Steel Concrete Reinforcing Bar from Japan and Turkey

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

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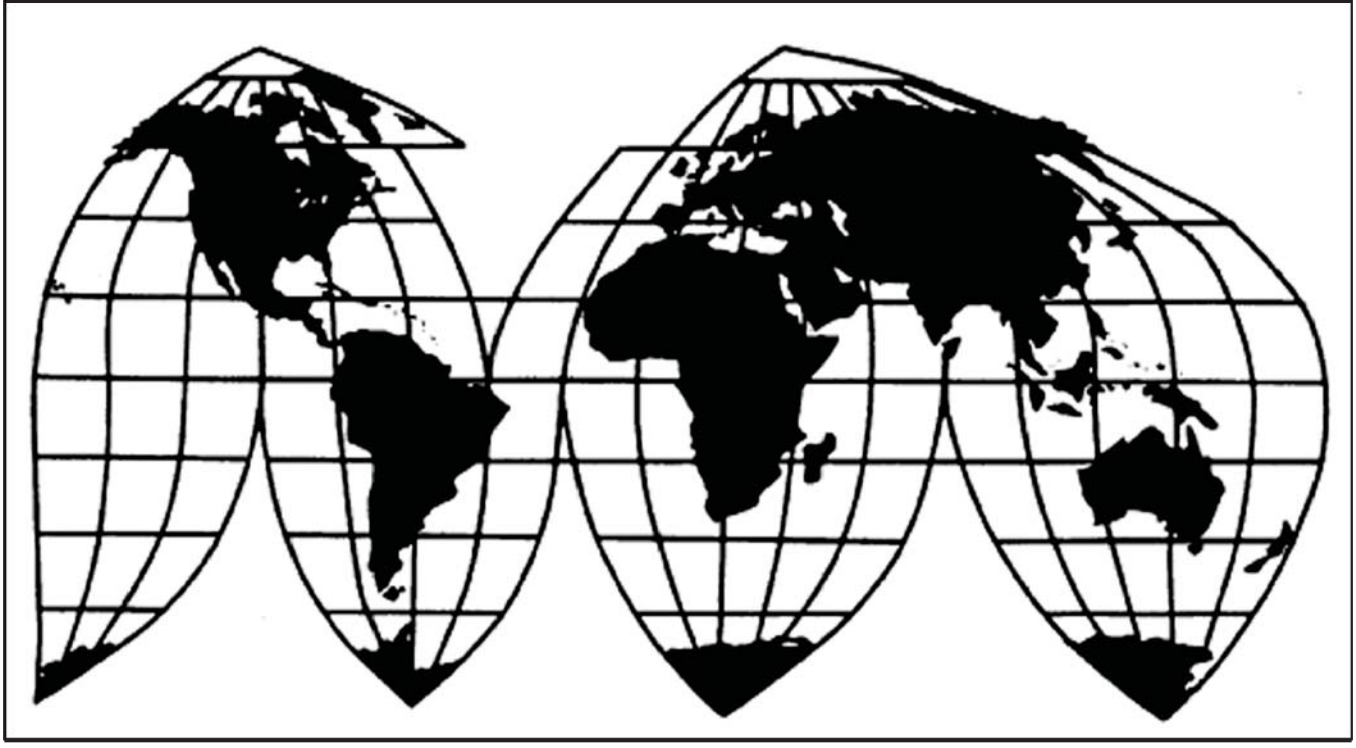
U.S. International Trade Commission



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U.S. International Trade Commission

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CONTENTS

CONTENTS

CONTENTS

CONTENTS

CONTENTS

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-564 and 731-TA-1338 and 1340 (Final)
Steel Concrete Reinforcing Bar from Japan and Turkey

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of steel concrete reinforcing bar ("rebar") from Japan and Turkey, provided for in subheadings 7213.10, 7214.20, and 7228.30 of the Harmonized Tariff Schedule of the United States; subject imports from Japan and Turkey have been found by the Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV"), and subject imports from Turkey have been found to be subsidized by that country's government.

BACKGROUND

The Commission, pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective September 20, 2016, following receipt of a petition filed with the Commission and Commerce by the Rebar Trade Action Coalition and its individual members: Bayou Steel Group, LaPlace, Louisiana;[2] Byer Steel Group, Inc., Cincinnati, Ohio; Commercial Metals Company, Irving, Texas; Gerdau Ameristeel U.S. Inc., Tampa, Florida; Nucor Corporation, Charlotte, North Carolina; and Steel Dynamics, Inc., Pittsboro, Indiana. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of rebar from Turkey were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and imports of rebar from Japan and Turkey were sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on March 15, 2017 (82 FR 13854). The hearing was held in Washington, DC, on May 18, 2017, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Bayou Steel Group was no longer a petitioner in the final phase of these investigations.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of steel concrete reinforcing bar ("rebar") from Japan and Turkey. Subject imports from both countries were found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value and subject imports from Turkey were found to be subsidized by that country's government.

I. Background

On September 20, 2016, the Rebar Trade Action Coalition and its individual members Bayou Steel Group ("Bayou"); Byer Steel Group, Inc. ("Byer"); Commercial Metals Company ("CMC"); Gerdau Ameristeel U.S. Inc. ("Gerdau"); Nucor Corporation ("Nucor"); and Steel Dynamics, Inc. ("Steel Dynamics") (collectively "RTAC" or "Petitioners"), filed the petitions in these investigations.[1] Each of RTAC's individual members manufactures rebar in the United States.[2] Representatives of these firms appeared at the hearing and Petitioners submitted joint prehearing and posthearing briefs.

One respondent group participated actively in the final phase of these investigations. Representatives and counsel for the Turkish Steel Exporters' Association (Çelik Ĭhracatçıları Birliği) and the Istanbul Minerals and Metals Exporters Association, trade associations whose members produce and export the subject merchandise, and Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S., a producer and exporter of rebar from Turkey, (collectively "Turkish respondents") appeared at the hearing and jointly submitted prehearing and posthearing briefs.

U.S. industry data are, for the most part, based on the questionnaire responses of nine firms that accounted for the vast majority of U.S. rebar production in 2016.[3] U.S. import data are based on official Commerce import statistics. The Commission received usable questionnaire data from 15 importers accounting for 61.9 percent of U.S. imports of rebar in 2016,[4] and ten foreign producers that accounted for the large majority of production of subject merchandise in each subject country.[5]

[1] The petitions concerned rebar from Japan, Taiwan, and Turkey. Commerce has not yet published its final determination in its investigation of rebar from Taiwan. The briefing and hearing described below addressed the Commission's final phase investigations with respect to all three subject countries.

[2] Bayou is no longer a petitioner. It exited the rebar industry in 2016, and sold its rolling mill, now operated as Vinton Steel LLC, to Kyoei Steel Americas, LLC. Confidential Report (INV-PP-077, June 5, 2017, as amended by INV-PP-078, June 14, 2017) ("CR") and Public Report (USITC Pub. 4705, June 2017) ("PR") at I-1 n.1.

[3] CR at I-5, PR at I-4.

[4] CR at I-5, PR at I-4.

[5] CR at I-5, PR at I-5.

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[6] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[7] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[8]

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[9] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[10] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[11] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[12] the Commission determines what domestic product is like the imported articles Commerce has identified.[13]

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[6] 19 U.S.C. § 1677(4)(A).

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

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

[10] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

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

[12] *See*, *e.g., USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v.*

(Continued...)

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

> steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (*e.g.*, mill mark, size, or grade) and which has been subjected to an elongation test.
>
> The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the rebar.
>
> Specifically excluded are plain rounds (*i.e.*, nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test.
>
> The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000.
>
> HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.[14]

(…Continued)
United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

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

[14] *Steel Concrete Reinforcing Bar From Japan: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 Fed. Reg. 23195, 23196 (May 22, 2017); *Steel Concrete Reinforcing Bar From Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 Fed. Reg. 23192, 23194 (May 22, (Continued...)

C. Arguments of the Parties

Petitioners argue that the Commission should find a single domestic like product consisting of rebar corresponding to the scope of the investigations. They assert that this would be consistent with the Commission's treatment of rebar in prior proceedings.[15] Turkish respondents do not object to Petitioner's proposed definition of the domestic like product.[16]

D. Domestic Like Product Analysis

Based on the record, we define a single domestic like product consisting of rebar, coextensive with the scope of the investigations.

In the preliminary determinations, the Commission defined a single domestic like product consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations.[17] The Commission stated that rebar is a long-rolled steel product, manufactured as either plain-round or deformed round bars, that is commonly used in construction projects to provide strength to concrete. It explained that rebar can be shipped in either straight lengths or coils.[18] It further noted that rebar is made either from (1) billet steel, (2) rail steel, or (3) axle steel, each of which involves somewhat different rolling requirements depending on the raw material. The most common manufacturing process to produce rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar produced from scrapped rail or axle steel, or from purchased billets, requires only reheating these materials and hot-rolling the

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2017). The scope of the countervailing duty investigation concerning rebar from Turkey contains the following additional language:

> At the time of the filing of the petition, there was an existing countervailing duty order on steel reinforcing bar from the Republic of Turkey. *Steel Concrete Reinforcing Bar From the Republic of Turkey*, 79 Fed. Reg. 65,926 (Dep't Commerce Nov. 6, 2014) (2014 Turkey CVD Order). The scope of this countervailing duty investigation with regard to rebar from Turkey covers only rebar produced and/or exported by those companies that are excluded from the 2014 Turkey CVD Order. At the time of the issuance of the 2014 Turkey CVD Order, Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. was the only excluded Turkish rebar producer or exporter.

Steel Concrete Reinforcing Bar From Turkey: Final Affirmative Countervailing Duty Determination, 82 Fed. Reg. 23188, 23189 (May 22, 2017).

[15] Petitioners' Prehearing Brief at 3-4.

[16] Turkish Respondents' Prehearing Brief at 10.

[17] *Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey*, Inv. Nos. 701-TA-564 and 731-TA-1338-1340 (Preliminary), USITC Pub. 4648 (Nov. 2016) ("Preliminary Determination") at 7.

[18] Preliminary Determination, USITC Pub. 4648 at 7-8.

bar.[19] Rebar is sold to distributors, fabricators, and end users, with a number of firms acting as both distributors and fabricators.[20] The Commission found that rebar from different manufacturers, regardless of whether coiled or in straight lengths, is viewed as interchangeable with rebar of the same size and grade.[21] It also found that rebar, whether coiled or in straight lengths, is perceived as distinct from other steel products by producers and end users.[22] Finally, in the preliminary determinations the Commission found that prices for rebar vary based on steel chemistry, size, and grade, but that the form of coil or straight lengths does not significantly affect pricing.[23]

The record in the final phase of these investigations does not contain any new information concerning the domestic like product factors, and no party has argued for a different like product definition.[24] Therefore, for the reasons set forth in the preliminary determinations, we define a single domestic like product, consisting of rebar that is coextensive with Commerce's scope.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[25] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[26] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[27]

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[19] Preliminary Determination, USITC Pub. 4648 at 8.

[20] Preliminary Determination, USITC Pub. 4648 at 8.

[21] Preliminary Determination, USITC Pub. 4648 at 8.

[22] Preliminary Determination, USITC Pub. 4648 at 8.

[23] Preliminary Determination, USITC Pub. 4648 at 8.

[24] *See generally*, CR at I-15-22, PR at I-12-16. Moreover, no party requested in its comments on the draft final phase questionnaires that the Commission collect additional information concerning the definition of the domestic like product. CR at I-23, PR at I-16-17.

[25] 19 U.S.C. § 1677(4)(A).

[26] *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).

[27] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:
(Continued...)

*** U.S. producers are related parties.[28] *** is a related party because it directly imported the subject merchandise from Taiwan and Turkey during the 2014-2016 period of investigation ("POI").[29] ***, imported the subject merchandize from Japan and Taiwan.[30] Because *** directly controls an importer of subject merchandise,[31] it is also a related party.[32] We consider below whether appropriate circumstances exist to exclude either related party.

****.* *** is *** and the *** domestic producer of rebar, accounting for *** percent of domestic production in 2016.[33] ***. Its imports of the subject merchandise were considerably lower than its production of rebar during the POI, with its ratio of imports to U.S. production never exceeding *** in any year.[34] ***.[35] The firm's capital expenditures and research and development ("R&D") expenses were ***.[36]

We find that appropriate circumstances do not exist to exclude *** as a related party. *** principal interest appears to be in domestic production, given the size of its production operations relative to its subject imports. *** is a *** and has made *** in its domestic production of rebar.

****.* *** is *** and the *** domestic producer of rebar, accounting for *** percent of domestic production in 2016.[37] ***. The imports of the subject merchandise by *** were very

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(…Continued)

(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);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[28] CR at III-12, PR at III-9.

[29] CR/PR at Table III-10.

[30] CR/PR at Table III-10.

[31] CR/PR at Table III-2.

[32] 19 U.S.C. § 1677(4)(B)(i). Although domestic producer *** is affiliated with a Japanese steel company, the record does not indicate that that steel company or any of its affiliates imported or exported subject merchandise during the POI. *See* CR/PR at Tables III-2, IV-1, and VII-1.

[33] CR/PR at Table III-1.

[34] Collectively, its imports of subject merchandise from subject countries were *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016, whereas its production of rebar was *** short tons in 2014, *** short tons in 2015, and *** short tons in 2016. CR/PR at Table III-10. *** also made modest purchases of subject merchandise. CR/PR at Table III-11.

[35] CR at III-12, PR at III-9.

[36] It made capital expenditures of $*** in 2014, $*** in 2015, and $*** in 2016. CR/PR at Table VI-5. Its R&D expenses were $*** in 2014, $*** in 2015, and *** in 2016. CR/PR at Table VI-5. Its operating performance was *** than the domestic industry average. CR/PR at Table VI-4.

[37] CR/PR at Table III-1.

small compared to *** production of rebar during the POI, with the ratio of imports to domestic production never exceeding *** percent.[38] ***.[39] *** capital expenditures were ***.[40]

We find that appropriate circumstances do not exist to exclude *** as a related party. *** principal interest appears to be in domestic production given the size of its production operations relative to its *** subject imports. *** is a *** in these investigations and has made *** in its domestic production of rebar.

Accordingly, we define the domestic industry as all U.S. producers of rebar.

[38] *** imports of subject merchandise from Japan were *** short tons in 2015 and *** short tons in 2016, and its imports of subject merchandise from Taiwan were *** short tons in 2015 and *** short tons in 2016, whereas *** production of rebar was *** short tons in 2015 and *** short tons in 2016. CR/PR at Table III-10.

[39] CR at III-13, PR at III-9.

[40] It made capital expenditures of $*** in 2014, $*** in 2015, and $*** in 2016. CR/PR at Table VI-5. With the exception of 2016, its operating performance was ***. *See* CR/PR at Table VI-4.

IV. Cumulation[41]

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

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

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[41] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States. 19 U.S.C. § 1677(24)(A)(ii). In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent. 19 U.S.C. § 1677(24)(B).

Imports from each subject country exceed the pertinent statutory negligibility threshold. Subject imports from Japan accounted for 12.4 percent of total imports in the relevant period, and subject imports from Turkey (all of which are subject to the antidumping duty investigation) accounted for 74.5 percent. CR/PR at Table IV-4. As noted above in the description of the scope of these investigations, only imports of rebar from Turkish producer Habas are within the scope of the countervailing duty investigation concerning Turkey. Subject imports from Habas accounted for *** percent of total imports of rebar. CR/PR at Table IV-4.

Data for HTS statistical reporting number 7228.30.8010 (concrete reinforcing bars and rods of other alloy steel, not further worked than hot-rolled, hot-drawn or extruded) were not used to calculate volumes for the in-scope merchandise because these data contain unexplained anomalies in reported import volumes. CR/PR at IV-1 n.1. The inclusion of data for HTS statistical reporting number 7228.30.8010 would have no material effect on the negligibility percentages discussed above. *See* Staff Worksheet, Memorandum to File (June 7, 2017), EDIS No. 613691.

As there is no indication that any imports of products corresponding to the scope have entered under any of the other statistical reporting numbers referenced in the description of the scope of these investigations, the negligibility analysis does not include imports under these other statistical reporting numbers. *See* CR/PR at Table IV-4.

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[42]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[43] Only a "reasonable overlap" of competition is required.[44]

Petitioners argue that the Commission should cumulate subject imports from Turkey, Japan, and Taiwan – as it did in the preliminary determinations – because rebar from all subject sources is highly fungible, sold through the same channels of distribution, and simultaneously present throughout the U.S. market. Petitioners also note record evidence which shows a substantial overlap among the subject imports from each source and the domestic like product with respect to sizes, lengths and grades of rebar.[45] Turkish respondents have not addressed cumulation for present material injury.

The statutory threshold for cumulation is satisfied in the investigations of rebar from Japan, Taiwan, and Turkey because Petitioners filed the antidumping and countervailing duty petitions with respect to all three subject countries on the same day, September 20, 2016.[46] As

[42] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[43] *See*, *e.g.*, *Wieland Werke, AG v. United State*s, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

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

[45] Petitioners Prehearing Brief at 5-15.

[46] None of the statutory exceptions to cumulation apply. We observe that these investigations involve Commerce preliminary or final findings that imports from all three subject countries are dumped and a finding that a subset of imports from Turkey (those from Turkish producer Habas) are subsidized. Consequently, any decision to cumulate imports from all subject sources in these investigations will involve "cross-cumulating" dumped imports with subsidized imports. We have previously explained why we are continuing our longstanding practice of cross-cumulating. *See Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman,* Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (April 2016).

discussed below, we find that there is a reasonable overlap of competition among subject imports from Japan, Taiwan, and Turkey and between subject imports from each source and the domestic like product.

Fungibility. All U.S. producers and the great majority of U.S. importers and purchasers reported that rebar from different sources is "always" or "frequently" interchangeable in all comparisons between the domestic like product and imports from individual subject countries, and between subject imports from different sources.[47] Purchasers were asked to evaluate rebar from different sources with respect to price and 14 non-price purchasing factors. Majorities or pluralities of purchasers found the domestically produced product comparable to subject imports from Japan with respect to 12 of these factors, comparable to subject imports from Taiwan with respect to 11, and comparable to subject imports from Turkey with respect to 13. Majorities of purchasers found imports from different subject sources comparable to each other with respect to all factors.[48]

The record further shows that the domestic industry and imports from all subject sources competed in a range of sizes, grades, and lengths. U.S. shipments from the domestic industry and each subject source were concentrated in sizes 4 and 5 and grade 60.[49] Most U.S. shipments of subject imports were in lengths between 20 and 40 feet, a range in which there was a significant volume of U.S. shipments of the domestic product.[50]

Channels of Distribution. Most subject imports were sold to distributors. A majority of the domestic like product was shipped to distributors/end users, but a significant percentage was sold to distributors only.[51]

Geographic Overlap. U.S. producers of rebar reported selling to all regions in the United States. Importers of rebar from Turkey reported selling to all regions in the United States except the Mountain region. Importers of rebar from Japan reported selling to all regions in the United States except the Northeast, the Mountain region, and the non-continental U.S. market. Importers of rebar from Taiwan sold to the Central Southwest, Pacific Coast, and other territories.[52] Additionally, subject imports from all three sources entered the U.S. market in significant quantities in 2016 at points in the South and West regions.[53]

Simultaneous Presence in Market. Subject imports from Turkey were present in the U.S. market in all months of the POI, as was the domestic like product; subject imports from Japan

[47] CR/PR at Table II-15.

[48] CR/PR at Table II-13.

[49] CR/PR at Table IV-6 (grade) and Table IV-7 (size).

[50] CR/PR at Table IV-5 (type and length).

[51] CR/PR at Table II-1. At least *** percent of the quantity of commercial U.S. shipments of the domestic like product was shipped to distributors during each year of the POI. *Id.*

[52] CR/PR at II-2 and Table II-2.

[53] CR at IV-14-15, PR at IV-13-14 and CR/PR at Table IV-9.

were present in the U.S. market in all but two months of the POI; and imports from Taiwan were present in 23 of the 36 months of the POI.[54]

Conclusion. The record shows that subject imports from Turkey, Japan, and Taiwan are fungible with one another and the domestic like product, and that all were sold simultaneously in overlapping geographic markets and through similar channels of distribution. Although subject imports from Taiwan had a smaller presence in the U.S. market than the other sources during the POI and were sold in a more limited region of the U.S. market, subject imports from Taiwan were sold in overlapping channels of distribution, geographic areas, and time periods with the domestic like product and subject imports from Japan and Turkey. Accordingly, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and among imports from the subject countries. We therefore consider all subject imports on a cumulated basis in our analysis of present injury.

V. Material Injury by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of subject imports of rebar from Japan and Turkey.

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[55] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[56] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[57] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[58] No single factor is dispositive, and all relevant factors are considered "within the

[54] CR/PR at Table IV-8.

[55] 19 U.S.C. §§ 1671d(b), 1673d(b). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments here.

[56] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[57] 19 U.S.C. § 1677(7)(A).

[58] 19 U.S.C. § 1677(7)(C)(iii).

context of the business cycle and conditions of competition that are distinctive to the affected industry."[59]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[60] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[61] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[62]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[63] In performing its examination, however, the Commission need not isolate

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[59] 19 U.S.C. § 1677(7)(C)(iii).

[60] 19 U.S.C. §§ 1671d(a), 1673d(a).

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

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

[63] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.[64] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[65] It is clear that the existence of injury caused by other factors does not compel a negative determination.[66]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[67] [68] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[69]

(…Continued)
developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[64] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[65] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[66] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[67] *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[68] Commissioner Kieff does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when analyzing present material injury, to consider a particular issue with respect to the role of nonsubject imports, without reliance upon presumptions or rigid formulas. (Continued...)

