13,568,394	14,538,851	16,499,973	16,825,884

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings, accessed November 13, 2020. These data may be overstated for boltless steel shelving as HTS subheading 9403.20 may contain products outside the scope of these reviews.

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
85 FR 54348 September 1, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-09-01/pdf/2020-19232.pdf
85 FR 54404 September 1, 2020	<i>Boltless Steel Shelving Units Prepackaged for Sale from China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-09-01/pdf/2020-18774.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Boltless steel shelving: Summary data concerning the U.S. market, 2012-14, January-March 2014, and January-March 2015

(Quantity=units; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Report data					Period changes			
	2012	Calendar year 2013	2014	January-March 2014	2015	2012-14	Calendar year 2012-13	2013-14	Jan-March 2014-2015
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China.....	***	***	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China.....	***	***	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***	***	***
U.S. importers' U.S. imports from:									
China:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars).....	***	***	***	***	***	***	***	***	***
Productivity (units per hour).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net Sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit of (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Report data are in percent and period changes are in percentage points.

fn2.--***.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

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

1. Have there been any significant changes in the supply and demand conditions for boltless steel shelving units prepackaged for sale that have occurred in the United States or in the market for boltless steel shelving units prepackaged for sale in China since October 22, 2015?

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

2. Do you anticipate any significant changes in the supply and demand conditions for boltless steel shelving units prepackaged for sale in the United States or in the market for boltless steel shelving units prepackaged for sale in China within a reasonably foreseeable time?

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