The Federal Circuit's decisions in *Gerald Metals, Bratsk*, and *Mittal Steel* all involved cases where the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[70] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.[71] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals, Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[72]

(…Continued)
The Court has not prescribed a specific method of exposition for this consideration. *Mittal Steel* explains as follows:

> What *Bratsk* held is that "where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market," the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

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

[70] *Mittal Steel*, 542 F.3d at 875-79.

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

[72] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in the final phase of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more (Continued...)

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[73] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[74]

B. Conditions of Competition and the Business Cycle

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

1. Demand Considerations

The primary use for rebar is to provide strength to concrete in construction projects, such as roads and bridges, commercial and industrial construction, residential construction, and public construction.[75] Thus, overall demand for rebar is driven by trends in the U.S. economy, especially nonresidential construction spending and, to a lesser extent, residential construction spending.[76] Rebar typically accounts for a small share of the cost of the end-use products in which it is used,[77] and there are few or no substitutes for rebar.[78] Some rebar is used directly in construction applications with no further processing, but a large share is sold to fabricators that further process the rebar into forms used in construction.[79]

Apparent U.S. consumption increased during the POI from 8.2 million short tons in 2014 to 8.5 million short tons in 2015 and to 8.8 million short tons in 2016.[80] Questionnaire respondents disagreed as to whether the U.S. rebar market is subject to business cycles.[81]

(…Continued)
complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in the final phase of investigations in which there are substantial levels of nonsubject imports.

[73] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

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

[75] CR/PR at II-1.

[76] CR/PR at II-1.

[77] CR at II-12, PR at II-7.

[78] CR at II-14, PR at II-9.

[79] CR/PR at II-1.

[80] CR/PR at Table IV-11.

[81] Six of eight responding domestic producers reported that the U.S. rebar market is subject to distinctive business cycles, whereas 12 of 15 importers and 27 of 37 responding purchasers reported that the U.S. rebar market is not subject to distinctive business cycles. Questionnaire respondents (Continued...)

Most U.S. importers and purchasers reported that demand for rebar has increased or fluctuated since January 2014.[82]

2. Supply Considerations

The U.S. market for rebar is supplied by the domestic industry, subject imports, and nonsubject imports. The domestic industry had the largest share of the U.S. market during the POI, although its share declined. The domestic industry's market share declined from 82.7 percent in 2014 to 76.5 percent in 2015 and to 76.2 percent in 2016.[83] As noted above, the nine domestic producers that submitted usable questionnaire data in these investigations are believed to have accounted for the vast majority of U.S. rebar production in 2016.[84] Domestic production is relatively concentrated, with three firms (CMC, Gerdau, and Nucor) accounting for approximately *** percent of all production of rebar in the United States in 2016.[85] The domestic industry had sufficient production capacity to supply total apparent U.S. consumption during the POI.[86] Petitioners report that rebar manufacturing is capital intensive, and that this encourages operating at high levels of capacity utilization.[87]

The record indicates some degree of vertical integration among domestic producers. Producers accounting for the majority of domestic production own or are otherwise related to firms with upstream ferrous scrap operations.[88] Additionally, the larger domestic rebar producers sell rebar to affiliated downstream fabrication operations and related distributors.[89]

Subject imports were the second largest source of supply for the U.S market during the POI. Cumulated subject imports' share of apparent U.S. consumption increased from 13.1 percent in 2014 to 22.5 percent in 2015 and accounted for 21.6 percent in 2016.[90] As noted above, only imports produced and/or exported by the Turkish producer Habas are within the scope of the countervailing duty investigation concerning Turkey; Habas was excluded from a

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generally indicated that demand for rebar follows seasonal trends of construction spending. CR at II-13, PR at II-9.

[82] CR/PR at Table II-6.

[83] CR/PR at Table IV-12.

[84] CR at I-5, PR at I-4.

[85] *See* CR/PR at Table III-1.

[86] The domestic industry's production capacity was 9.7 million short tons in 2014, 9.5 million short tons in 2015, and 9.7 million short tons in 2016, whereas apparent U.S. consumption was 8.2 million short tons in 2014, 8.6 million short tons in 2015, and 8.8 million short tons in 2016. CR/PR at Tables III-4 and IV-11.

[87] Petitioners' Prehearing Brief at 23, CR/PR at Table III-5.

[88] CR/PR at VI-1.

[89] CR at VI-2, PR at VI-1.

[90] CR/PR at Table IV-12.

2014 countervailing duty order on rebar imports from Turkey.[91] Habas was the *** rebar producer in Turkey, based on production volume, in 2016.[92]

Nonsubject imports accounted for a relatively small share of the U.S. market. Their market share was 4.1 percent in 2014, 0.9 percent in 2015, and 2.2 percent in 2016.[93] The primary nonsubject country sources of rebar imports during the POI were the Dominican Republic, Mexico, Peru, Russia, and Spain.[94] Imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine have been subject to antidumping duty orders since 2001,[95] and Commerce issued an antidumping duty order on imports of rebar from Mexico and a countervailing duty order on imports of rebar from Turkey (other than rebar of Turkish producer Habas) on November 6, 2014.[96]

3. Substitutability and Other Conditions

As discussed above, all U.S. producers, and the great majority of U.S. importers and purchasers, reported rebar from different sources to be "always" or "frequently" interchangeable in all comparisons between the domestic like product and imports from individual subject countries.[97] The domestic like product and rebar from Japan, Taiwan, and Turkey competed with one another in a range of sizes, grades, and lengths, particularly in sizes 4 and 5, grade 60, and in lengths between 20 and 40 feet.[98] Rebar purchasers identified price, availability, historical supply relationship, and quality as the main factors that they considered in their purchasing decisions.[99] More purchasers named price as a very important factor in purchasing decisions than any other factor.[100] In response to a question regarding the significance of non-price factors when comparing the domestic like product and rebar from the subject countries, all responding domestic producers reported that factors other than price are never significant, and the majority of purchasers reported that non-price factors are sometimes or never significant.[101] Importers were more evenly divided.[102]

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[91] *Steel Concrete Reinforcing Bar From the Republic of Turkey*, 79 Fed. Reg. 65,926 (Nov. 6, 2014).

[92] CR/PR at Table VII-10.

[93] CR/PR at Table IV-12.

[94] CR/PR at Table IV-3.

[95] 66 Fed. Reg. 46777 (Sept. 1, 2001).

[96] 79 Fed. Reg. 65925 (Nov. 6, 2014); CR at I-9, PR at I-8.

[97] CR/PR at Table II-15.

[98] CR/PR at Table IV-5 (type and length), Table IV-6 (grade), Table IV-7 (size).

[99] CR at II-17, PR at II-11, CR/PR at Table II-9.

[100] CR/PR at Table II-11.

[101] CR/PR at Table II-16.

[102] CR/PR at Table II-16. In comparing the domestic like product with subject imports from Japan and Taiwan, importers were evenly divided, with half reporting that non-price factors are always or frequently significant, and half reporting that they are sometimes or never significant. In comparing the domestic like product with subject imports from Turkey, the majority of importers reported that non-price factors are sometimes or never significant. *Id.*

In light of the foregoing, we find that subject imports are highly substitutable for the domestic like product and that price plays an important role in purchasing decisions.

Raw material costs, a large part of which was ferrous scrap, accounted for a substantial portion of the domestic industry's cost of goods sold ("COGS") during the POI, ranging from a high of 66.5 percent in 2014 to a low of 53.8 percent in 2016.[103] The monthly price of No. 1 heavy melt scrap declined by *** percent between January 2014 and December 2016.[104]

The great majority of sales – both of the domestic like product and of subject imports – are spot sales.[105] A large majority of purchasers reported that their prices did not change based on published prices.[106]

Certain sales in the U.S. market are controlled by Buy America(n) preference programs.[107] Available information suggests that Buy America(n) preferences apply to a relatively small share of rebar purchases in the U.S. market. The Concrete Reinforcing Steel Institute estimates that the percentage of rebar usage subject to Buy America provisions declined from 12.2 percent in 2014 to 10.2 percent in 2016.[108] Two-thirds of the purchases reported by purchasers responding to the Commission's questionnaire had no domestic sourcing requirements.[109] A majority of responding purchasers reported that some portion of their sales were subject to Buy America or Buy American provisions, with about 23 percent of total reported purchases in 2016 subject to these laws.[110]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[111]

The quantity and market share of cumulated subject imports increased over the POI. Cumulated subject imports increased from 1.10 million short tons in 2014 to 1.93 million short tons in 2015, and then declined slightly to 1.91 million short tons in 2016.[112]

The market share (by quantity) of cumulated subject imports increased from 13.1 percent in 2014 to 22.5 percent in 2015 but declined slightly to 21.6 percent in 2016.[113] The 8.5

[103] CR at VI-6, PR at VI-4.

[104] CR/PR at V-1 and Figure V-1.

[105] CR/PR at Table V-1.

[106] CR at V-2, PR at V-1-2.

[107] Buy America preferences apply to the procurement of iron and steel products, including rebar, for certain federal-aid highway construction programs, whereas Buy American preferences apply to Federal Government procurement of certain goods and services. CR at II-22 n.11, PR at II-14 n.11.

[108] Petitioners' Posthearing Brief at Exh. 2.

[109] CR at II-22, PR at II-14.

[110] CR at II-22-23, PR at II-14. Twenty-eight of 34 purchasers reported some portion of sales were subject to Buy America(n) provisions.

[111] 19 U.S.C. § 1677(7)(C)(i).

[112] CR/PR at Table IV-11.

[113] CR/PR at Table IV-12.

percentage point gain in market share by subject imports over the POI came mostly at the expense of the domestic industry, whose market share decreased by 6.5 percentage points during the period -- from 82.7 percent in 2014 to 76.2 percent in 2016.[114] Subject imports also took market share from nonsubject imports, whose market share declined overall from 4.1 percent in 2014 to 2.2 percent in 2016.[115]

We are not persuaded by Turkish respondents' arguments that the increase in the volume of subject imports was not significant because it occurred at a time of rising demand, or because subject imports replaced nonsubject imports to a significant degree.[116] The rate of increase in the volume of subject imports far outstripped the rate of increase in demand for rebar during the POI.[117] The gain in market share by subject imports came mainly at the expense of the domestic industry, and to a much lesser degree at the expense of nonsubject imports.[118]

Based on the foregoing, we find that the cumulated volume of subject imports, and the increase in that volume, are significant in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[119]

As explained in Section V.B.3. above, the record indicates that there is a high degree of substitutability between domestically produced rebar and rebar imported from subject sources, and that price is an important factor in purchasing decisions.

The Commission collected quarterly pricing data on four pricing products.[120] Seven U.S. producers and 15 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[121]

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[114] CR/PR at Table IV-12.

[115] CR/PR at Table IV-12.

[116] Turkish Respondents' Prehearing Brief at 13.

[117] The volume of subject imports grew by 76.9 percent over the POI, while U.S. apparent consumption grew by 7.4 percent. CR/PR at Table C-1.

[118] Over the POI, subject imports gained 8.5 percentage points of market share, while the domestic industry lost *** percentage points, and nonsubject imports lost the remainder. CR/PR at Table IV-12.

[119] 19 U.S.C. § 1677(7)(C)(ii).

Subject imports undersold the domestic like product in 112 of 113 quarterly price comparisons (involving 2.4 million short tons of subject imports) at underselling margins that ranged from 0.5 percent to 30.7 percent, and oversold the domestic industry's price in the single remaining instance (involving *** short tons of subject imports) by *** percent.[122] Purchasers' responses to the lost sales/lost revenue survey confirm that the domestic industry lost sales to the subject imports because of their low pricing.[123] Based on the pervasive underselling of the domestic like product by cumulated subject imports, the high degree of substitutability of the domestic like product and the subject imports, and the importance of price in purchasing decisions, we find that there has been significant underselling of the domestic like product by cumulated subject imports from Japan, Taiwan, and Turkey. This underselling led to a significant shift in market share away from the domestic industry and toward subject imports.[124]

We find that the low-priced subject imports depressed prices for the domestic like product to a significant degree. We considered changes in prices of the domestic like product and subject imports between January 2014 and December 2016. The pricing data for the domestic like product generally show slightly increasing or stable prices in 2014, followed by irregularly declining prices in 2015 and 2016.[125] Between January 2014 and December 2016, the prices for the four domestically produced pricing products declined by *** to *** percent.[126] The reported weighted-average prices for the four pricing products imported

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[120] The pricing products were: Product 1 —Straight ASTM A615, No. 3, grade 60 rebar; Product 2 —Straight ASTM A615, No. 4, grade 60 rebar; Product 3 — Straight ASTM A615, No. 5, grade 60 rebar; and Product 4 — Straight ASTM A615, No. 6, grade 60 rebar. CR at V-6, PR at V-4.

[121] CR at V-6, PR at V-4. Reported pricing products represented *** percent of U.S. producers' U.S. commercial shipments of rebar in 2016, *** percent of U.S. commercial shipments of imports from Japan; *** percent of U.S. commercial shipments of imports from Taiwan; and *** percent of U.S. commercial shipments of imports from Turkey. CR at V-6, PR at V-4.

[122] CR at V-16, PR at V-10, CR/PR at Tables V-2 to V-5 and Figures V-2 to V-5.

[123] All eight domestic producers reported that they lost sales due to competition with subject imports of rebar from Japan, Taiwan, and Turkey during the POI. CR at V-17, PR at V-12. Thirty-eight purchasers responded to lost sales and lost revenue allegations. Thirty-one of these purchasers reported that since 2014 they had purchased imported rebar from Japan, Taiwan, and/or Turkey instead of U.S.-produced rebar. *** of them reported purchasing subject imports from Japan, *** reported purchasing subject imports from Taiwan, and *** reported purchasing subject imports from Turkey. Twenty-four of these purchasers reported that price was a primary reason they purchased imported rebar rather than U.S.-produced rebar. CR at V-19, PR at V-12, and CR/PR at Table V-8. Altogether, the amount of rebar involved in purchasers' reported decisions to buy subject imports instead of the domestic like product over the POI because of pricing was *** short tons. CR/PR at Table V-9.

[124] As noted above, the domestic industry's market share declined from 82.7 percent in 2014 to 76.2 percent in 2016, while that of cumulated subject imports increased from *** percent in 2014 to *** percent in 2016. CR/PR at Table IV-12.

[125] CR/PR at Tables V-2-V-5 and Figures V-2-V-5.

[126] Quarterly weighted-average prices of product 1 manufactured in the United States declined irregularly from $633 per short ton in the first quarter of 2014 to $468 per short ton in the fourth (Continued...)

from the subject countries generally were stable or increased slightly in 2014, and then declined irregularly in 2015 and 2016. Subject import price declines from January 2014 to December 2016 ranged from *** to *** percent, which exceeded price declines for the domestic like product.[127]

We recognize that these declines in the prices of the domestic like product and subject imports occurred at a time of falling raw material costs,[128] but this was also a period of increasing U.S. demand for rebar.[129] Although declining raw material costs no doubt contributed to the decline in the prices for the domestic like product, they do not explain the full magnitude of the decline in prices. Petitioners argue that U.S. producers' unit raw material costs dropped by more than their average unit sales values from 2014 to 2015, as U.S. producers attempted to maintain pricing, but that U.S. producers' average unit sales values then fell by more than the decline in raw material costs from 2015 to 2016, as U.S. producers tried to recapture market share lost to low-priced subject imports.[130] In fact, from 2015 to 2016, the domestic industry's market share declined ***.[131] Moreover, numerous purchasers reported in their responses to the questionnaire that the domestic industry cut prices to compete with lower-priced subject imports.[132] Based on the foregoing, we find that subject imports depressed the prices of the domestic like product to a significant degree.

For all of these reasons we find that the subject imports had significant price effects. They significantly undersold the domestic like product and depressed prices of the domestic like product to a significant degree.

(…Continued)
quarter of 2016, or by 26.0 percent. CR/PR at Tables V-2 and V-6. Quarterly weighted-average prices of product 2 manufactured in the United States declined irregularly from $636 per pound in the first quarter of 2014 to $469 in the fourth quarter of 2016, or by 26.2 percent. CR/PR at Tables V-3 and V-6. Quarterly weighted-average prices of product 3 manufactured in the United States declined irregularly from $637 per short ton in the first quarter of 2014 to $467 in the fourth quarter of 2016, or by 26.7 percent. CR/PR at Tables V-4 and V-6. Quarterly weighted-average prices of product 4 manufactured in the United States declined irregularly from $652 per short ton in the first quarter of 2014 to $490 in the fourth quarter of 2016, or by 24.8 percent. CR/PR at Tables V-5 and V-6.

[127] CR/PR at Figures V-2 to V-5 and Table V-6.

[128] As noted above, the monthly price of No. 1 heavy melt scrap declined by *** percent between January 2014 and December 2016. CR/PR at V-1 and Figure V-1.

[129] As noted above, apparent U.S. consumption increased from 8.2 million short tons in 2014 to 8.8 million short tons in 2016, or by 7.4 percent. CR/PR at Tables IV-12 and C-1.

[130] Petitioners' Prehearing Brief at 45-47 and Posthearing Brief at Exh. 1, p. 1; *see* CR/PR at Tables VI-1-VI-2.

[131] CR/PR at Table IV-12.

[132] Of the 38 responding purchasers, 17 reported that U.S. producers reduced prices to compete with lower-priced imports from subject countries, 6 reported that they did not reduce prices to compete with subject imports, and 15 reported that they did not know. CR at V-22, PR at V-13, and CR/PR at Table V-11.

E. Impact of the Subject Imports[133]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[134] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[135]

Most of the domestic industry's performance indicators declined over the POI notwithstanding growing U.S. demand for rebar, as cumulated subject import volumes increased significantly, took market share from the domestic industry through significant underselling, and depressed domestic prices to a significant degree.

The domestic industry's production,[136] capacity utilization,[137] U.S. shipments,[138] and net sales quantities[139] declined from 2014 to 2015, and then recovered slightly in 2016. The

[133] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value Commerce found antidumping duty margins of 206.43 to 209.46 percent for imports from Japan, and 5.39 to 8.18 percent for imports from Turkey. *Steel Concrete Reinforcing Bar From Japan: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 Fed. Reg. 23195, 23196 (May 22, 2017); *Steel Concrete Reinforcing Bar From Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 Fed. Reg. 23192, 23193-23194 (May 22, 2017). In its preliminary determination, Commerce found dumping margins for subject imports from Taiwan ranging from 3.48 percent to 29.47 for named exporters, and an all-others rate of 5.49 percent. *Steel Concrete Reinforcing Bar from Taiwan: Preliminary Affirmative Determination of Sales at Less than Fair Value*, 82 Fed. Reg. 12796 (March 7, 2017). We take into account in our analysis the fact that Commerce has made preliminary or final findings that all subject producers in Japan, Taiwan, and Turkey are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[134] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, 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 also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[135] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[136] The domestic industry's production was 7.3 million short tons in 2014, 6.8 million short tons in 2015, and 6.9 million short tons in 2016. CR/PR at Table III-4.

[137] The domestic industry's capacity utilization was 75.9 percent in 2014, 71.0 percent in 2015, and 71.5 percent in interim 2016. CR/PR at Table III-4.

domestic industry's capacity decreased from 2014 to 2015, but then increased in 2016.[140] The domestic industry's market share declined from 2014 to 2015, and then declined again slightly in 2016.[141] The ratio of end-of-period inventories to total shipments declined from 2014 to 2015 and fell again in 2016.[142]

Employment-related indicators for the domestic industry generally deteriorated over the POI. These indicators include production-related workers ("PRWs"), hours worked, hourly wages, and productivity.[143]

The domestic industry's financial performance improved from 2014 to 2015, despite declining sales, but then deteriorated in 2016. Although net sales quantities and revenues declined between 2014 and 2015,[144] COGS declined by a larger amount than prices (primarily due to the declining cost of raw materials).[145] As a result, measures of profitability were higher in 2015 than in 2014. In 2016, however, notwithstanding an increase in sales quantities, the decline in sales revenues, reflecting prices depressed by the subject imports, was sharper than the decline in COGS; as a consequence, measures of profitability were sharply lower.[146]

(…Continued)

[138] U.S. producers' U.S. shipments totaled 6.8 million short tons in 2014, 6.6 million short tons in 2015, and 6.7 million short tons in 2016. CR/PR at Table III-7.

[139] The domestic industry's net sales totaled 7.2 million short tons in 2014, 6.8 million short tons in 2015, and 7.0 million short tons in 2016. CR/PR at Table VI-1.

[140] The domestic industry's capacity was 9.7 million short tons in 2014, 9.5 million short tons in 2015, and 9.7 million short tons in 2016. CR/PR at Table III-4.

[141] U.S. producers' market share was 82.7 percent in 2014, 76.5 percent in 2015, and 76.2 percent in 2016. CR/PR at Table IV-12.

[142] The ratio of end-of-period inventories to total shipments was *** percent in 2014, *** percent in 2015, and *** percent in 2016. CR/PR at Table III-9.

[143] PRWs declined from 4,279 employees in 2014, to 4,244 in 2015, and to 4,085 in 2016. Total hours worked declined from 9.3 million hours in 2014 to 8.9 million hours in 2015 and to 8.6 million hours in 2016. Hourly wages declined from $38.20 in 2014, to $37.27 in 2015, and then rose to $37.41 in 2016. Productivity declined from 786.9 short tons per thousand hours in 2014, to 761.3 short tons per thousand hours in 2015, and then improved to 808.0 short tons per thousand hours in 2016. CR/PR at Table III-12.

[144] As noted above, the domestic industry's net sales quantities totaled 7.2 million short tons in 2014, 6.8 million short tons in 2015, and 7.0 million short tons in 2016. CR/PR at Table VI-1. Its sales revenues were $4.6 billion in 2014, $3.9 billion in 2015, and $3.3 billion in 2016. CR/PR at Table VI-1.

[145] The domestic industry's COGS as a ratio to net sales declined from 93.4 percent in 2014 to 86.8 percent in 2015, and then rose to 91.7 percent in 2016. CR/PR at Table VI-1.

[146] The domestic industry's gross profit was $301.3 million in 2014, $511.1 million in 2015, and $270.7 million in 2016. Its operating income was $102.7 million in 2014, $323.1 million in 2015, and $74.7 million in 2016. The domestic industry's net income was $55.5 million in 2014, $276.8 million in 2015, and $51.3 million in 2016. The domestic industry's ratio of operating income to net sales was 2.2 percent in 2014, 8.3 percent in 2015, and 2.3 percent in 2016. CR/PR at Table VI-1.

Domestic producers' capital expenditures declined from 2014 to 2015, but then increased in 2016.[147] Their R&D expenses increased from 2014 to 2015, but then declined in 2016 to a level still higher than in 2014.[148] Domestic producers attributed negative effects on investment and on growth and development to subject imports.[149]

In sum, a significant volume of low-priced cumulated subject imports that were highly substitutable with the domestic like product entered the U.S. market, causing the domestic industry to lose market share, especially in 2015, at a time of growing demand for rebar. Nevertheless, the domestic industry's profitability improved in 2015, due to declines in raw material costs. Low-priced subject imports continued to maintain an enhanced market share in 2016. The domestic industry cut its prices, despite continued growth in demand, to meet subject import competition. As a result of the significant volume of low-priced subject imports, the domestic industry's output and revenues were lower than they would have been otherwise. Despite increased demand from 2014 to 2016, the domestic industry experienced declines in output, shipments, and financial performance.

We have considered Turkish respondents' argument that subject imports did not cause the domestic industry's declines in performance because nearly all of the increase in subject imports occurred during 2015, when the domestic industry showed improving financial performance.[150] Although the domestic industry's financial performance was better in 2015 than in 2014, it lost significant market share (6.2 percentage points) in 2015 and experienced lower output and employment. Moreover, the Turkish respondents' argument that domestic producers made a decision to maintain and raise prices wherever possible instead of increasing the volume of their sales does not reflect what occurred in 2016, when the domestic industry was forced to cut prices to meet competition from low-priced subject imports. Subject import volume and market share remained elevated in 2016, and the industry experienced a sharp decline in financial performance.

We also considered Turkish respondents' arguments that the domestic industry's vertical integration and the existence of domestic preference programs insulate the domestic industry from competition from subject imports.[151] The majority of U.S. producers reported that raw materials purchased from related suppliers were obtained at ***.[152] U.S. producers also reported that transfers to related fabricators and distributors occurred at fair market value.[153] Moreover, these corporate relationships did not preclude affiliated downstream fabrication operations and related distributors from purchasing rebar from other sources, including subject imports.[154] Domestic industry representatives testified that they must sell rebar to related fabricators at the market price to enable them to compete with fabricators

[147] Capital expenditures declined from $*** in 2014 to $*** in 2015, and then rose to $*** in 2016. CR/PR at Table VI-5.

[148] R&D expenses were $*** in 2014, $*** in 2015, and $*** in 2016. CR/PR at Table VI-5.

[149] CR/PR at Table VI-8.

[150] Turkish Respondents' Prehearing Brief at 17.

[151] Turkish Respondents' Prehearing Brief at 4-9.

[152] CR/PR at VI-1.

[153] CR at VI-2 n.4, PR at VI-1 n.4; and Petitioners' Prehearing Brief at 31 and Exh. 7.

[154] CR at III-11-12, PR at III-8.

who use subject imported rebar.[155] In sum, the record does not support any conclusion that domestic producers' affiliations with upstream ferrous scrap operations and downstream fabrication operations served to insulate these domestic producers from competition by subject imports.

We acknowledge that Buy America(n) preference programs may impose some limits on the substitutability between subject imports and the domestic like product, but, as discussed above, the record indicates that these preferences apply to a relatively small share of rebar purchases in the U.S. market. Moreover, these preferences did not prevent subject imports from making significant volume and market share gains during the POI. Accordingly, these preference programs also do not insulate the domestic industry from direct competition with subject imports or from the adverse effects of the low-priced subject imports.

Finally, we have considered the role of nonsubject imports in the U.S. market so as not to attribute to subject imports any injury caused by other factors. Nonsubject imports had a small and irregularly declining presence in the U.S. market during the POI.[156] Accordingly, we find that nonsubject imports do not explain the domestic industry's loss of market share and revenues during the POI.

VI. Conclusion

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

[155] Hearing Tr. at 38 (Ms. Smith) and 102 (Mr. Campo).

[156] The market share of nonsubject imports was 4.1 percent in 2014, 0.9 percent in 2015, and 2.2 percent in 2015. CR/PR at Table IV-12.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the Rebar Trade Action Coalition and its individual members: Bayou Steel Group, LaPlace, Louisiana ("Bayou");[1] Byer Steel Group, Inc., Cincinnati, Ohio ("Byer"); Commercial Metals Company, Irving, Texas ("CMC"); Gerdau Ameristeel U.S. Inc., Tampa, Florida ("Gerdau"); Nucor Corporation, Charlotte, North Carolina ("Nucor"); and Steel Dynamics, Inc., Pittsboro, Indiana ("SDI"), on September 20, 2016, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of steel concrete reinforcing bar ("rebar")[2] from Turkey and less-than-fair-value ("LTFV") imports of rebar from Japan, Taiwan, and Turkey. The following tabulation provides information relating to the background of these investigations.[3] [4]

[1] Bayou Steel Group is no longer a petitioner in the final phase of these investigations. Bayou exited the rebar industry in December 2016 and sold its Vinton, Texas rolling mill, now operated as Vinton Steel LLC ("Vinton"), to Kyoei Steel Americas, LLC.

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

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

[4] Appendix B presents a list of witnesses appearing at the hearing.

Effective date	Action
September 20, 2016	Petition filed with Commerce and the Commission; institution of the Commission's investigation (81 FR 66294, September 27, 2016)
October 11, 2016	Commerce's notice of initiation (81 FR 71705, October 18, 2016; 81 FR 71697, October 18, 2016)
November 4, 2016	Commission's preliminary determination (81 FR 79050, November 10, 2016)
March 1, 2017	Commerce's preliminary countervailing duty determination, Turkey (82 FR 12195, March 1, 2017)
March 7, 2017	Commerce's preliminary antidumping duty determination, Japan (82 FR 12796, March 7, 2017)
March 7, 2017	Commerce's preliminary antidumping duty determination, Taiwan (82 FR 12800, March 7, 2017)
March 7, 2017	Commerce's preliminary antidumping duty determination, Turkey (82 FR 12791, March 7, 2017)
May 18, 2017	Commission's hearing
March 15, 2017	Scheduling of final phase of Commission investigation (82 FR 13854, March 15, 2017)
May 22, 2017	Commerce's final countervailing duty determination, Turkey (82 FR 23188, May 22, 2017)
May 22, 2017	Commerce's final antidumping duty determination, Turkey (82 FR 23192, May 22, 2017)
May 22, 2017	Commerce's final antidumping duty determination, Japan (82 FR 23195, May 22, 2017)
June 16, 2017	Commission's vote (Japan and Turkey)
June 30, 2017	Commission's views (Japan and Turkey)
July 20, 2017	Scheduled date for Commerce's final determinations (Taiwan)
Pending	Scheduled date for Commission's vote (Taiwan)
Pending	Scheduled date for Commission's views (Taiwan)

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

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

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

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

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*

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

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

Organization of report

Part I of this report presents information on the subject merchandise, subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on

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

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

MARKET SUMMARY

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

Apparent U.S. consumption of rebar totaled approximately 8.8 million short tons ($3.9 billion) in 2016. Currently, 10 firms are known to produce rebar in the United States. U.S. producers' U.S. shipments of rebar totaled 6.7 million short tons ($3.1 billion) in 2016, and accounted for 76.2 percent of apparent U.S. consumption by quantity and 80.2 percent by value. U.S. imports from subject sources totaled 1.9 million short tons ($700.6 million) in 2016 and accounted for 21.6 percent of apparent U.S. consumption by quantity and 17.8 percent by value. U.S. imports from nonsubject sources totaled 194,691 short tons ($79.0 million) in 2016 and accounted for 2.2 percent of apparent U.S. consumption by quantity and 2.0 percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of nine firms that accounted for the vast majority of U.S. production of rebar during 2016. U.S. import data are based on official Commerce statistics and questionnaire responses from 15 importers accounting for 61.9 percent of all U.S. imports of rebar in 2016.[7] Foreign industry data are based on questionnaire responses from ten producers accounting for the large majority of production and U.S.-bound exports in the subject countries.[8]

[7] Compared to official Commerce statistics, U.S. importer questionnaire responses accounted for 57.3 percent, 37.1 percent, 64.4 percent, and 66.1 percent of imports for rebar from Japan, Taiwan, Turkey, and all other sources in 2016, respectively.

[8] Compared to official Commerce statistics, foreign producer/exporter questionnaires accounted for all the exports to the United States from Taiwan, and a substantial majority of the exports to the United States from Japan and Turkey.

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted a number of proceedings involving rebar. In March 1964, the U.S. Tariff Commission issued an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation No. AA1921-33).[9] In February 1970, the Tariff Commission issued an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).[10] There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Tariff Commission issued a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).[11]

In April 1997, the Commission issued a final affirmative determination concerning LTFV imports of rebar from Turkey.[12] Commerce issued an antidumping duty order on April 17, 1997.[13] In February 2003, the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to a U.S. regional industry within a reasonably foreseeable time.[14] In December 2008, following partial revocation by Commerce of the antidumping duty order with respect to four Turkish manufacturers/ exporters, the Commission issued a negative determination in its second five-year review

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

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

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

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

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

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

concerning rebar from Turkey.[15] Commerce published its notice revoking the antidumping duty order on rebar from Turkey on January 5, 2009, with an effective date of March 26, 2008.[16]

In May and July 2001, the Commission issued affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.[17] Commerce issued corresponding antidumping duty orders on September 7, 1997.[18] In July 2007, following affirmative determinations by Commerce,[19] the Commission completed full five-year reviews of the subject orders.[20] The Commission determined that revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, whereas revocation of the antidumping duty order on rebar from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[21] Commerce consequently revoked the antidumping duty order on rebar

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

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

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

[18] *Antidumping Duty Orders: Steel Concrete Reinforcing Bars From Belarus, Indonesia, Latvia, Moldova, People's Republic of China, Poland, Republic of Korea and Ukraine*, 66 FR 46777, September 7, 2001.

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

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

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

from Korea[22] and continued the antidumping duty orders on imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, effective August 9, 2007.[23]

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

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

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

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

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

[25] *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine: Determinations*, 78 FR 41079, July 9, 2013; *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, Inv. Nos. 731-TA-873 to 875, 878 to 880 and 882 (Second Review), USITC Pub. 4409 (July 2013) (Commissioners Broadbent and Pearson dissenting with respect to imports from Indonesia, Latvia, and Poland and Commissioner Pearson also dissenting with respect to imports from Belarus, Moldova, and Ukraine). The Commission conducted its analysis in the second reviews on a national industry basis.

[26] Commerce issued a negative final antidumping duty determination regarding imports of rebar from Turkey. *Steel Concrete Reinforcing Bar from Turkey: Final Negative Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances*, 79 FR 54965, September 15, 2014. Commerce's negative final antidumping duty determination regarding imports of rebar from Turkey is the subject of ongoing litigation (U.S. Court of International Trade Court No. 14-00268). *See, e.g.*, *Rebar Trade Action Coalition v. United States*, 2016 WL 5122639 (Ct. Int'l Trade Sept. 21, 2016); *Rebar Trade Action Coalition v. United States*, 2015 WL 7573326 (Ct. Int'l Trade Nov. 23, 2015). Commerce's final affirmative countervailing duty determination regarding certain imports of rebar from Turkey was also appealed. *See, e.g.*, *Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 113 F. Supp. 3d 1316 (Ct. Int'l Trade 2015); *Icdas Celik Enerji Tersane ve Ulasim Sanayi, A.S. v. United States*, 106 F. Supp. 3d 1328 (Ct. Int'l Trade 2015).

[27] *Steel Concrete Reinforcing Bars from Mexico and Turkey, Inv. Nos.701-TA-502 and 731-TA-1227 (Final),* USITC Publication 4496, October 2014. The Commission's final affirmative injury determination regarding rebar from Mexico was the subject of litigation. *See, e.g.*, *Steel Concrete Reinforcing Bar from*

(*continued*...)

Turkey on November 6, 2014[28] and an antidumping duty order on imports of rebar from Mexico on November 6, 2014.[29]

PREVIOUS AND RELATED GLOBAL SAFEGUARD INVESTIGATIONS

In 2001, the Commission determined that rebar was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles, and recommended an additional *ad valorem* duty decreasing from 10 percent to 4 percent over four years.[30] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to rebar consisted of an additional tariff for a period of three years and one day (15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year).[31] Following receipt of the Commission's mid-term monitoring report in September 2003,[32] and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[33] On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by President Bush on imports of

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(…*continued*)
Mexico, Investigation No. 731-TA-1227 (Final) (Remand), USITC Publication 4645, October 2016. On February 2, 2017, the NAFTA Panel upheld the Commission's affirmative remand determination. Panel Decision, *In the Matter of Steel Concrete Reinforcing Bar from Mexico and Turkey: Final Affirmative Injury Determination*, Secretariat File No. USA-MEX-2014-1904-02 (February 2, 2017).

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

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

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

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

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

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

certain steel products. The Commission transmitted its report on the evaluation to the President and the Congress on September 19, 2005.[34]

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On May 22, 2017, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of rebar from Turkey.[35] Table I-1 presents Commerce's findings of subsidization of rebar in Turkey.

Table I-1
Rebar: Commerce's final subsidy determination with respect to imports from Turkey

Entity	Final countervailable subsidy margin (*percent*)
Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş.	16.21
All others	16.21

Source: 82 FR 23188, May 22, 2017.

The programs determined to be countervailable by Commerce in its final affirmative determination are as follows:

- Natural gas for less than adequate remuneration, wherein a subsidiary of Habas purchased natural gas at a discounted rate during the POI.[36]
- Deductions from taxable income for export revenue, wherein Habas and two subsidiaries claimed a corporate tax deduction of 0.5 percent of income derived from export activities.[37]
- Assistance to offset costs related to AD/CVD investigations, wherein Habas received assistance relating to foreign trade remedy proceedings from the Turkish Steel Exporters' Association (TSEA) in 2015.[38]

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

[35] *Steel Concrete Reinforcing Bar From the Republic of Turkey: Final Affirmative Countervailing Duty Determination,* 82 FR 23188, May 22, 2017.

[36] *Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey,* Department of Commerce, May 15, 2017, pp. 8-12

[37] *Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey,* Department of Commerce, May 15, 2017, p. 12

[38] *Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey,* Department of Commerce, May 15, 2017, p. 13

- Rediscount program, wherein the Turk Eximbank provided Habas with a loan contingent upon export commitment during the POI.[39]

Sales at LTFV

On May 22, 2017, Commerce published notices in the *Federal Register* of its final determinations of sales at LTFV with respect to imports of rebar from Japan[40] and Turkey.[41] Tables I-2 and I-3 present Commerce's dumping margins with respect to imports of rebar from Japan and Turkey. On March 7, 2017, Commerce published its preliminary determination of sales at LTFV with respect to imports from Taiwan, and postponed its final determination.[42] Table I-4 therefore presents Commerce's preliminary dumping margins with respect to imports of rebar from Taiwan.

Table I-2
Rebar: Commerce's final weighted-average LTFV margins with respect to imports from Japan

Exporter/Producer	Final dumping margin (*percent*)
Jonan Steel Corporation	209.46
Kyoei Steel Ltd.	209.46
All others	206.43

Source: 82 FR 23195, May 22, 2017.

Table I-3
Rebar: Commerce's final weighted-average LTFV margins with respect to imports from Turkey

Exporter/Producer	Final dumping margin (*percent*)	Cash deposit rate adjusted for subsidy offset(s) (percent)
Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S	5.39	5.18
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S	8.17	8.00
All others	6.94	6.77

Source: 82 FR 23192, May 22, 2017.

[39] Ibid.

[40] *Steel Concrete Reinforcing Bar From Japan: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 FR 23195, May 22, 2017.

[41] *Steel Concrete Reinforcing Bar From the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*, 82 FR 23192, May 22, 2017.

[42] *Steel Concrete Reinforcing Bar From Taiwan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 82 FR 12800, March 7, 2017.

Table I-4
Rebar: Commerce's preliminary weighted-average LTFV margins with respect to imports from Taiwan

Exporter/Producer	Preliminary dumping margin (*percent*)
Power Steel Co., Ltd	3.48
Lo-Toun Steel and Iron Works Co., Ltd	29.47
All others	5.49

Source: 82 FR 12800, March 7, 2017.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of its investigations as follows:

> *The merchandise subject to this investigation is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (e.g., mill mark, size, or grade) and which has been subjected to an elongation test.*
>
> *The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the rebar.*
>
> *Specifically excluded are plain rounds (i.e., nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (e.g., mill mark, size, or grade) and without being subject to an elongation test.*[43]

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under statistical reporting numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS statistical reporting numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045,

[43] *Steel Concrete Reinforcing Bar From Japan: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 82 FR 12796, March 7, 2017.

7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000. HTS subheading 7213.10.00 covers concrete reinforcing bars and rods of hot-rolled iron or nonalloy steel, in irregularly wound coils. HTS subheading 7214.20.00 covers concrete reinforcing bars and rods (other than in such coils) of iron or nonalloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling. HTS subheading 7228.30.80 (statistical reporting number 7228.30.8010) covers concrete reinforcing bars of alloy steel other than stainless steel, not further worked than hot-rolled, hot-drawn, or extruded. The 2016 general rate of duty for each of these subheadings is free. [44]

THE PRODUCT

Description and applications[45]

Rebar is a long-rolled steel product that is commonly used in construction projects to provide strength to concrete. Rebar is manufactured as either plain-round or deformed round bars. However, in the United States deformed rebar is used almost exclusively because it provides greater adherence to concrete due to its ridges.[46] Rebar can be shipped in either straight lengths or coils. Coiled rebar is produced in smaller sizes than straight lengths and is used for smaller, more complex applications.

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

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[44] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

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

[46] Plain-round rebar tends to be used in concrete for special purposes, such as dowels at expansion joints where bars must slide in a metal or paper sleeve, for contraction joints in roads and runways, and for column spirals. Plain-round rebar offers only smooth, even surfaces for bonding with concrete. Because deformed rebar has greater surface contact (due to deformations) with the concrete compared with plain-round rebar, deformed rebar adheres to concrete better than plain-round rebar does. In building reinforcement applications where either deformed or plain-round rebar in the same diameter could be used, 40 percent more plain-round rebar would be needed than deformed rebar. Purposes and Types of Reinforcing Steel, found at http://www.tpub.com/steelworker2/76.htm, retrieved on April 19, 2017.

rebar by friction and adhesion along the surface of the steel. A smaller market for rebar is for mine bolts, which hold support structures in mines.[47]

Rebar sold in the U.S. market is generally manufactured to conform to the standards of the American Society for Testing and Materials ("ASTM") International,[48] which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.[49] There are several ASTM specifications for rebar, based on steel composition.[50]

To conform to ASTM specifications, deformed rebar is identified by distinguishing sets of raised marks rolled onto the surface of one side of the bar to denote: (1) the producer's hallmark, (2) mill designation, (3) size designation, (4) specification of steel type, and (5) minimum yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code. Guidelines for use of deformed rebar in highway and bridge construction are provided by the American Association of State and Highway and Transportation Officials ("AASHTO") Standard Specifications. The contents of the two specifications are similar and apply throughout the continental United States and in Puerto Rico.

Rebar is available in sizes #3 through #18, as specified by ASTM standards. These size indicators are about eight times the respective nominal diameters in inches (e.g., 3/8-inch bar is designated as size #3 and 1-inch rebar is designated as size #8),[51] although the relationship diverges somewhat for rebar larger than size #9.[52] Coiled rebar is only sold from sizes #3 to #6, as larger sizes of rebar cannot be coiled.

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[47] Petition, Vol. I, p. 9.

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

[49] The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. These are separate and non-interchangeable standards for rebar with dimensions and designations in English units (e.g. ASTM A615) versus SI (metric) units (e.g. ASTM A615M).

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

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

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

Certain rebar sizes and lengths are prevalent in the U.S. market. A considerable portion of smaller sizes (i.e., #3, #4, and #5) is used in light construction applications (e.g., residences, swimming pools, patios, and walkways).[53] By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) use all sizes and lengths. The larger sizes (#6 and above) and longer lengths (60 feet or more) are used almost exclusively in heavy construction applications.[54]

Rebar is shipped in either straight lengths or coils, although the overwhelming majority of U.S. production consists of rebar in straight lengths. Straight length rebar is available from mills in various lengths, from less than 20 feet to more than 60 feet.[55] Coiled rebar is produced in ASTM 615 (Grades 40 and 60) and A706. Coiled rebar is preferred for use in smaller applications that have more complex shapes because coiled rebar is able to run efficiently through more complicated fabrication processes with less waste and scrap than straight length rebar.

Carbon and alloy steel rebar will corrode over time if left exposed to water or in a humid environment. Minor corrosion to carbon and alloy rebar is not an issue and may assist the rebar in supporting liquid concrete due to surface deformation. Significant corrosion damages the strength and/or size properties of rebar. Nonetheless, carbon and alloy steel rebar can remain exposed in inventory up to several years.[56] Rebar may be coated by an epoxy (a powder-coated paint) after the manufacturing process to enhance corrosion resistance. Coated rebar is used in applications where the rebar is exposed to a high degree of salt, such as in roads, bridges and parking garages.[57] Epoxy coated rebar can remain in inventories indefinitely due to its corrosion resistance.

The fabrication process may require rebar to be bent, cut, and/or welded to meet design specifications.[58] Rebar is bent by inserting the product into a mechanical press that bends the rebar to the desired angle and length. Rebar is cut by workers or machines operating wire cutters, circular saws, or torches, depending upon the diameter of the rebar. To form structural components, Rebar bars and wires may be connected to one another via welding to serve as a base to hold wet concrete in place and provide additional tensile strength to finished structures.

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[53] The combined U.S. shipments of rebar sizes #3, #4, and #5, accounted for 52.3 percent of total U.S. rebar shipments in 2016. *See* table IV-7.

[54] The combined U.S. shipments of rebar sizes #6 and greater accounted for 44.9 percent of total U.S. rebar shipments in 2016. *See* table IV-6.

[55] Rebar in straight lengths accounted for 95.0 percent of U.S. producer shipments in 2016. Of U.S. straight-length rebar shipments, 1.1 percent were of rebar less than 20 feet in length, 24.2 percent were 20-40 feet in length, 20.0 percent were of 40-60 feet in length, and 49.7 were greater than 60 feet in length. *See* table IV-5.

[56] See Conference Transcript, p. 82 (Campo).

[57] "Epoxy Coated Rebar," Harris Supply Solutions, Accessed June 1, 2017. http://www.harrissupplysolutions.com/epoxy-coated-rebar.html.

[58] Rebar may also be configured in the post-manufacturing fabrication process to reinforce the rebar joints.

Manufacturing processes[59]

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

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

Prior to rolling, newly cast billets, scrapped rails or scrapped railroad axles are heated to rolling temperature in a reheat furnace.[60] The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. For deformed rebar, deformations are rolled onto the surface of the rebar as it passes through the final finishing stand, which has patterns cut into the grooves of the rolls. After the rolling process, straight length rebar is cut to length before being sent to a cooling bed to be air-cooled. Coiled rebar, however, goes to a reforming tub, where it is spooled and cut to the desired weights or lengths. Testing for tensile properties, including an elongation test (a measure of ductility), is then performed on test specimens of either straight length rebar or coiled rebar that is subsequently straightened prior to testing.

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

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

[60] The manufacturing process begins at the rolling step for companies that do not make their own steel (such as Byer Steel Corp. which re-rolls scrapped train axles). Byer Steel Corp., "About the Mill," http://www.byersteelminded.com/About-The-Mill.cfm, retrieved April 19, 2017.

ASTM standards. Quenched-and-tempered rebar can meet the same physical property requirements of the ASTM A615/A615M specification without the addition of certain alloys to the steel billets that are rolled into rebar, and thus is slightly less expensive to produce. In this process (the Thermex process),[61] hot-rolled rebar passes through a water-quenching stand (a series of water coolers), which rapidly cools the outer case of the rebar, before the final finishing process. The quench-and-temper treatment causes a dual metallurgical structure to form in the cross-section of the bar, which ultimately produces a rebar with a stronger outer case and a more ductile core.

Some U.S. rebar producers use their same equipment, machinery, and production workers to also make products such as merchant bar, special-bar quality (SBQ) bar products, and wire rod. Merchant bar products include bars with round, square, flat, angled, and channeled cross sections, and are used by fabricators and manufacturers to produce a variety of products, including steel floor and roof joists, safety walkways, ornamental furniture, stair railings, and farm equipment.[62] SBQ bar products are made from higher-quality carbon and alloy steels that have greater mechanical properties, metallurgical consistency, and dimensional accuracy than merchant bar products. SBQ is principally used to produce automotive components. Wire rod (delivered in coil form) is used by manufacturers to provide a variety of products, such as chain-link fencing, nails, and wire.[63]

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

[62] Schnitzer Steel, "Products," http://www.schnitzersteel.com/steel_manufacturing_products.aspx, retrieved April 19, 2017.

[63] Ibid.

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product have been raised in these investigations. In the initial petition and again at the preliminary conference, the petitioners proposed that the Commission should find a single domestic like product consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations.[64] At the staff conference, respondents had no objections to the petitioners' proposed definition of the domestic like product.[65] [66] In its preliminary determinations, the Commission defined a single domestic like product consisting of the rebar products, whether in straight lengths or coiled, corresponding to the scope of the investigations.[67] There were no comments on the Commission's draft questionnaires with respect to the domestic like product, and no party has advocated for a different domestic like product in their briefs. In the posthearing brief, petitioners reiterated their support for the Commission's definition of the domestic like product.[68]

[64] Petitions, Vol. I p. 14-17; Petitioners' Postconference Brief, p. 4; Conference transcript, p. 42.

[65] Turkish Respondents' Postconference Brief, p. 11; Conference transcript, p. 156 (Nolan).

[66] Conference transcript, p. 156 (Lee).

[67] *Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey, Investigation Nos. 701-TA 564 and 731-TA-1338-1340 (Preliminary).*

[68] Petitioner's Posthearing Brief, p. 2.

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

U.S. MARKET CHARACTERISTICS

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

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

Apparent U.S. consumption of rebar increased during 2014-16. Overall, apparent U.S. consumption in 2016 was 7.4 percent higher than in 2014.

CHANNELS OF DISTRIBUTION[1]

U.S. producers sold mainly to distributors/fabricators while importers of rebar from Japan, Taiwan, and Turkey sold the large majority of their product to distributors (table II-1).

[1] Some distributors sell the rebar without any processing or forming, while others are also fabricators (firms that further process the rebar).

Table II-1
Rebar: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, 2014-16

Item	Calendar year		
	2014	2015	2016
	Share of commercial U.S. shipment quantity (percent)		
U.S. producers.-- Distributors	25.3	24.6	30.3
Distributors/fabricators	66.7	67.4	57.5
End users	8.0	8.0	12.1
U.S. importers: Japan.-- Distributors	***	***	***
Distributors/fabricators	***	***	***
End users	***	***	***
U.S. importers: Taiwan.-- Distributors	***	***	***
Distributors/fabricators	***	***	***
End users	***	***	***
U.S. importers: Turkey.-- Distributors	***	***	***
Distributors/fabricators	***	***	***
End users	***	***	***
U.S. importers: All other sources.-- Distributors	***	***	***
Distributors/fabricators	***	***	***
End users	***	***	***

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

GEOGRAPHIC DISTRIBUTION

U.S. producers of rebar reported selling to all regions in the United States (table II-2). Importers of Turkish rebar reported selling to all regions of the United States except the Mountains and importers of Japanese rebar reported selling to all regions but the Mountains, Northeast, and the non-contiguous U.S. market regions. Importers of rebar from Taiwan reported selling only to the Central Southwest, Pacific Coast, and the non-contiguous U.S. market regions. During the preliminary phase of the investigations, Taiwan respondents indicated that rebar imports from Taiwan are predominately sold on the Pacific Coast, entering through the ports of Los Angeles and San Francisco.[2]

[2] Conference transcript, p. 147 (Lee).

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

Region	U.S. producers	Subject U.S. importers			
		Japan	Taiwan	Turkey	Subject sources
Northeast	6	0	0	6	6
Midwest	7	2	0	5	5
Southeast	7	2	0	7	7
Central Southwest	6	4	1	10	12
Mountains	6	0	0	0	0
Pacific Coast	6	2	3	3	6
Other[1]	4	0	1	1	2
All regions (except Other)	4	0	0	0	0
Reporting firms	8	5	4	12	14

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

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

For U.S. producers, 15.2 percent of sales were within 100 miles of their production facility, 81.5 percent were between 101 and 1,000 miles, and 3.3 percent were over 1,000 miles. Importers sold 92.0 percent within 100 miles of their U.S. point of shipment and 8.0 percent between 101 and 1,000 miles.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

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

Industry capacity

Domestic capacity utilization fluctuated but decreased overall from 2014 to 2016. Capacity utilization decreased from 75.9 percent in 2014 to 71.0 percent in 2015 before increasing to 71.5 percent in 2016. These fluctuations in capacity utilization were primarily driven by similar changes in production. Capacity also followed these trends, first decreasing then increasing, however overall capacity increased by 0.3 percent between 2014 and 2016. This relatively low-to-moderate level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of rebar in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a share of total shipments, decreased from *** percent in 2014 to *** percent in 2016. U.S. producers reported that Canada, Mexico, Central and South America, and the Caribbean are their primary alternative markets. The relatively low share of exports indicates that U.S. producers may have limited ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories, relative to total shipments, also decreased between 2014 and 2016, declining from *** percent to *** percent. These inventory levels suggest that U.S. producers may have a limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Seven of nine responding U.S. producers stated that they produced other products on the same equipment used to manufacture rebar. Other products that producers reported producing on the same equipment as rebar included wire rod, merchant bar, SBQ bar, and round (non-deformed) rebar. Factors affecting U.S. producers' ability to shift production include market demand for other products and mill's rolling cycles.

Subject imports from subject countries[3]

Table II-3 provides a summary of supply of rebar from subject countries; additional data are provided in Part VII of this report.

Table II-3
Rebar: Foreign industry factors that affect ability to increase shipments to the U.S. market

* * * * * * *

Capacity has remained unchanged from 2014 to 2016 for Japan and Taiwan, but increased by *** percent for Turkey. Capacity utilization rates increased by *** percentage points for Taiwan and *** percentage points in Turkey, but decreased by *** percentage points for Japan. Ratios of inventories to total shipments remained relatively steady for all countries. Among the three subject countries, Turkey had the largest share of its shipments exported to non-U.S. markets. Shipments to subject countries' home markets were *** percent for Japan, *** percent for Taiwan, and *** percent for Turkey. Shipments to the U.S. market from Japan

[3] For data on the number of responding foreign firms and their share of U.S. imports from each of the subject countries, please refer to Part I, "Summary Data and Data Sources."

accounted for *** percent of total shipments, *** for Taiwan, and *** percent for Turkey. Based on these data, producers of rebar from Japan and Turkey have the ability to respond to changes in demand with moderate changes in shipments of rebar to the U.S. market, while those in Taiwan have a somewhat lower ability to do so.

Imports from nonsubject sources

Imports from nonsubject sources accounted for 9.2 percent of total U.S. rebar imports in 2016. The largest sources of such imports during that year were Russia, Peru, and Vietnam.

Supply constraints

Seven of eight responding U.S. producers reported that they did not face any constraints that caused them to refuse, decline, or otherwise be able to supply purchasers during 2014-16, with only *** noting that it had. ***, along with three other producers, argued that only the supply of imports to the market is affecting its ability to supply the rebar market. Additionally, producers *** stated that constraints faced by their production facilities included equipment specifications, melt shop capacity, limited space for expansion, size and speed of the rolling mill equipment, and, secondarily, the supply of train axles.

Japanese producers did not report any production constraints. Two producers in Taiwan reported production constraints including ***. All five responding Turkish producers reported that they had production constraints in 2014-16. These Turkish producers reported that stoppages for changing sizes constrained their production, stoppages for daily maintenance, thin or uncommon diameter rebar production, short length production, and stoppages due to periods of high energy costs.

U.S. purchasers were asked whether they had faced any supply constraints from domestic or import sources in 2014-16. A majority of purchasers indicated that they had not experienced supply constraints from any domestic or imported sources. However, at least one purchaser noted each of the five listed supply constraints for both domestic and imported sources (table II-4). The most frequently reported constraint issue was delayed shipments of imported rebar. A number of purchasers noted that they were either unable to acquire domestic rebar or unable to receive competitive domestic quotes due to a preference that domestic mills have for their related distribution/fabrication operations. Respondents submitted a number of articles from industry publications that reported some constrained supply and increasing prices in 2014 and late 2016-early 2017.[4]

[4] Turkish Respondents' prehearing brief, exhs. 5 and 6.

Table II-4
Rebar: Purchasers' reported supply constraints, by type of constraint and source, 2014-16

Supply constraint and source	Yes	No	Description
Placed on allocation or "controlled order entry":			
Domestic	5	30	***.
Import	3	29	***.
Declined orders:			
Domestic	6	29	***.
Import	5	27	***.
Accepted orders but delivered less than promised/contracted:			
Domestic	2	33	***.
Import	3	29	***.
Unable to provide timely order completion/ extended delivery times:			
Domestic	5	30	***.
Import	10	22	***.
Unable/unwilling to provide specific types/specifications:			
Domestic	2	33	***.
Import	2	30	***.

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

Four purchasers noted that domestic suppliers had a preference to sell to their own fabrications divisions or those firms that are owned by the producers. Turkish respondents also echoed these arguments, but domestic producers stated that there is no preferential pricing for their fabrication shops, since they need to compete with other fabrication shops that may use lower-priced imported rebar. [5]

Additionally, purchasers were asked to describe when changes in supply availability occurred from both domestic sources and subject countries (table II-5). Few purchasers noted changes in domestic rebar availability. For all sources, however, the greatest number of purchasers noting changes occurred in 2016.

[5] Hearing transcript, pp. 167-172 (Nolan), 101 (Barney), and 102 (Campo).

Table II-5
Rebar: Purchasers' views regarding changes in the availability of supply

Source	2014		2015		2016		Comments[1]
	Yes	No	Yes	No	Yes	No	
United States	1	34	2	34	5	31	***.
Japan	7	17	7	17	11	13	***.
Taiwan	5	18	5	18	12	11	***.
Turkey	10	18	12	16	16	12	***.
Nonsubject	6	17	4	19	6	15	***.

[1] *** provided the percent increase in imports for each subject country/year combination, while *** replied "Increased significantly through low-priced offerings" for each subject country/year combination.

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

U.S. demand

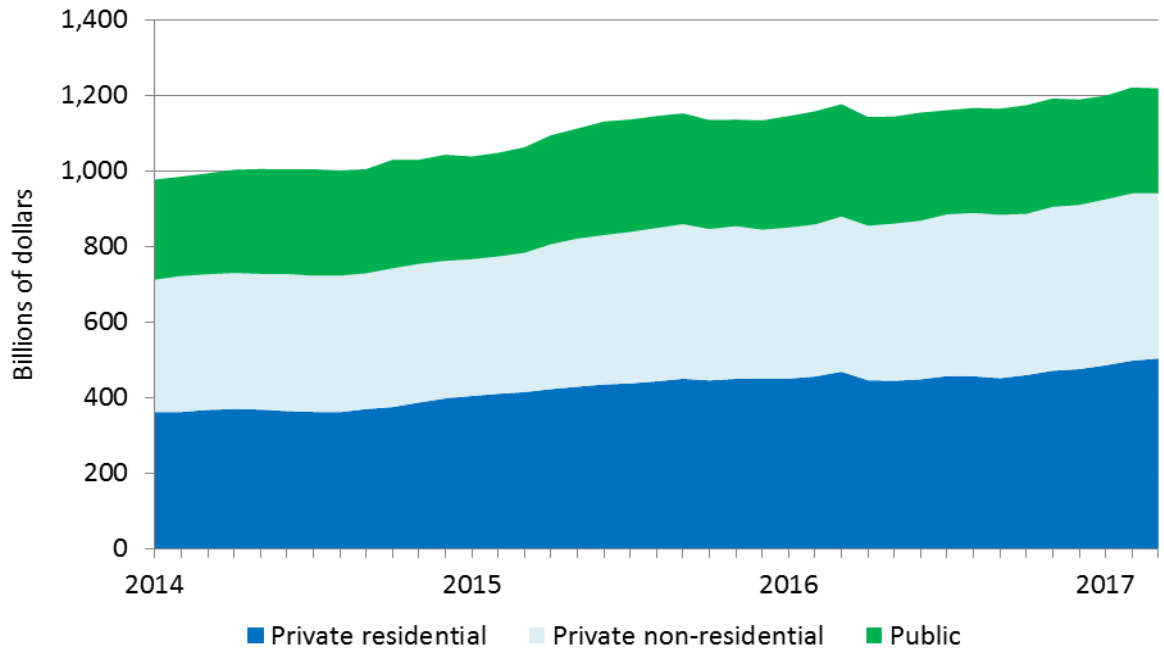
Based on available information, it is likely that changes in the price of rebar would result in small changes in the quantity of rebar demanded. The main contributing factors to the small degree of responsiveness of demand is the limited substitutability of other products for rebar and its relatively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

The overall U.S. demand for rebar is driven by the U.S. economy, nonresidential construction spending and, to a lesser extent, residential construction spending. The aggregate U.S. economy, as measured by percentage changes in the gross domestic product, has fluctuated between a low of -1.2 percent in the first quarter of 2014 to a high of 5.0 percent in the third quarter of 2014 (figure II-1). Nonresidential and residential construction spending increased by 26.8 percent and 48.8 percent, respectively, from January 2014 to December 2016 (figure II-2), and increased a further 2.1 in the first quarter of 2017.

Figure II-1
Percent changes in real gross domestic product (GDP) growth, by quarters, January 2014-March 2017

Source: Bureau of Economic Analysis, U.S. Department of Commerce.
http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm, accessed May 30, 2017.

Figure II-2
Construction spending: Monthly total non-residential and residential construction, value in billions of dollars, annualized, seasonally adjusted, January 2014-March 2017



Source: Census, via Federal Reserve Bank of St. Louis, Federal Reserve Economic Database, https://fred.stlouisfed.org/, accessed May 30, 2017.

End uses and cost share

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

Rebar typically accounts for a small share of the cost of the end-use products in which it is used. U.S. producers, importers, and purchasers reported that the cost of rebar as a share of most types of construction (the most common end use) varied little, ranging from 1 to 10 percent. There were few reported exceptions. For forms fabricated from rebar, however, the rebar's cost share was estimated to be much higher, ranging from 60 to 100 percent.

Business cycles

Six of 8 responding U.S. producers and 23 of 37 purchasers[6] indicated that the market was subject to business cycles, whereas a majority of importers (11 of 15) reported that the market was not subject to business cycles. Firms generally indicated the demand for rebar follows the seasonal trends of construction spending and is weather-dependent.

[6] ***.

Additionally, 6 of 8 U.S. producers indicated that the market was subject to distinct conditions of competition, whereas 12 of 15 importers and 27 of 37 responding purchasers reported that the market was not. All 7 responding U.S. producers, 3 of 9 responding importers (*** of which *** related to ***), and 15 of 31 responding purchasers reported that there have been changes in the conditions of competition since 2014. Purchasers most often identified low prices in the market place, particularly from imports, but several purchasers also noted decreasing demand, particularly in public construction projects. While one purchaser indicated that there has been channel consolidation, two purchasers stated that mills' distribution/fabrication operations have made it difficult to compete unless using imported rebar. Two producers also reported decreased public spending as being a changed distinct condition of competition.

Demand trends

Most firms reported increasing or fluctuating demand in the United States since January 1, 2014 (table II-6). Firms cited growing demand in construction post-recession but report that demand is not at the same level as it was pre-recession, and typically described growth as "small" or "modest." Firms reported that demand outside the United States is a function of the economic growth within any given region. U.S. producer *** reported that demand in the Middle East has decreased. Seven of 15 responding purchasers noted that changes in the demand for their rebar-containing final products have an effect on the demand for rebar.

Table II-6
Rebar: Firms' responses regarding U.S. demand and demand outside the United States

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	4	1	0	3
Importers	6	2	0	7
Purchasers	21	6	1	6
Demand outside the United States:				
U.S. producers	0	1	5	1
Importers	4	1	2	5
Purchasers	2	3	3	7
Demand for purchasers' final products:				
Purchasers	5	5	3	5

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

Substitute products

Most responding U.S. producers (five of six) listed one or more substitutes for rebar whereas most importers (14 of 15) and purchasers (21 of 35) reported that there are no substitutes for rebar. Substitutes for rebar are limited to mostly non-structural applications. Wire mesh was the most frequently listed substitute for rebar in uses such as sidewalks, slabs of concrete, and foundations. Other substitutes include fiber reinforcing and mesh, PC strand,

post tension cable, prefabricated buildings, structural steel, and wood. Firms indicated that none of these substitutes affect the price of rebar.

SUBSTITUTABILITY ISSUES

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

Lead times

U.S. producers shipments were approximately evenly split between those that were shipped from inventories and those sold on a produced-to-order basis. In contrast, importers sold the vast majority of rebar on a produced-to-order basis (table II-7). U.S. producers and importers reported similar lead times for sales from U.S. inventories (2 days), but importers reported lead times that were longer than U.S. producers for produced-to-order sales.[7]

Table II-7
Rebar: U.S. producers' and U.S. importers' lead times, 2016

* * * * * * *

Knowledge of country sources

All 38 responding purchasers indicated they had marketing/pricing knowledge of domestic product, 25 had knowledge of product from Japan, 22 of product from Taiwan, 32 of product from Turkey, and 12 of product from nonsubject countries.

As shown in table II-8, a plurality of purchasers reported that their customers "sometimes" or "never" make purchasing decisions based on the producer or country of origin. Purchasers themselves, however, were fairly evenly split between "frequently," "sometimes," and "never" making purchasing decisions based on the producer or country of origin. ***. Issues noted by purchasers included antidumping issues, availability, Buy America provisions, experience with certain producers, inventory space, lead times, logistics issues, mill rolling schedule, packaging, preferences for affiliated or preferred producers, price (with one purchaser noting that price is the determinative factor if it is not required to be U.S. product), and real or perceived quality.

[7] The extent of the difference depends upon whether measuring using weighted or simple averages: 40 days for importers vs. 30 days for U.S. producers on a weighted average basis, or 85 days vs. 30 days on a simple average basis.

Table II-8
Rebar: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	5	10	11	13
Purchaser's customer's decision	1	2	13	20
Purchases based on country of origin:				
Purchaser's decision	4	12	12	10
Purchaser's customer's decision	0	6	16	15

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

Factors affecting purchasing decisions

Purchasers were asked to identify the main factors their firm considered in their purchasing decisions for rebar (table II-9). The major purchasing factors identified by firms include price, availability, historical supply relationship, and quality. Price was considered the most important factor as well as the most frequently mentioned factor among all responding purchasers.

Table II-9
Rebar: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms (number)			
Price/cost	23	9	5	37
Availability/delivery/lead time	7	15	8	30
Supply relationship	4	1	3	8
Quality	2	6	7	15
Reliability/integrity	1	0	2	3
Credit terms	0	2	4	6
All other factors[1]	1	3	4	8

[1] Other factors include: country of origin as a rank 1 factor; discounts offered, rolling schedule, and length of time a price is available as rank 2 factors; and ease of business, location, product range, and whether the supplier competes with the purchaser as rank 3 factors. Other factors that were listed, but not in the top-three included quality (2 firms), and, 1 firm each, credit/payment terms, import or domestic, packaging, reliability on delivery timing, volume, and ***.

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

The majority of responding purchasers reported that they “usually” (27 of 38) purchase the lowest-priced rebar. Additionally, when asked if they purchased rebar from one source although a comparable product was available at a lower price from another source, 26 purchasers reported reasons for doing so. Purchaser responses are reported in table II-10 and include a wide range of reasons which are important to purchasers.

Table II-10
Rebar: Purchasers' reasons for buying rebar that was not priced lowest

* * * * * * *

Several responding purchasers (9 of 36) indicated that certain types or grades of rebar are available only from certain sources. *** reported that "Turkey is the only country readily available to produce and export >40 ft, GR75+ and larger diameters (#8+)," and *** stated that "60-0 long rebar and grade 75 rebar are only available from USA and Turkey." Purchaser *** indicated that certain countries do not roll rebar longer than 60 feet and will not roll specialty grades, while *** noted that grade 40 rebar in 20-foot lengths are the main import sizes. *** reported that there may be length restrictions on imports. Finally, *** indicated that Spain produces rebar in spooled coils. *** stated that Japan can only manufacture rebar up to 12 meters in length (approximately 40 feet).

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-11). The factors rated as very important by more than half of responding purchasers were price (38 purchasers), quality meets industry standards (33), availability (32), reliability of supply (30), and product consistency and delivery time (29 each).

Table II-11
Rebar: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Number of firms reporting		
	Very Important	Somewhat Important	Not Important
Availability	32	6	0
Delivery terms	20	17	0
Delivery time	29	9	0
Discounts offered	14	13	9
Extension of credit	8	14	15
Minimum quantity requirements	3	13	21
Packaging	10	15	11
Price	38	0	0
Product consistency	29	6	1
Product range	10	21	5
Quality meets industry standards	33	4	1
Quality exceeds industry standards	4	17	15
Reliability of supply	30	7	0
Technical support/service	5	16	15
U.S. transportation costs	16	14	7

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

Supplier certification

Less than one-third of responding purchasers (12 of 37) require suppliers become certified. Certification can be obtained rather quickly; purchasers reported certification times of between 5 and 30 days. Meeting ASTM and quality standards were the most frequent elements reported as important for certification, but other elements were important. These included air cooling, availability, company reputation, ISO certification, lead times, packaging, reliability, and state certifications for bridges and highways. No supplier was reported to have failed in obtaining certification.

Changes in purchasing patterns

Purchasers were asked how changes in their purchasing patterns from different sources had changed since 2014 (table II-12). In general, purchasers noted that, since 2014, they have been increasing their purchases of rebar from each source. Of the 33 responding purchasers, 12 reported increasing purchases from domestic producers, 10 reported fluctuating purchases, 7 reported decreasing purchases, and 4 reported unchanged purchases. Explanations for increasing purchases of domestic rebar included business growth, decreasing risk, LEED[8] and Buy America requirements, and Nucor's "foreign fighter" discount on 20-foot lengths.[9] Explanations for decreasing purchases of domestic rebar included availability, diversification, market demand, pricing, and a weaker coal market. A majority of purchasers also reported increasing their purchases from Japan, Taiwan, and Turkey since 2014, while a plurality increased their purchases from nonsubject sources.

Table II-12
Rebar: Changes in purchasers' reported purchasing patterns, since 2014

Source	Decreased	Increased	Constant	Fluctuate
United States	7	12	4	10
Japan	2	13	2	2
Taiwan	1	10	1	0
Turkey	2	15	3	4
All other sources	5	8	0	5
Sources unknown	2	3	2	2

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

Fourteen of 38 purchasers reported that there have been new suppliers in the rebar market since 2014, and 16 of 36 responding purchasers have changed suppliers in that time. Specifically, firms dropped or reduced purchases from "all Japanese producers," C&F

[8] LEED (Leadership in Energy and Environmental Design) is a rating system devised by the United States Green Building Council to evaluate the environmental impact of a building.

[9] "Foreign fighter" pricing refers to offering price matching (or near price matching) to prevailing import prices usually for a specific region.

International, Deacero, Ferrostaal, Intermetal, Tata, VA Intertrading, and U.S. producer Nucor. U.S. producer CMC, along with foreign sources Diler, Habas, Kaptan, Kratos Building Products, and voestalpine, as well as "sources from Japan and Taiwan," have been added as suppliers. Competitive pricing was the most frequently noted reason for changing sources, although purchaser *** reported that "Commercial Metals Company and Nucor {are} unwilling to sell competitively compared to their domestic peers. {It is} assumed due to regional competition in downstream (fabrication) operations." Twenty-four of 35 responding purchasers noted that they compete for sales against their rebar suppliers.[10]

Buy America and Buy American requirements

One of the large end uses for rebar is in public construction projects such as roads or bridges. Some of these projects require that contractors to purchase domestic rebar. Two-thirds of reported purchases have no domestic requirements. However, 28 of 34 responding purchasers reported that some portion of their sales were subject to Buy America or Buy American legal provisions. [11] Of their total 2016 purchases of rebar, nearly 23 percent were subject to these laws. More than 9 percent more was required by 21 purchasers' customers and approximately 1 percent was required to be domestic for some other reason.[12] Eighteen of 37 purchasers reported that their customers have a country preference for rebar.

[10] These counts are very similar to the number of purchasers classifying themselves as distributors – 25 of 34 purchasers who responded to this question.

[11] "Buy America" preferences apply to the procurement of iron and steel products, including rebar, for certain federal-aid highway construction programs while "Buy American" preferences apply to Federal Government procurement of certain goods and services. "Buy America" requirements apply to iron and steel products such as rebar that are purchased for the Federal-aid highway construction program. Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy American" is a separate and distinct program from "Buy America." The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest." *Steel Concrete Reinforcing Bar from Mexico and Turkey, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final)*, USITC Publication 4496, October 2014, pp. II-23 and II-24.

[12] In the 2014 investigations, these percentages were slightly lower: 17.4 percent of purchasers' purchases were subject to legal domestic requirements and another 5.6 percent were required by their customers. Overall, 56.9 percent of purchases had no domestic content requirement. *Steel Concrete Reinforcing Bar from Mexico and Turkey, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final)*, USITC Publication 4496, October 2014, p. II-23.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing rebar produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-13) for which they were asked to rate the importance.

Most purchasers reported that rebar from the United States and subject sources were comparable on all factors except delivery time, for which the United States was considered superior, and price, for which the United States was considered inferior. The United States was also considered superior to Taiwan and equally superior or comparable when compared to Japan on technical support/service. Additionally, the United States was rated as superior or comparable to Taiwan on delivery terms.

When compared with nonsubject countries, the U.S. product was either reported to be superior by a one-purchaser margin or equally superior and comparable on five factors (availability, delivery terms, price, reliability of supply, and technical support/service), but superior on delivery time. Subject countries' rebar was considered comparable with each other on all 15 factors. Additionally, subject country rebar was considered comparable on all 15 factors with rebar from nonsubject countries for all factors except price for Turkey. In this comparison, Turkey was reported to be superior on price.

Few purchasers noted differences in quality between U.S., subject, and nonsubject country rebar. As can be seen from table II-14, all but one responding purchasers reported that product from all sources "always" or "usually" met minimum quality specifications. *** reported that domestic rebar "never" meets minimum quality specifications. Although it did not specify why domestic rebar does not meet specifications, it did note that when looking at quality, it needs rebar that is "not bent up" and that some of its customers had a "poor experience with {rebar of} a certain origin sometimes." Quality characteristics purchasers consider included: bundle size, bendability, meeting/ exceeding ASTM specifications, mill certificates, packaging, product consistency, production process, and straightness.

In order to determine whether U.S.-produced rebar can generally be used in the same applications as imports from Japan, Turkey, and Taiwan, U.S. producers, importers, and purchasers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably. As shown in table II-15, all reporting U.S. producers, a plurality of importers, and half or more of purchasers reported that U.S.-produced rebar is "always" interchangeable with rebar from Japan, Turkey, and Taiwan.

Purchasers most frequently noted a lack of interchangeability when jobs require domestically produced rebar. Three importers (***) reported that U.S. and Turkish product are "never" interchangeable because the sizes and lengths are different due to differences in the metric and imperial measurement systems. Importer *** reported that domestically produced rebar and Turkish rebar is "sometimes" interchangeable because certain projects require rebar made in the United States. Importer *** reported that U.S.-produced rebar is "never" interchangeable with rebar from Japan, Turkey, or Taiwan because the U.S. rebar is made to ASTM standards and other countries have different standards.

Table II-13
Rebar: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	United States vs. Japan			United States vs. Taiwan			United States vs. Turkey		
	S	C	I	S	C	I	S	C	I
Availability	7	12	3	7	9	1	10	15	2
Delivery terms	8	10	3	7	7	2	11	13	3
Delivery time	12	6	3	10	5	2	16	9	3
Discounts offered	2	12	5	2	8	5	4	16	6
Extension of credit	4	12	4	3	13	0	4	20	3
Minimum quantity requirements	7	13	1	7	9	0	5	19	1
Packaging	1	12	7	2	11	4	3	21	3
Price[1]	1	7	14	1	5	11	4	4	20
Product consistency	0	21	1	2	14	1	2	26	0
Product range	8	13	0	7	10	0	4	22	2
Quality meets industry standards	0	22	0	1	16	0	2	26	0
Quality exceeds industry standards	0	19	1	1	15	0	4	21	1
Reliability of supply	9	10	1	7	9	1	7	17	4
Technical support/service	9	9	0	8	6	1	9	14	3
U.S. transportation costs[1]	1	14	5	1	11	4	1	20	6
Factor	**Number of firms reporting**								
	Japan vs. Taiwan			**Japan vs. Turkey**			**Taiwan vs. Turkey**		
	S	**C**	**I**	**S**	**C**	**I**	**S**	**C**	**I**
Availability	2	14	0	1	11	5	0	10	5
Delivery terms	0	17	0	2	13	2	0	14	1
Delivery time	0	17	0	1	14	2	0	12	3
Discounts offered	0	15	0	2	13	0	0	13	1
Extension of credit	0	15	0	2	13	0	0	14	0
Minimum quantity requirements	0	15	0	2	12	2	0	12	2
Packaging	4	13	0	7	9	1	5	10	0
Price[1]	0	16	1	1	9	7	0	8	7
Product consistency	3	14	0	4	13	0	2	13	0
Product range	0	15	2	1	11	5	0	10	5
Quality meets industry standards	2	15	0	3	14	0	1	14	0
Quality exceeds industry standards	4	12	0	5	11	0	3	11	0
Reliability of supply	0	15	0	1	12	3	0	13	1
Technical support/service	0	15	0	1	14	1	0	13	0
U.S. transportation costs[1]	0	14	0	1	15	0	0	14	0

Table continued on next page.

Table II-13—Continued
Rebar: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting					
	United States vs. Nonsubject			Japan vs. Nonsubject		
	S	C	I	S	C	I
Availability	7	7	0	1	9	1
Delivery terms	6	6	1	1	8	1
Delivery time	10	3	0	1	8	1
Discounts offered	1	7	4	2	8	0
Extension of credit	3	9	0	0	10	0
Minimum quantity requirements	4	9	0	0	10	0
Packaging	2	12	0	3	8	0
Price[1]	1	6	6	3	7	0
Product consistency	2	12	0	2	8	1
Product range	3	11	0	0	11	0
Quality meets industry standards	2	12	0	1	10	0
Quality exceeds industry standards	3	10	0	3	7	0
Reliability of supply	7	6	0	1	9	0
Technical support/service	7	6	0	0	10	0
U.S. transportation costs[1]	2	10	1	0	9	1

Factor	Number of firms reporting					
	Taiwan vs. Nonsubject			Turkey vs. Nonsubject		
	S	C	I			
Availability	1	8	1	2	8	0
Delivery terms	1	8	0	1	8	0
Delivery time	1	7	1	1	8	0
Discounts offered	2	7	0	2	7	0
Extension of credit	0	9	0	0	9	0
Minimum quantity requirements	0	9	0	1	8	0
Packaging	2	8	0	0	10	0
Price[1]	3	6	0	6	3	0
Product consistency	0	10	0	0	10	0
Product range	1	9	0	2	8	0
Quality meets industry standards	0	10	0	0	10	0
Quality exceeds industry standards	1	8	0	0	9	0
Reliability of supply	1	8	0	1	8	0
Technical support/service	0	9	0	0	9	0
U.S. transportation costs[1]	0	8	1	0	9	0

[1] A rating of superior means that price/U.S. transportation costs is generally lower. If a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

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

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

Table II-14
Rebar: Ability to meet minimum quality specifications, by source[1]

Source	Always	Usually	Sometimes	Rarely or never
United States	29	5	0	1
Japan	18	2	0	0
Taiwan	14	2	0	0
Turkey	19	8	0	0
Other[2]	8	2	0	0

[1] How often rebar meets minimum quality specifications for their own or their customers' uses.
[2] Other includes: Mexico, Peru, and Spain.

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

Table II-15
Rebar: Interchangeability between rebar produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. comparisons:												
U.S. vs. Japan	7	0	0	0	3	2	0	1	16	4	6	0
U.S. vs. Taiwan	7	0	0	0	4	1	0	1	11	4	5	0
U.S. vs. Turkey	7	0	0	0	5	2	1	4	15	7	8	0
U.S. vs. Other	7	0	0	0	4	0	0	0	10	5	1	0
Subject country comparisons:												
Japan vs. Taiwan	7	0	0	0	4	1	0	0	10	6	2	0
Japan vs. Turkey	7	0	0	0	5	0	0	0	8	7	1	0
Taiwan vs. Turkey	7	0	0	0	3	2	1	1	8	4	5	0
Japan vs. Other	6	0	0	0	4	1	0	0	8	4	1	0
Taiwan vs. Other	6	0	0	0	4	0	0	0	7	4	1	0
Turkey vs. Other	6	0	0	0	4	2	0	0	7	5	2	0

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

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

Producers, importers, and purchasers also were asked to assess how often differences other than price were significant in sales of rebar from the United States, subject, or nonsubject countries. As seen in table II-16, all U.S. producers reported that factors other than price were never significant in sales of rebar from the United States or subject countries. Importers were fairly evenly split on whether factors other than price were significant in sales of U.S.-produced and subject rebar, but more purchasers indicated that non-price factors were either "never" or "sometimes" significant than were either "always" or "frequently" significant. Importer *** reported that length and sub-bundling are distinguishing factors. Importer *** reported that shorter lead times and condition (no rust) lead to differences that are "always" significant. Four importers reported that lead times were a significant difference between U.S.-produced rebar

and subject. Other factors cited by importers include freight, logistics availability, and technical support availability. Purchasers cited differences in availability (3 purchasers), domestic requirements (2), lead times (2), sub-bundling (2), locking in prices for future delivery (1), quality perceptions (1), size and grade specifications (1), transportation ease (1), and transportation costs (1).

Table II-16
Rebar: Significance of differences other than price between rebar produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Japan	0	0	0	7	1	2	1	2	3	5	8	8
U.S. vs. Taiwan	0	0	0	7	2	1	1	2	2	3	7	7
U.S. vs. Turkey	0	0	0	7	3	2	4	3	4	3	12	11
U.S. vs. Other	0	0	0	6	1	0	1	2	2	1	6	6
Subject country comparisons:												
Japan vs. Taiwan	0	0	0	6	1	1	1	2	2	2	8	5
Japan vs. Turkey	0	0	0	6	2	0	1	2	2	1	7	4
Taiwan vs. Turkey	0	0	0	7	2	1	1	3	4	1	3	6
Japan vs. Other	0	0	0	6	1	1	1	2	2	1	3	6
Taiwan vs. Other	0	0	0	6	1	0	1	2	2	1	2	4
Turkey vs. Other	0	0	0	6	1	1	1	2	2	1	5	3

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

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

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates in their briefs, but no comments were received.

U.S. supply elasticity

The domestic supply elasticity[13] for rebar measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of rebar. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced rebar. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to increase or decrease shipments to the U.S. market by a moderate-to-large amount based on unused capacity and production flexibilities; an estimate in the range of 2.5 to 5 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for rebar measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of rebar. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the rebar in the production of any downstream products. Because of a lack of close, broadly accepted substitutes and the relatively low cost share in the cost of the end-use products which use rebar, it is likely that the demand for rebar is moderately inelastic, with values ranging between -0.25 and -0.75.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[14] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the overall elasticity of substitution between the majority of U.S.-produced rebar and imported rebar is likely to be in the range of 4 to 6. However, for certain projects that require domestically produced rebar, the substitution elasticity is much lower.

[13] A supply function is not defined in the case of a non-competitive market.

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

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume of subject imports and pricing of domestic and imported products is presented in *Part IV* and *Part V,* respectively. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of nine firms that accounted for the vast majority of U.S. production of rebar during 2016.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaires to 12 firms based on information contained in the petition and previous proceedings involving rebar. Out of ten known producers, nine firms provided useable data on their productive operations.[1] Staff believes that these responses represent the vast majority of U.S. production of rebar.

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

[1] Alton Steel, Inc. and Charter Steel did not respond to Commission's requests for data. ***.

Table III-1
Rebar: U.S. producers of rebar, their positions on the petition, production locations, and shares of reported production, 2016

Firm	Position on petition	Production locations	Share of production (percent)
Byer	Support	Cincinnati, OH	***
Cascade	Support	McMinnville, OR City of Industry, CA	***
CMC	Support	Mesa, AZ Magnolia, AR Cayce, SC Seguin, TX	***
Evraz	***	Pueblo, CO	***
Gerdau	Support	Baldwin, FL West Vidor, TX Midlothian, TX Knoxville, TN Sayreville, NJ Rancho Cucamonga, CA	***
Keystone	***	Dallas, TX Peoria, IL Chicago Heights, IL Upper Sandusky, OH	***
Mid American	***	Madill, OK	***
Nucor	Support	Auburn, NY Birmingham, AL Wallingford, CT Jackson, MS Kingman, AZ Bourbonnais, IL	***
SDI	Support	Roanoke, VA Pittsboro, IN	***
Vinton	***	Vinton, TX	***
Total			***

Note. -- ***

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

Table III-2 presents information on U.S. producers' ownership, as well as related and/or affiliated firms.

Table III-2
Rebar: U.S. producers' ownership and related and/or affiliated firms, 2016

* * * * * * *

As indicated in table III-2, four U.S. producers *** are related to foreign producers of rebar and three U.S. producers *** are related to U.S. importers of rebar. In addition, as discussed in greater detail below, *** directly imports rebar and purchases rebar from U.S. importers. ***'s subsidiary *** also directly imports rebar from Japan and Taiwan. In December 2016, Kyoei Steel Ltd. of Japan purchased the Vinton, Texas rolling mill from Bayou Steel Group.[2] Subsequently, Kyoei Steel Ltd. launched a U.S. subsidiary to operate the facility known as Vinton Steel LLC.[3]

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2014.

Table III-3
Rebar: U.S. producers' reported changes in operations, since January 1, 2014

Item / firm	Reported changed in operations
Plant closings:	
***	***
Expansions:	
***	***
***	***
Consolidations:	
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
***	***
***	***
***	***
Revised labor agreements:	
***	***
Other:	
***	***

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

[2] *PR Newswire*, "Kyoei Steel acquires Vinton steel facility of Bayou Steel Group from Black Diamond Capital Management," December 21, 2016.

[3] *Bloomberg,* "Company overview of Vinton Steel, LLC." April 25, 2017.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

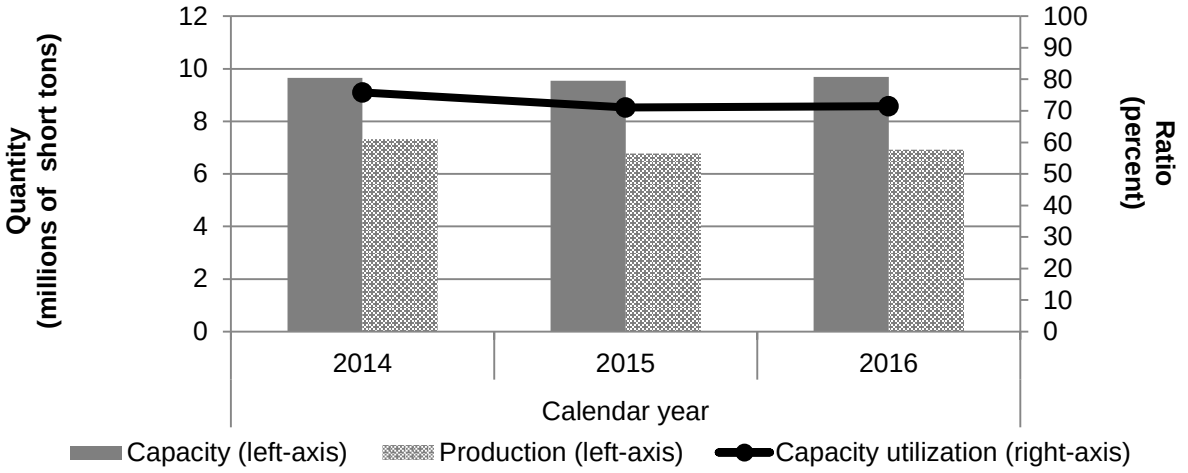
Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Total U.S. capacity has increased from 2014 to 2016 by 30,950 short tons (0.3 percent). Total U.S. rebar production has decreased from 2014 to 2016 by 403,958 short tons (5.5 percent). As a result, capacity utilization declined from 75.9 percent to 71.5 percent during 2014-16.

Table III-4
Rebar: U.S. producers' production, capacity, and capacity utilization, 2014-16

Item	Calendar year		
	2014	2015	2016
	Capacity (short tons)		
CMC	***	***	***
Gerdau	***	***	***
Nucor	***	***	***
All others	***	***	***
Total capacity	9,658,066	9,540,680	9,689,016
	Production (short tons)		
CMC	***	***	***
Gerdau	***	***	***
Nucor	***	***	***
All others	***	***	***
Total production	7,328,202	6,776,526	6,924,244
	Capacity utilization (percent)		
CMC	***	***	***
Gerdau	***	***	***
Nucor	***	***	***
All others	***	***	***
Average capacity utilization	75.9	71.0	71.5

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

Figure III-1
Rebar: U.S. producers' production, capacity, and capacity utilization, 2014-16



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

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

Table III-5
Rebar: U.S. producers' reported constraints on production

Item/firm	Reported production constraints
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Alternative products

Table III-6 presents aggregate data for total U.S. production of all products made on the same equipment and machinery used to produce rebar. Eight firms (***) reported producing other products using the same manufacturing equipment and/or production employees that were used to produce rebar. U.S. producers generally cited customer demand and prices as the factors determining their product mix. Overall capacity increased from 2014 to 2016 while production declined, resulting in lower overall capacity utilization. Between 2014 and 2016, U.S. producers' overall product mix shifted slightly toward rebar, despite a net decline in the quantity produced.

Table III-6
Rebar: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Overall capacity	***	***	***
Production: Rebar	***	***	***
Plain/smooth rebar	***	***	***
Merchant-quality bar	***	***	***
SBQ bar	***	***	***
Wire rod	***	***	***
All other products	***	***	***
Out-of-scope production	***	***	***
Total production on same machinery	***	***	***
	Ratios and shares (percent)		
Overall capacity utilization	76.4	70.0	70.1
Share of production: Rebar	53.4	53.5	54.2
Plain/smooth rebar	0.4	0.3	0.2
Merchant-quality bar	23.9	23.0	23.4
SBQ bar	10.4	9.0	7.8
Wire rod	11.1	13.2	13.5
All other products	0.9	0.9	0.8
Out-of-scope production	46.6	46.5	45.8
Total production on same machinery	100.0	100.0	100.0

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

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

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. The quantity of U.S. producers' U.S. shipments decreased by 1.1 percent from 2014 to 2016, while the value decreased 27.7 percent over that period. Four firms reported transfers to related firms: ***. From 2014 to 2016, the volume of transfers to related firms accounted for between *** and *** percent of total shipments. In 2016, the average unit values of U.S. producers' shipments were the lowest for their export shipments, transfers to related firms, and U.S. commercial shipments.[4] The highest unit values of U.S. producers' shipments were their internal consumption, reported by ***. Internal consumption accounted for a very small share of U.S. shipments and the vast majority was reported by ***, which explained that its

[4] Transfers to related firms were consistently lower than commercial U.S. shipments, most notably in 2014 when the difference in average unit values was $*** per short ton. In questionnaire responses, ***.

***.[5] Average unit values declined for both U.S. and export shipments between 2014 and 2016, by 26.8 percent and *** percent, respectively.

Table III-7
Rebar: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	6,817,358	6,562,427	6,739,024
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	4,359,051	3,671,085	3,153,698
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per short ton)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	639	559	468
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0
	Share of value (percent)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0

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

[5] Petitioners' postconference brief, exh. 2.

Table III-8 presents U.S. producers' shipments by type and by size. Lower unit values for transfers to related firms in 2016 were reported for #3, #4, #5, #6, and all other sizes of rebar than unit values for all other U.S. shipment types. Respondents argue that the *** for transfers are a feature of the petitioners' integrated operations.[6] Petitioners explain the difference in prices of commercial sales and transfers to related firms by the ***.[7]

Table III-8
Rebar: U.S. producers' transfers to related firms by size, 2016

Item	Commercial shipments	Transfers	Internal consumption	U.S. shipments
	Quantity (short tons)			
No. 3	***	***	***	***
No. 4	***	***	***	***
No. 5	***	***	***	***
No. 6	***	***	***	***
Other sizes	***	***	***	***
All sizes	***	***	***	***
	Unit value (dollars per short ton)			
No. 3	***	***	***	***
No. 4	***	***	***	***
No. 5	***	***	***	***
No. 6	***	***	***	***
Other sizes	***	***	***	***
All sizes	***	***	***	***

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

Despite the volume of transfers to related entities, Petitioners are not claiming that the captive production provision is applicable because the affiliated firms of domestic producers often act as both fabricators and distributors, and thus the product enters into the merchant market for rebar.[8] Furthermore, petitioners testified that internal transfers are subject to market prices; affiliated downstream fabricators and related distributors, while preferring to purchase from their affiliated domestic producer, are not precluded from purchasing rebar from other sources, including subject imports, on the basis of price.[9] *** reported transfers to related parties. *** reported that such transfers were valued at "market value" or "fair market value;" that the transfers took place without the retention of marketing rights; and that the related distributor/fabricators were able to source from companies other than the related supplier.

[6] Hearing transcript, pp. 143-144 (Nolan).
[7] Petitioners' posthearing brief, exh. 1.
[8] Hearing transcript, p. 99 (Price).
[9] Hearing transcript, pp. 99-104 (Smith, Barney, Campo, Porter).

U.S. PRODUCERS' INVENTORIES

Table III-9 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' inventories declined continuously from 2014 to 2016.

Table III-9
Rebar: U.S. producers' inventories, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. producers' end-of-period inventories	635,143	560,844	495,214
	Ratio (percent)		
Ratio of inventories to.--			
U.S. production	8.7	8.3	7.2
U.S. shipments	9.3	8.5	7.3
Total shipments	***	***	***

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of rebar are presented in tables III-10 and III-11. ***. Harris stated that it is a distributor and reported that the reason why it imports is ***.

Table III-10
Rebar: U.S. producers' U.S. production and imports, 2014-16

* * * * * * *

Table III-11
Rebar: U.S. producers' purchases, 2014-16

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-12 shows U.S. producers' employment-related data.[10] The number of production and related workers (PRWs) decreased by 194 workers from 2014 to 2016. Between 2014 and 2015, the number of workers, hours worked, wages paid, hourly wages, and productivity all decreased while unit labor costs increased. Between 2015 and 2016, employment data exhibited further declines in the number of workers and total hours worked. Hours worked per PRW increased slightly, along with an increase in hourly wages and productivity. Unit labor costs declined in 2016 as higher productivity more than offset a slight increase in hourly wages.

Table III-12
Rebar: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2014-16

Item	Calendar year		
	2014	2015	2016
Production and related workers (PRWs) (number)	4,279	4,244	4,085
Total hours worked (1,000 hours)	9,313	8,901	8,570
Hours worked per PRW (hours)	2,176	2,097	2,098
Wages paid ($1,000)	355,766	331,775	320,631
Hourly wages (dollars per hour)	$38.20	$37.27	$37.41
Productivity (short tons per 1,000 hours)	786.9	761.3	808.0
Unit labor costs (dollars per short tons)	$48.55	$48.96	$46.31

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

[10] Employment related data for *** was estimated based on employment data of a similar producer, ***. Hours were based on ***. Wages were based on ***.

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 63 firms believed to be importers of subject rebar, as well as to all U.S. producers of rebar.[1] Usable questionnaire responses were received from 15 companies. Table IV-1 lists all responding U.S. importers of rebar from Japan, Taiwan, Turkey,[2] and nonsubject sources, their locations, and their shares of U.S. imports in 2016.

[1] The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data provided by ***, may have imported merchandise in 2016 under the HTS statistical reporting numbers: 7213.10.0000, 7214.20.0000, and 7228.30.8010. According to the petition and Commerce's final determinations, the subject merchandise may also be reported by importers under other statistical reporting numbers, including: 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Steel concrete reinforcing bars are not specifically mentioned under any of these subheadings, and any such imports under those subheadings are believed to be minimal.

In addition, U.S. imports of rebar under HTS statistical reporting number 7228.30.8010 (concrete reinforcing bars and rods of other alloy steel, not further worked than hot-rolled, hot-drawn or extruded) contain unexplained anomalies in reported volumes, and accordingly are not presented in Part IV or Appendix C of this report. The total quantity of such imports in 2016 was 1,175 short tons, or less than 0.1 percent of non-alloy steel rebar.

[2] ***.

Table IV-1
Rebar: U.S. importers, headquarters, and share of imports by source, 2016

Firm	Headquarters	Share of imports by source (percent)					
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	Total imports
Aldarra	San Juan, PR	***	***	***	***	***	***
CMC	Irving, TX	***	***	***	***	***	***
Colakoglu	Istanbul,	***	***	***	***	***	***
Cumic	Katy, TX	***	***	***	***	***	***
Duferco	Matawan, NJ	***	***	***	***	***	***
Harris Supply	Seattle, WA	***	***	***	***	***	***
ICDAS	Istanbul, Turkey	***	***	***	***	***	***
Izmir Demir	Izmir, Turkey	***	***	***	***	***	***
Kaptan Demir	Istanbul, Turkey	***	***	***	***	***	***
MacSteel	White Plains, NY	***	***	***	***	***	***
Marubeni-Itochu	New York, NY	***	***	***	***	***	***
Medtrade	Houston, TX	***	***	***	***	***	***
Stemcor	New York, NY	***	***	***	***	***	***
Tata	Schaumburg, IL	***	***	***	***	***	***
ThyssenKrupp	Southfield, MI	***	***	***	***	***	***
Total		***	***	***	***	***	***

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

U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of rebar from Japan, Taiwan, Turkey, and nonsubject sources. From 2014 through 2016, Turkey was the largest supplier of rebar to the United States, with imports increasing by 52.0 percent from 2014 to 2016 in terms of quantity but declining in terms of value by $8.1 million. The unit value of these imports from Turkey decreased from 2014 to 2016, with an overall decrease in unit value of 35.2 percent. As a ratio to U.S. production, imports of rebar from Turkey increased from 13.4 percent in 2014 to 21.6 percent in 2016, after peaking at 24.1 percent in 2015.

From 2014 to 2016, the quantity of imports of rebar from Japan more than tripled. During 2014-16, the value of imports from Japan more than doubled while unit values of imports from Japan fell by 34.8 percent. As a ratio to U.S. production, imports of rebar from Japan grew from 1.3 percent to 4.3 percent from 2014 to 2016.

From 2014-16, imports of rebar from Taiwan increased from 6,542 short tons to 127,476 short tons. In terms of value, imports of rebar from Taiwan also increased during 2014-16, though less rapidly than quantity; the unit value of these imports declined by 24.9 percent. As a ratio to U.S. production, imports of rebar from Taiwan were equivalent to less than 1 percent in 2014 and 2015, but reached 1.8 percent in 2016.

Table IV-2
Rebar: U.S. imports by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. imports from.--			
Japan	93,970	267,130	294,963
Taiwan	6,542	39,807	127,476
Turkey	981,199	1,625,308	1,491,203
Subject sources	1,081,712	1,932,245	1,913,643
Nonsubject sources	340,440	81,258	194,691
Total U.S. imports	1,422,152	2,013,503	2,108,334
	Value (1,000 dollars)		
U.S. imports from.--			
Japan	50,529	119,414	103,432
Taiwan	3,876	18,811	56,708
Turkey	548,582	715,531	540,531
Subject sources	602,987	853,755	700,671
Nonsubject sources	205,197	43,716	79,032
Total U.S. imports	808,184	897,471	779,703
	Unit value (dollars per short ton)		
U.S. imports from.--			
Japan	538	447	351
Taiwan	592	473	445
Turkey	559	440	362
Subject sources	557	442	366
Nonsubject sources	603	538	406
Total U.S. imports	568	446	370
	Share of quantity (percent)		
U.S. imports from.--			
Japan	6.6	13.3	14.0
Taiwan	0.5	2.0	6.0
Turkey	69.0	80.7	70.7
Subject sources	76.1	96.0	90.8
Nonsubject sources	23.9	4.0	9.2
Total U.S. imports	100.0	100.0	100.0

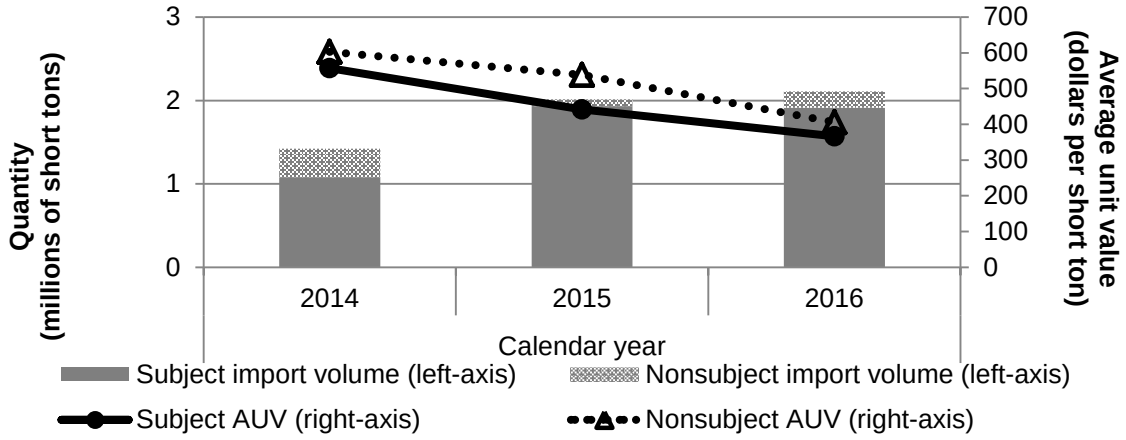
Table continued on next page.

Table IV-2—Continued
Rebar: U.S. imports by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Share of value (percent)		
U.S. imports from.--			
Japan	6.3	13.3	13.3
Taiwan	0.5	2.1	7.3
Turkey	67.9	79.7	69.3
Subject sources	74.6	95.1	89.9
Nonsubject sources	25.4	4.9	10.1
Total U.S. imports	100.0	100.0	100.0
	Ratio to U.S. production		
U.S. imports from.--			
Japan	1.3	4.0	4.3
Taiwan	0.1	0.6	1.8
Turkey	13.4	24.1	21.6
Subject sources	14.8	28.6	27.7
Nonsubject sources	4.7	1.2	2.8
Total U.S. imports	19.4	29.8	30.5

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Figure IV-1
Rebar: U.S. imports by quantity and unit values, 2014-16



Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Table IV-3 presents the U.S. imports of rebar from major nonsubject sources. The quantity of imports of rebar from nonsubject sources decreased from 340,440 short tons in 2014 to 194,691 short tons in 2016, or by 42.8 percent, reflecting steep declines in imports from Spain and Mexico. In 2016, nonsubject sources accounted for 9.2 percent of imports by quantity, with no single source accounting for as much as two percent of total imports.

Table IV-3
Rebar: U.S. imports from nonsubject sources, by source, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. imports from.--			
Russia	0	112	38,501
Peru	33,671	17,469	25,881
Vietnam	0	0	25,107
Brazil	0	4,975	23,819
Dominican Republic	17,094	10,910	22,211
Kazakhstan	0	0	14,075
Canada	356	11,031	11,198
Germany	7,278	5,131	9,913
India	2,311	0	6,635
Spain	113,894	118	6,322
Mexico	99,319	5,451	3,843
All other sources	66,516	26,061	7,186
Nonsubject sources	340,440	81,258	194,691
	Share of total U.S. imports (percent)		
U.S. imports from.--			
Russia	---	0.0	1.8
Peru	2.4	0.9	1.2
Vietnam	---	---	1.2
Brazil	---	0.2	1.1
Dominican Republic	1.2	0.5	1.1
Kazakhstan	---	---	0.7
Canada	0.0	0.5	0.5
Germany	0.5	0.3	0.5
India	0.2	---	0.3
Spain	8.0	0.0	0.3
Mexico	7.0	0.3	0.2
All other sources	4.7	1.3	0.3
Nonsubject sources	23.9	4.0	9.2

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[3] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less

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

than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[4] As shown in table IV-4, imports from Japan, Taiwan, and Turkey accounted for 12.4, 5.9, and 74.5 percent respectively of total imports of rebar, by quantity, from September 2015 through August 2016. Imports of rebar from the Turkish manufacturer/exporter Habas alone accounted for *** percent of total imports during this period, while imports from other Turkish manufacturers/exporters accounted for *** percent.

Table IV-4
Rebar: U.S. imports in the 12 months preceding the petition, by source, September 2015 through August 2016

Item	September 2015 through August 2016	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--		
Japan	265,065	12.4
Taiwan	125,492	5.9
Turkey	1,586,351	74.5
Turkey, Habas	***	***
Turkey, excluding Habas	***	***
Subject sources	1,976,908.9	92.8
Nonsubject sources	153,299	7.2
Total U.S. imports	2,130,208	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, and ***, accessed April 18, 2017.

CUMULATION CONSIDERATIONS

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

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

in Part II Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

The Commission collected data on U.S. producers' and importers' U.S. shipments of rebar by type and length in 2016, presented in table IV-5. Table IV-6 presents U.S. producers' and U.S importers' U.S. shipments by grade in 2016. Table IV-7 presents U.S. producers' and importers' U.S. shipments of rebar by size in 2016.

Table IV-5
Rebar: U.S. producers' and U.S. importers' U.S. shipments by type and length, 2016

Type and length	U.S. shipments 2016						
	U.S. producers	U.S. importers					Combined producer and importer
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
	Quantity (short tons)						
U.S. shipments.-- Coiled rebar	336,726	***	***	***	16,474	33	353,233
Straight: <20 feet	72,751	***	***	***	103,776	0	176,527
Straight: ≥20, <40 feet	1,631,684	***	***	***	790,087	44,605	2,466,376
Straight: ≥40, <60 feet	1,350,302	***	***	***	118,630	12,611	1,481,543
Straight: ≥60 feet	3,347,561	***	***	***	134,285	16,527	3,498,373
Straight: all lengths	6,402,298	***	***	***	1,146,778	73,743	7,622,819
All types and sizes	6,739,024	***	***	***	1,163,252	73,776	7,976,052
	Share across (percent)						
U.S. shipments.-- Coiled rebar	95.3	***	***	***	4.7	0.0	100.0
Straight: <20 feet	41.2	***	***	***	58.8	0.0	100.0
Straight: ≥20, <40 feet	66.2	***	***	***	32.0	1.8	100.0
Straight: ≥40, <60 feet	91.1	***	***	***	8.0	0.9	100.0
Straight: ≥60 feet	95.7	***	***	***	3.8	0.5	100.0
Straight: all lengths	84.0	***	***	***	15.0	1.0	100.0
All types and sizes	84.5	***	***	***	14.6	0.9	100.0
	Share down (percent)						
U.S. shipments.-- Coiled rebar	5.0	***	***	***	1.4	0.0	4.4
Straight: <20 feet	1.1	***	***	***	8.9	0.0	2.2
Straight: ≥20, <40 feet	24.2	***	***	***	67.9	60.5	30.9
Straight: ≥40, <60 feet	20.0	***	***	***	10.2	17.1	18.6
Straight: ≥60 feet	49.7	***	***	***	11.5	22.4	43.9
Straight: all lengths	95.0	***	***	***	98.6	100.0	95.6
All types and sizes	100.0	***	***	***	100.0	100.0	100.0

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

Table IV-6
Rebar: U.S. producers' and U.S. importers' U.S. shipments by grade, 2016

Grade	U.S. shipments 2016						
		U.S. importers					Combined producer and importer
	U.S. producers	Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
	Quantity (short tons)						
U.S. shipments.--Grade 40	291,410	***	***	***	192,873	8,269	492,552
Grade 60	5,138,104	***	***	***	949,626	65,475	6,153,205
Grade 75	269,951	***	***	***	12,114	0	282,065
A706 rebar	793,334	***	***	***	8,063	0	801,397
Other grades	246,225	***	***	***	576	33	246,834
All grades	6,739,024	***	***	***	1,163,252	73,777	7,976,053
	Share across (percent)						
U.S. shipments.--Grade 40	59.2	***	***	***	39.2	1.7	100.0
Grade 60	83.5	***	***	***	15.4	1.1	100.0
Grade 75	95.7	***	***	***	4.3	0.0	100.0
A706 rebar	99.0	***	***	***	1.0	0.0	100.0
Other grades	99.8	***	***	***	0.2	0.0	100.0
All grades	84.5	***	***	***	14.6	0.9	100.0
	Share down (percent)						
U.S. shipments.--Grade 40	4.3	***	***	***	16.6	11.2	6.2
Grade 60	76.2	***	***	***	81.6	88.7	77.1
Grade 75	4.0	***	***	***	1.0	0.0	3.5
A706 rebar	11.8	***	***	***	0.7	0.0	10.0
Other grades	3.7	***	***	***	0.0	0.0	3.1
All grades	100.0	***	***	***	100.0	100.0	100.0

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

Table IV-7
Rebar: U.S. producers' and U.S. importers' U.S. shipments by size, 2016

Size	U.S. shipments 2016						
		U.S. importers					Combined producer and importer
	U.S. producers	Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	
	Quantity (short tons)						
U.S. shipments.--No. 3	331,996	***	***	***	205,565	13,199	550,760
No. 4	1,538,047	***	***	***	432,541	31,621	2,002,209
No. 5	1,692,777	***	***	***	306,574	15,890	2,015,241
No. 6	1,090,516	***	***	***	90,259	6,072	1,186,847
All other sizes	2,085,683	***	***	***	128,313	6,994	2,220,990
All sizes	6,739,019	***	***	***	1,163,252	73,776	7,976,047
	Share across (percent)						
U.S. shipments.--No. 3	60.3	***	***	***	37.3	2.4	100.0
No. 4	76.8	***	***	***	21.6	1.6	100.0
No. 5	84.0	***	***	***	15.2	0.8	100.0
No. 6	91.9	***	***	***	7.6	0.5	100.0
All other sizes	93.9	***	***	***	5.8	0.3	100.0
All sizes	84.5	***	***	***	14.6	0.9	100.0
	Share down (percent)						
U.S. shipments.--No. 3	4.9	***	***	***	17.7	17.9	6.9
No. 4	22.8	***	***	***	37.2	42.9	25.1
No. 5	25.1	***	***	***	26.4	21.5	25.3
No. 6	16.2	***	***	***	7.8	8.2	14.9
All other sizes	30.9	***	***	***	11.0	9.5	27.8
All sizes	100.0	***	***	***	100.0	100.0	100.0

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

Presence in the market

Table IV-8, as well as figures IV-2 and IV-3, present U.S. imports and U.S. producers' U.S. shipments by month and by source from January 2014 to March 2017. Subject imports from Japan entered the United States in 36 out of 39 months, with June 2016 being the month with the greatest quantity of entries. Subject imports from Taiwan entered the United States in 23 out of 39 months, with August 2016 being the month with the highest volume.[5] Subject imports of rebar from Turkey entered the United States in all 39 months between January 2014 and March 2017, with July 2016 being the month with the highest volume.

[5] Subject imports from Taiwan were concentrated in five months: October 2015 and February, July, August, and September, 2016. *** Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, and ***, accessed April 18, 2017.

Table IV-8
Rebar: U.S. shipments and imports, by source and month, January 2014 through March 2017

Year and month	U.S. producers' U.S. shipments	U.S. imports from						Total
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources	
	Quantity (short tons)							
2014.--								
January	***	5,601	222	138,192	144,015	76,745	220,760	846,262
February	***	11,896	0	47,955	59,851	32,251	92,102	650,341
March	***	0	222	108,572	108,793	36,067	144,861	789,430
April	***	5,682	0	72,772	78,453	39,597	118,050	702,116
May	***	3,369	5,729	51,330	60,428	22,684	83,112	747,192
June	***	0	18	63,455	63,472	5,926	69,398	746,767
July	***	4,667	0	30,712	35,379	8,463	43,842	765,211
August	***	4,373	0	108,562	112,935	19,097	132,032	836,062
September	***	26,536	352	55,361	82,249	32,415	114,665	777,953
October	***	17,577	0	121,308	138,886	7,419	146,305	847,411
November	***	11,463	0	117,216	128,678	29,857	158,536	760,829
December	***	2,807	0	65,765	68,572	29,918	98,490	665,020
2015.--								
January	***	16,917	7,534	128,364	152,815	2,068	154,883	730,369
February	***	23,451	0	135,403	158,853	2,701	161,555	648,014
March	***	44,562	6	215,678	260,245	8,280	268,525	808,541
April	***	33,549	0	168,971	202,519	4,285	206,804	746,955
May	***	31,450	444	107,130	139,024	13,633	152,657	710,715
June	***	28,121	14	75,158	103,292	3,397	106,690	674,721
July	***	7,747	23	171,692	179,462	4,830	184,291	728,314
August	***	48,978	0	123,081	172,059	18,723	190,782	742,215
September	***	25,028	561	80,500	106,088	1,109	107,198	634,308
October	***	1,101	17,077	204,110	222,287	7,641	229,928	794,192
November	***	3,929	7,020	106,519	117,468	6,518	123,986	624,976
December	***	2,299	7,129	108,704	118,131	8,072	126,204	604,876

Table continued on next page.

Table IV-8—Continued
Rebar: U.S. shipments and imports, by source and month, January 2014 through March 2017

Year and month	U.S. producers' U.S. shipments	U.S. imports from						Total
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources	
	Quantity (short tons)							
2016.-- January	***	20,447	1,147	112,828	134,421	2,727	137,149	694,204
February	***	31,902	13,558	133,343	178,803	1,703	180,506	716,735
March	***	18,735	463	221,108	240,306	4,615	244,921	758,108
April	***	23,543	1,061	53,560	78,164	27,798	105,962	642,178
May	***	32,370	0	107,315	139,686	10,104	149,789	758,068
June	***	60,861	110	120,077	181,049	28,974	210,023	806,077
July	***	7,155	23,463	221,242	251,860	39,322	291,182	881,001
August	***	37,696	53,903	117,046	208,644	14,716	223,360	783,554
September	***	22,722	29,113	108,291	160,126	7,150	167,276	662,554
October	***	18,077	4,658	74,730	97,466	19,566	117,031	655,121
November	***	14,553	0	110,932	125,485	13,277	138,761	674,084
December	***	6,902	0	110,731	117,633	24,740	142,373	716,615
2017.-- January	***	13,287	0	198,247	211,534	7,949	219,483	833,362
February	***	10,882	0	113,978	124,860	38,782	163,642	716,698
March	***	0	0	205,832	205,832	38,580	244,413	779,027
	Share of quantity across (percent)							
2014.-- January	***	0.7	0.0	16.3	17.0	9.1	26.1	100.0
February	***	1.8	0.0	7.4	9.2	5.0	14.2	100.0
March	***	0.0	0.0	13.8	13.8	4.6	18.4	100.0
April	***	0.8	0.0	10.4	11.2	5.6	16.8	100.0
May	***	0.5	0.8	6.9	8.1	3.0	11.1	100.0
June	***	0.0	0.0	8.5	8.5	0.8	9.3	100.0
July	***	0.6	0.0	4.0	4.6	1.1	5.7	100.0
August	***	0.5	0.0	13.0	13.5	2.3	15.8	100.0
September	***	3.4	0.0	7.1	10.6	4.2	14.7	100.0
October	***	2.1	0.0	14.3	16.4	0.9	17.3	100.0
November	***	1.5	0.0	15.4	16.9	3.9	20.8	100.0
December	***	0.4	0.0	9.9	10.3	4.5	14.8	100.0

Table continued on next page.

Table IV-8—Continued

Rebar: U.S. imports, by source and month of entry, January 2014 through March 2017

Year and month	U.S. producers' U.S. shipments	U.S. imports from						Total
		Japan	Taiwan	Turkey	Subject sources	Nonsubject sources	All sources	
	Share of quantity across (percent)							
2015.--								
January	***	2.3	1.0	17.6	20.9	0.3	21.2	100.0
February	***	3.6	0.0	20.9	24.5	0.4	24.9	100.0
March	***	5.5	0.0	26.7	32.2	1.0	33.2	100.0
April	***	4.5	0.0	22.6	27.1	0.6	27.7	100.0
May	***	4.4	0.1	15.1	19.6	1.9	21.5	100.0
June	***	4.2	0.0	11.1	15.3	0.5	15.8	100.0
July	***	1.1	0.0	23.6	24.6	0.7	25.3	100.0
August	***	6.6	0.0	16.6	23.2	2.5	25.7	100.0
September	***	3.9	0.1	12.7	16.7	0.2	16.9	100.0
October	***	0.1	2.2	25.7	28.0	1.0	29.0	100.0
November	***	0.6	1.1	17.0	18.8	1.0	19.8	100.0
December	***	0.4	1.2	18.0	19.5	1.3	20.9	100.0
2016.--								
January	***	2.9	0.2	16.3	19.4	0.4	19.8	100.0
February	***	4.5	1.9	18.6	24.9	0.2	25.2	100.0
March	***	2.5	0.1	29.2	31.7	0.6	32.3	100.0
April	***	3.7	0.2	8.3	12.2	4.3	16.5	100.0
May	***	4.3	0.0	14.2	18.4	1.3	19.8	100.0
June	***	7.6	0.0	14.9	22.5	3.6	26.1	100.0
July	***	0.8	2.7	25.1	28.6	4.5	33.1	100.0
August	***	4.8	6.9	14.9	26.6	1.9	28.5	100.0
September	***	3.4	4.4	16.3	24.2	1.1	25.2	100.0
October	***	2.8	0.7	11.4	14.9	3.0	17.9	100.0
November	***	2.2	0.0	16.5	18.6	2.0	20.6	100.0
December	***	1.0	0.0	15.5	16.4	3.5	19.9	100.0
2017.--								
January	***	1.6	0.0	23.8	25.4	1.0	26.3	100.0
February	***	1.5	0.0	15.9	17.4	5.4	22.8	100.0
March	***	0.0	0.0	26.4	26.4	5.0	31.4	100.0

Source: Compiled from AISI monthly U.S. shipment data and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Figure IV-2
Rebar: Monthly U.S. shipments and U.S. imports by source and month of entry, January 2014-March 2017

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Figure IV-3
Rebar: Share of monthly U.S. shipments and U.S. imports by source and month of entry, January 2014-March 2017

* * * * * * *

Geographical markets

Table IV-9 presents U.S. imports of rebar by geographic border of entry and table IV-10 presents U.S. imports by the Customs district of entry for 2016. In 2016, approximately 91 percent of U.S. imports of rebar from Japan entered the United States through the customs districts of Houston-Galveston, Texas; San Francisco, California; New Orleans, Louisiana; and Los Angeles, California. Virtually all U.S. imports of rebar from Taiwan entered the United States through the customs districts of San Francisco, California; Los Angeles, California; and Houston-Galveston, Texas. The vast majority of imports of rebar from Turkey entered through customs districts of Houston-Galveston, Texas; Miami, Florida; New Orleans, Louisiana; and Philadelphia, Pennsylvania.

Table IV-9
Rebar: U.S. imports, by source and border of entry, 2016

Item	Border of entry				
	East	North	South	West	Total
	Quantity (short tons)				
U.S. imports from.--					
Japan	11,297	28	178,497	105,141	294,963
Taiwan	---	---	25,577	101,899	127,476
Turkey	346,527	---	1,110,247	34,429	1,491,203
Subject sources	357,825	28	1,314,321	241,469	1,913,643
Nonsubject sources	50,278	562	133,467	10,383	194,691
All sources	408,103	590	1,447,789	251,852	2,108,334
	Share across (percent)				
U.S. imports from.--					
Japan	3.8	0.0	60.5	35.6	100.0
Taiwan	---	---	20.1	79.9	100.0
Turkey	23.2	---	74.5	2.3	100.0
Subject sources	18.7	0.0	68.7	12.6	100.0
Nonsubject sources	25.8	0.3	68.6	5.3	100.0
All sources	19.4	0.0	68.7	11.9	100.0
	Share down (percent)				
U.S. imports from.--					
Japan	2.8	4.7	12.3	41.7	14.0
Taiwan	---	---	1.8	40.5	6.0
Turkey	84.9	---	76.7	13.7	70.7
Subject sources	87.7	4.7	90.8	95.9	90.8
Nonsubject sources	12.3	95.3	9.2	4.1	9.2
All sources	100.0	100.0	100.0	100.0	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Table IV-10
Rebar: U.S. imports, by source and district of entry, 2016

Source and district of entry	U.S. imports 2016	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports: Japan.--		
Houston-Galveston, TX	121,387	41.2
San Francisco, CA	68,395	23.2
New Orleans, LA	46,182	15.7
Los Angeles, CA	33,362	11.3
San Juan, PR	11,297	3.8
Miami, FL	7,155	2.4
Tampa, FL	3,773	1.3
Honolulu, HI	3,384	1.1
Detroit, MI	24	0.0
Cleveland, OH	4	0.0
Subtotal, Japan	294,963	100.0
U.S. imports: Taiwan.--		
San Francisco, CA	63,662	49.9
Los Angeles, CA	34,447	27.0
Houston-Galveston, TX	24,000	18.8
Honolulu, HI	2,254	1.8
New Orleans, LA	1,577	1.2
Columbia-Snake, OR	1,536	1.2
Subtotal, Taiwan	127,476	100.0
U.S. imports: Turkey.--		
Houston-Galveston, TX	535,874	35.9
Miami, FL	265,839	17.8
New Orleans, LA	256,896	17.2
Philadelphia, PA	206,311	13.8
Baltimore, MD	55,230	3.7
Tampa, FL	47,424	3.2
Boston, MA	47,003	3.2
San Juan, PR	37,954	2.5
Los Angeles, CA	23,973	1.6
San Francisco, CA	10,456	0.7
Laredo, TX	4,214	0.3
New York, NY	21	0.0
Ogdensburg, NY	9	0.0
Subtotal, Turkey	1,491,203	100.0

Source: Official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

APPARENT U.S. CONSUMPTION AND U.S. MARKET SHARES

Tables IV-11 and IV-12 and figure IV-4 present data on apparent U.S. consumption and U.S. market shares for rebar.

Table IV-11
Rebar: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
U.S. producers' U.S. shipments	6,817,358	6,562,427	6,739,024
U.S. imports from.--			
Japan	93,970	267,130	294,963
Taiwan	6,542	39,807	127,476
Turkey	981,199	1,625,308	1,491,203
Subject sources	1,081,712	1,932,245	1,913,643
Nonsubject sources	340,440	81,258	194,691
All import sources	1,422,152	2,013,503	2,108,334
Apparent U.S. consumption	8,239,510	8,575,930	8,847,358
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	4,359,051	3,671,085	3,153,698
U.S. imports from.--			
Japan	50,529	119,414	103,432
Taiwan	3,876	18,811	56,708
Turkey	548,582	715,531	540,531
Subject sources	602,987	853,755	700,671
Nonsubject sources	205,197	43,716	79,032
All import sources	808,184	897,471	779,703
Apparent U.S. consumption	5,167,235	4,568,556	3,933,401

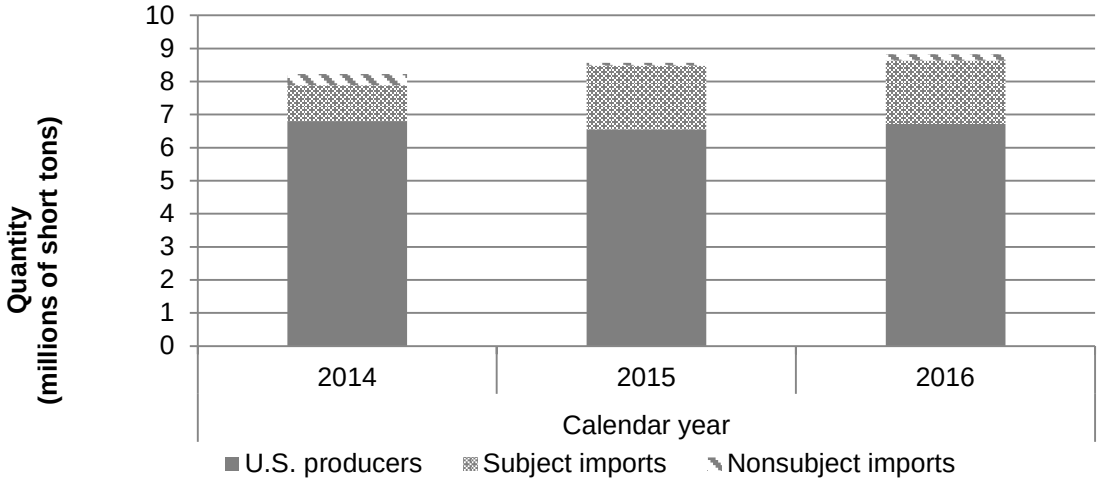
Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Table IV-12
Rebar: U.S. consumption and market shares, 2014-16

Item	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Apparent U.S. consumption	8,239,510	8,575,930	8,847,358
	Share of quantity (percent)		
U.S. producers' U.S. shipments	82.7	76.5	76.2
U.S. imports from.--			
Japan	1.1	3.1	3.3
Taiwan	0.1	0.5	1.4
Turkey	11.9	19.0	16.9
Subject sources	13.1	22.5	21.6
Nonsubject sources	4.1	0.9	2.2
All import sources	17.3	23.5	23.8
	Value (1,000 dollars)		
Apparent U.S. consumption	5,167,235	4,568,556	3,933,401
	Share of value (percent)		
U.S. producers' U.S. shipments	84.4	80.4	80.2
U.S. imports from.--			
Japan	1.0	2.6	2.6
Taiwan	0.1	0.4	1.4
Turkey	10.6	15.7	13.7
Subject sources	11.7	18.7	17.8
Nonsubject sources	4.0	1.0	2.0
All import sources	15.6	19.6	19.8

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

Figure IV-4
Rebar: Apparent U.S. consumption, 2014-16



Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.
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PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

The primary raw material input to manufacture rebar is scrap. Raw material costs as a share of the cost of goods sold decreased from 66.5 percent in 2014 to 53.9 percent in 2016. As seen in figure V-1, the price of scrap declined by *** percent between January 2014 and December 2015, then increased by *** percent between December 2015 and December 2016 for an overall decline of *** percent. Scrap prices increased during the first three months of 2017.[1]

Figure V-1
Scrap prices: Monthly price of No. 1 heavy melt scrap, Chicago, January 2014-March 2017

* * * * * * *

U.S. inland transportation costs

Seven of eight responding U.S. producers and two of 14 importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from *** percent, while most importers reported costs of *** percent.

PRICING PRACTICES

Pricing methods

All eight responding U.S. producers reported using transaction-by-transaction negotiations, including one who uses "foreign fighter" pricing.[2] U.S. producer *** reported that its prices for individual customers are based on sales volume and import price competition, among other considerations. Similarly, all 15 importers reported using transaction-by-transaction negotiations, although one (***) also reported using contracts, while another (***) reported pricing based on raw material prices.

Purchasers typically contact 2 to 4 suppliers. Thirty-two of 38 purchasers reported that their purchases involve negotiations with their suppliers. The large majority of purchasers'

[1] American Metal Market, No.1 heavy melt scrap, Chicago, May 2017.

[2] "Foreign fighter" pricing refers to offering price matching (or near price matching) to prevailing import prices usually for a specific region.

prices (33 of 38) do not change based on published prices. Of those that do, three purchasers reported that their prices may be based on U.S. import prices, two on prices from American Metal Market, one based on Chicago scrap prices, and one on reference prices from SteelOrbis. No U.S. producer or importer reported indexing prices based on any published price index.

As shown in table V-1, U.S. producers and importers reported their 2016 U.S. commercial shipments of rebar by type of sale. The vast majority of rebar sales were made on the spot market. Fifteen purchasers indicated that they purchase on a daily basis, 13 weekly, 4 monthly, and 6 on some other basis.

Table V-1
Rebar: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2016

Item	U.S. producers	Subject U.S. importers
	Share (percent)	
Share of commercial U.S. shipments.-- Long-term contracts	***	0.0
Annual contract	***	0.0
Short-term contracts	17.0	1.4
Spot sales	82.1	98.6

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

Sales terms and discounts

A majority of responding U.S. producers (5 of 8) quoted prices on a delivered basis, while most responding importers (9 of 13) typically quoted prices on an f.o.b. basis. Four producers offered quantity discounts, three offered no discounts, and three offered another type of discount (e.g., paid rebates or quick pay discounts). In addition, five producers offer prompt-payment discounts. Among responding importers, *** offered prompt-payment discounts, but all other importers reported no discounts. Most U.S. producers and importers reported sales terms of net 30 days, with two importers reporting net 60 day terms. Three U.S. producers reported terms of ***. Importers also reported terms of ***.

Independent Steel Alliance

In January 2013, several U.S. and Canadian independent rebar fabricators began a purchasing cooperative called the Independent Steel Alliance ("ISA") to increase negotiating leverage when purchasing from steel suppliers and to earn rebates based on purchase volumes. The ISA also was established to allow its suppliers an avenue to reach new purchasers and increase sales.[3] In the Commission's most recent rebar investigations, 8 of 10 responding

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

producers and 3 of 16 responding importers reported that they had sold rebar to ISA members (at the time only 5 of 28 responding purchasers reported that they were members of the ISA). The majority of responding producers and importers reported no differences between sales to ISA members and other sales and that the ISA had not affected prices or purchaser patterns.[4]

At the hearing, Gerdau characterized the ISA as a demand aggregator that assembles small purchasers to put together a larger purchase order that may be more interesting to suppliers.[5] Similarly, Byer stated that its purpose was to consolidate and bring buying power to independent fabricators.[6] Furthermore, Byer stated that, although it was one of the architects of the ISA, it left after three years since it had only sold two truckloads and bought none through the co-op during that time.[7] Several importers are currently suppliers to the association.[8] ***.[9] In January 2017, U.S. producer Gerdau joined the Independent Steel Alliance as a supplier.[10] Gerdau has been noted for being the first large volume rebar producer with a national presence in the ISA, which had first sought out "independent" rebar suppliers that did not own rebr distribution/fabrication operations.[11]

Price leadership

Twenty-four of 31 purchasers indicated that Nucor was a price leader in the U.S. market for rebar, with a number of purchasers indicating that it sets the domestic price by way of announcements, followed shortly thereafter by CMC and Gerdau. Purchasers also reported that CMC and Gerdau (8 purchasers each) were market price leaders. Four purchasers identified Turkish sources as price leaders, and one purchaser noted that "subject producers" were price leader. One of these specifically indicated that Habas and Icdas are the price leaders and two of these stated that Turkish prices drive the market for imported rebar. Purchaser *** stated that "When Turkish prices move down, the rebar industry pricing is forced to move down or market share shifts more toward imported rebar. Very few customers will pay any premium for domestic rebar that is not required by law or contract." Purchasers ***, stated that suppliers from Japan, Taiwan, and Turkey are price leaders.

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[4] *Steel Concrete Reinforcing Bar from Mexico and Turkey, Inv. Nos. 701-TA-502 and 731-TA-1227 (Final)*, USITC Pub. 4496 at V-5 to V-6 (Oct. 2014).

[5] Hearing transcript, p. 94 (Campo).

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

[7] Hearing transcript, p. 93 (Byer).

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

[9] Turkish respondents' postconference brief, p. 40.

[10] "Rebar major Gerdau joins ISA as supplier," American Metal Market, January 4, 2017, found at http://www.amm.com/Article/3650365/Rebar-major-Gerdau-joins-ISA-as-supplier.html, retrieved April 20, 2017.

[11] "Gerdau-ISA deal represents real synergies: ISA," American Metal Market, January 4, 2017, found at http://www.amm.com/Article/3650365/Bergdau-ISA-deal-represents-real-synergies-ISAr.html, retrieved April 26, 2017.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following rebar products shipped to unrelated U.S. customers during January 2014 – December 2016.

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

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

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

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

Seven U.S. producers and 15 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[12] Price data reported by these firms accounted for approximately *** percent of U.S. producers' commercial shipments of rebar, *** percent of U.S. commercial shipments of imports from Japan, *** percent of U.S. commercial shipments of imports from Taiwan, and *** percent of U.S. commercial shipments of imports from Turkey in 2016.[13] Price data for products 1-4 are presented in tables V-2 to V-5 and figures V-2 to V-5.

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

[13] Compared to official import statistics, import pricing data account for *** percent of imports from Japan, *** percent of imports from Taiwan, and *** percent of imports from Turkey in 2016.

Table V-2
Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2014-December 2016

Period	United States		Japan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:					
Jan.-Mar.	633	35,755	***	***	***
Apr.-Jun.	652	32,342	***	***	***
Jul.-Sep.	655	35,581	***	***	***
Oct.-Dec.	664	26,697	***	***	***
2015:					
Jan.-Mar.	604	29,047	***	***	***
Apr.-Jun.	583	32,198	458	9,008	21.5
Jul.-Sep.	533	39,440	448	12,377	15.9
Oct.-Dec.	483	31,319	***	***	***
2016:					
Jan.-Mar.	440	38,031	353	7,604	19.8
Apr.-Jun.	475	42,326	368	9,343	22.4
Jul.-Sep.	477	35,354	436	7,047	8.6
Oct.-Dec.	468	31,428	401	6,443	14.2

Period	Taiwan			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:						
Jan.-Mar.	--	0	--	592	21,870	6.4
Apr.-Jun.	--	0	--	579	19,261	11.2
Jul.-Sep.	--	0	--	***	***	***
Oct.-Dec.	--	0	--	***	***	***
2015:						
Jan.-Mar.	--	0	--	487	46,699	19.3
Apr.-Jun.	--	0	--	443	25,025	24.1
Jul.-Sep.	***	***	***	431	32,341	19.2
Oct.-Dec.	***	***	***	367	44,108	24.1
2016:						
Jan.-Mar.	--	0	--	***	***	***
Apr.-Jun.	***	***	***	***	***	***
Jul.-Sep.	***	***	***	441	21,261	7.5
Oct.-Dec.	***	***	***	384	15,068	17.8

[1] Product 1: Straight ASTM A615, No. 3, grade 60 rebar.

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

Table V-3
Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2014-December 2016

Period	United States		Japan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:					
Jan.-Mar.	636	158,974	***	***	***
Apr.-Jun.	641	180,177	***	***	***
Jul.-Sep.	649	204,614	***	***	***
Oct.-Dec.	653	166,640	***	***	***
2015:					
Jan.-Mar.	605	153,536	***	***	***
Apr.-Jun.	577	175,873	466	14,246	19.2
Jul.-Sep.	543	201,400	456	20,287	16.1
Oct.-Dec.	492	159,956	***	***	***
2016:					
Jan.-Mar.	446	185,928	352	11,566	21.0
Apr.-Jun.	480	205,986	365	25,555	24.0
Jul.-Sep.	488	173,275	423	15,539	13.5
Oct.-Dec.	469	177,229	404	8,367	14.0

Period	Taiwan			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:						
Jan.-Mar.	--	0	--	593	55,677	6.6
Apr.-Jun.	--	0	--	587	41,207	8.5
Jul.-Sep.	--	0	--	581	39,399	10.5
Oct.-Dec.	--	0	--	560	68,329	14.3
2015:						
Jan.-Mar.	--	0	--	493	111,833	18.5
Apr.-Jun.	--	0	--	473	77,932	18.0
Jul.-Sep.	***	***	***	440	75,381	19.0
Oct.-Dec.	***	***	***	375	86,160	23.8
2016:						
Jan.-Mar.	--	0	--	330	72,207	26.1
Apr.-Jun.	***	***	***	371	87,719	22.7
Jul.-Sep.	***	***	***	416	50,760	14.9
Oct.-Dec.	***	***	***	385	45,017	18.0

[1] Product 2: Straight ASTM A615, No. 4, grade 60 rebar.

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

Table V-4
Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2014-December 2016

Period	United States		Japan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:					
Jan.-Mar.	637	177,893	***	***	***
Apr.-Jun.	637	199,118	***	***	***
Jul.-Sep.	640	234,292	***	***	***
Oct.-Dec.	647	187,288	***	***	***
2015:					
Jan.-Mar.	603	174,184	***	***	***
Apr.-Jun.	573	203,057	465	9,907	18.9
Jul.-Sep.	549	219,001	455	12,651	17.1
Oct.-Dec.	491	178,501	***	***	***
2016:					
Jan.-Mar.	449	212,928	353	7,107	21.4
Apr.-Jun.	488	221,938	353	8,175	27.7
Jul.-Sep.	494	194,975	429	6,292	13.1
Oct.-Dec.	467	215,535	405	4,703	13.3

Period	Taiwan			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:						
Jan.-Mar.	--	0	--	597	47,341	6.3
Apr.-Jun.	--	0	--	579	34,991	9.1
Jul.-Sep.	--	0	--	***	***	***
Oct.-Dec.	--	0	--	***	***	***
2015:						
Jan.-Mar.	--	0	--	497	73,282	17.7
Apr.-Jun.	--	0	--	451	50,812	21.2
Jul.-Sep.	***	***	***	437	68,350	20.5
Oct.-Dec.	***	***	***	373	64,440	24.0
2016:						
Jan.-Mar.	--	0	--	330	64,583	26.5
Apr.-Jun.	***	***	***	375	70,570	23.1
Jul.-Sep.	***	***	***	418	51,555	15.6
Oct.-Dec.	***	***	***	383	44,511	17.9

[1] Product 3: Straight ASTM A615, No. 5, grade 60 rebar.

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

Table V-5
Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2014-December 2016

Period	United States		Japan		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:					
Jan.-Mar.	652	123,831	***	***	***
Apr.-Jun.	643	130,235	***	***	***
Jul.-Sep.	644	141,112	***	***	***
Oct.-Dec.	653	128,586	***	***	***
2015:					
Jan.-Mar.	609	113,564	***	***	***
Apr.-Jun.	581	129,818	481	2,999	17.1
Jul.-Sep.	564	135,125	483	5,375	14.4
Oct.-Dec.	516	122,210	***	***	***
2016:					
Jan.-Mar.	471	126,572	357	2,499	24.2
Apr.-Jun.	501	133,528	349	2,567	30.2
Jul.-Sep.	513	122,217	***	***	***
Oct.-Dec.	490	139,920	***	***	***

Period	Taiwan			Turkey		
	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2014:						
Jan.-Mar.	--	0	--	595	13,699	8.7
Apr.-Jun.	--	0	--	***	***	***
Jul.-Sep.	--	0	--	574	12,038	10.8
Oct.-Dec.	--	0	--	***	***	***
2015:						
Jan.-Mar.	--	0	--	500	25,673	17.9
Apr.-Jun.	--	0	--	453	21,836	22.0
Jul.-Sep.	--	0	--	***	***	***
Oct.-Dec.	--	0	--	373	19,801	27.7
2016:						
Jan.-Mar.	--	0	--	326	23,134	30.7
Apr.-Jun.	--	0	--	370	20,170	26.2
Jul.-Sep.	***	***	***	416	20,725	19.0
Oct.-Dec.	***	***	***	380	12,870	22.5

[1] Product 4: Straight ASTM A615, No. 6, grade 60 rebar.

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

Figure V-2
Rebar: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2014-December 2016

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Figure V-3
Rebar: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2014-December 2016

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Figure V-4
Rebar: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2014-December 2016

* * * * * * *

Figure V-5
Rebar: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2014-December 2016

* * * * * * *

Price trends

In general, prices decreased during January 2014-December 2016. Table V-6 summarizes the price trends, by country and by product. As shown in the table, domestic price decreases ranged from 24.8 to 26.7 percent during this period while import price decreases ranged from *** to *** percent for rebar from Japan and Turkey. Comparable changes in the price levels over the period are not available for rebar from Taiwan as there were no reported sales of products 1-4 in 2014 or the first half of 2015.

Table V-6
Rebar: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and Japan, Taiwan, and Turkey

Item	Number of quarters	Low price (dollars per short ton)	High price (dollars per short ton)	Change in price over period[1] (percent)
Product 1:				
United States	12	440	664	(26.0)
Japan	12	353	***	***
Taiwan[2]	5	***	***	***
Turkey	12	***	592	(35.1)
Product 2:				
United States	12	446	653	(26.2)
Japan	12	352	***	***
Taiwan[2]	5	***	***	***
Turkey	12	330	593	(35.1)
Product 3:				
United States	12	449	647	(26.7)
Japan	12	353	***	***
Taiwan[2]	5	***	***	***
Turkey	12	330	597	(35.8)
Product 4:				
United States	12	471	653	(24.8)
Japan	12	349	***	***
Taiwan[2]	2	***	***	***
Turkey	12	326	595	(36.1)

[1] Percentage change from the first quarter in which data were available to the last quarter in which price data were available.
[2] Taiwan data are not comparable to the other countries' data, as no price data for rebar from Taiwan were reported before the third quarter of 2015.

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

Price comparisons

As shown in table V-7, prices for rebar imported from Japan, Taiwan, and Turkey were below those for U.S.-produced rebar in 112 of 113 instances (2.4 million short tons); margins of underselling ranged from 0.5 to 30.7 percent. In the remaining instance (*** short tons), the price of rebar from Taiwan was *** percent above the domestic price.

Table V-7
Rebar: Instances of underselling/overselling and the range and average of margins, by country, January 2014-December 2016[1]

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Japan					
2014	16	40,226	***	***	***
2015	16	123,445	***	***	***
2016	16	125,037	***	***	***
Total	48	288,708	13.2	3.3	30.2
Taiwan					
2014	0	0	***	--	--
2015	5	1,783	***	***	***
2016	11	21,024	***	***	***
Total	16	22,807	9.4	0.5	20.9
Turkey					
2014	16	539,756	***	***	***
2015	16	850,971	***	***	***
2016	16	672,113	***	***	***
Total	48	2,062,840	17.6	6.3	30.7
Total, underselling	112	2,374,355	14.5	0.5	30.7
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Taiwan					
2015	1	***	***	***	***
Total, overselling	1	***	***	***	***

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

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

LOST SALES AND LOST REVENUE

In the preliminary phase of the investigations, the Commission requested U.S. producers of rebar to report purchasers where they experienced instances of lost sales or revenue due to competition from imports of rebar from subject countries during January 2013-June 2016. All seven responding U.S. producers reported that they had to either reduce prices or roll back announced price increases, and all seven firms reported that they had lost sales. Four U.S. producers submitted lost sales and lost revenue allegations. The four responding U.S. producers identified 27 independent firms where they lost sales or revenue (one involving lost sales allegations, nine involving lost revenue allegations, and 23 involving of both types of allegations). *** producers identified Japan, Taiwan, or Turkey as the country of origin for their

lost sales and lost revenue allegations. U.S. producers were also asked to provide information regarding the timing, method of sale, and product type related to the lost sales and lost revenue allegations. *** producers stated that sales were lost and/or prices reduced between ***, on *** for ***. *** producer stated that sales were lost between ***.

In the final phase of these investigations, all eight responding U.S. producers reported that they had to reduce prices to compete for sales and six of seven reported having to roll back announced price increases. All eight also reported that they had lost sales.

Questionnaires sent to purchasers in the final phase of these investigations contained questions that pertained to lost sales and lost revenue. Staff received responses from 35 purchasers. Responding purchasers reported purchasing 4.9 million short tons of rebar during 2016, and 14.5 million tons total over 2014-16 (table V-8). During 2016, the responding purchasers purchased 74.7 percent of their rebar from U.S. producers, 2.7 percent from Japan, 1.4 percent from Taiwan, 18.9 percent from Turkey, 0.9 percent from other sources. Purchasers were unable to attribute the remaining 1.3 percent to the country of origin. The ten largest purchasers accounted for 62.1 percent of all reported purchases. The two largest purchasers, ***, accounted for *** percent of total purchases.

Table V-8
Rebar: Purchasers' reported purchases, 2016, and change in domestic and subject countries shares, 2014-16

* * * * * * *

Of the 38 responding purchasers, 31 reported that they had purchased imported rebar from Japan, Taiwan, or Turkey instead of U.S.-produced rebar since 2014. *** purchasers reported buying Japanese rebar instead of domestic rebar, *** purchasers reported buying Taiwan rebar, and *** purchasers reported buying Turkish rebar.

When comparing U.S. and subject country prices, 30 responding purchasers reported that subject import prices were lower than U.S.-produced rebar prices, and 24 of these purchasers reported that price was a primary reason for the decision to purchase imported rebar from at least one subject country rather than U.S.-produced rebar. The reported estimated quantities that these firms purchased from subject import sources rather than domestic sources ranged from *** to *** short tons (table V-9). Purchasers identified availability, customer preference, product range, quality, and an unwillingness/inability of domestic suppliers to sell to certain purchasers as non-price reasons for purchasing imported rather than U.S.-produced rebar. Details regarding purchasers' responses for each of the subject countries are presented in table V-10.

Table V-9
Rebar: Purchasers' responses to purchasing subject imports instead of domestic product

* * * * * * *

Table V-10
Rebar: Purchasers' responses to purchasing subject imports instead of domestic product, by country

Source	Count of purchasers reporting subject imports instead of domestic product	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for purchasing subject imports instead of domestic product	Quantity purchased instead of domestic product (short tons)
Japan	22	20	16	255,322
Taiwan	14	14	10	84,856
Turkey	27	26	19	992,828
All subject sources	31	30	24	1,333,006

Note.--Totals do not include ***.

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

Of the 38 responding purchasers, 17 reported that U.S. producers had reduced prices to compete with lower-priced imports from subject countries, 6 reported that they did not reduce prices to compete with subject imports, and 15 reported that they did not know (table V-11). The reported estimated price reduction ranged from ***. Also as shown in table V-11, when explaining the price reductions, purchasers indicated that domestic mills would lower prices in order to compete with subject imports. Details regarding purchasers' responses for each of the subject countries are presented in table V-12.

Table V-11
Rebar: Purchasers' responses to U.S. producer price reductions

* * * * * * *

Table V-12
Rebar: Purchasers' responses to U.S. producer price reductions, by subject country

Source	Count of purchasers reporting U.S. producers reduced prices	Simple average of estimated U.S. price reduction (percent)	Range of estimated U.S. price reductions (percent)
Japan	9	12.5	5 to 20
Taiwan	6	12.0	10 to 15
Turkey	13	13.6	7 to 33
All subject sources	17	12.9	5 to 33

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

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Rebar manufacturing in the United States is relatively concentrated with the three largest volume producers (***) accounting for *** percent of total 2014-16 sales volume. The remaining U.S. producers range from *** percent of total 2014-16 sales volume (***) to *** percent (***).[1]

The majority of U.S. producers manufacture multiple products, such as merchant-quality bar, wire rod, and SBQ bar,[2] and own or are related to affiliates with ferrous scrap operations.[3] As noted in the *Cost of goods sold and gross profit* section below, the majority of U.S. producers reported that raw material purchased from related suppliers was based on ***. Larger-volume producers also sell a relatively large share of their rebar to related downstream fabrication operations and related distributors.[4]

*** U.S. producers, *** reported internal consumption. ***, which accounted for the majority of overall internal consumption, reported that its internal consumption represents rebar used in its fabrication business.[5]

---

[1] This section of the report presents the rebar financial results of eight U.S. producers. The majority of U.S. producers reported their financial results for calendar-year periods and on the basis of generally accepted accounting principles (GAAP). ***.

[2] Most U.S. producers indicated that changes in the production of non-rebar products, at the manufacturing facilities where rebar is produced, did not substantially impact rebar cost of goods sold (COGS). ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor.

[3] Cascade purchases all of its scrap from a related supplier (Schnitzer Steel's Auto and Metals Recycling segment). Schnitzer 2016 10-K, p. 7. CMC operates ten scrap metal processing plants which directly support the company's overall mill operations. CMC 2016 10-K, p. 4. Gerdau's parent company operates 37 scrap recycling facilities (including joint ventures and associate companies) in North America. Gerdau 2015 20-F, p. 29. Nucor's related supplier (DJJ) operates six regional scrap companies in the United States. Nucor 2016 10-K, p. 6. SDI's metals recycling operations supplied 40 percent of its steel operations' ferrous scrap requirements during 2016. SDI 2016 10-K, p. 3.

At the Commission's staff conference, U.S. producers generally indicated that the primary benefit of having related scrap operations is security of supply, as opposed to reduced cost of the underlying scrap. Conference transcript, p. 84 (Porter, Barney, Campo).

[4] *** percent of *** total rebar sales quantity for 2014-16 reflects transfers, while *** and *** transfers accounted for *** percent and *** percent of their total 2014-16 sales quantity, respectively. U.S. producers reported that transfers to related fabricators and distributors reflect fair market value. ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

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

OPERATIONS ON REBAR

Income-and-loss data for the U.S. industry's rebar operations are presented in table VI-1. Table VI-2 presents corresponding changes in average per-short-ton values. Table VI-3 presents a variance analysis of the U.S. industry's financial results.[6] Selected company-specific financial information is presented in table VI-4.

Net sales

The value of the U.S. industry's total rebar revenue was at its highest level in 2014 and then declined in 2015 and 2016. The revenue section of the variance analysis (see table VI-3) indicates that period-to-period changes in total revenue reflect different factors in each year: the revenue decline in 2015 was primarily due to a negative price variance, as well as a negative sales volume variance; in contrast, the revenue decline in 2016 was entirely due to a negative price variance, which was partially offset by a small positive sales volume variance.

Volume

On a company-specific basis, *** U.S. producers reported declines in sales volume in 2015. In contrast, the directional pattern of company-specific sales volume in 2016 was more mixed. Among the larger-volume producers, *** reported *** percent and *** percent higher sales volume, respectively, in 2016. In contrast, *** reported *** percent lower sales volume in 2016.

[6] The Commission's variance analysis is calculated in three parts: sales variance, COGS variance, and SG&A expenses variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expenses variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. As summarized at the bottom of table VI-3, the price variance is from sales, the cost/expense variance is the sum of those items from the COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expenses variances. In general, the utility of the Commission's variance analysis is enhanced when product mix remains the same throughout the period.

Value

*** U.S. producers reported declines in average per-short-ton sales values in 2015 and 2016. For most U.S. producers, the percentage decline in average per-short-ton sales value was somewhat larger in 2016. Table VI-2 shows that changes in average per-short-ton rebar sales values and raw material costs, while of different magnitudes, followed the same directional pattern during 2014-16.[7]

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

Table VI-1
Rebar: Results of operations of U.S. firms, 2014-16

Item	Fiscal year		
	2014	2015	2016
	Quantity (short tons)		
Commercial sales	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	7,239,416	6,841,032	6,963,058
	Value (1,000 dollars)		
Commercial sales	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	4,589,660	3,884,838	3,273,429
Cost of goods sold.--			
Raw materials	2,853,828	1,979,386	1,619,175
Direct labor	325,306	314,408	317,431
Other factory costs	1,109,215	1,079,953	1,066,089
Total COGS	4,288,349	3,373,747	3,002,695
Gross profit	301,311	511,091	270,734
SG&A expense	198,573	187,946	195,991
Operating income	102,738	323,145	74,743
Interest expense	48,419	47,285	30,301
All other expenses	2,481	3,738	6,695
All other income	3,679	4,633	13,596
Net income	55,517	276,755	51,343
Depreciation/amortization	137,717	111,669	115,929
Estimated cash flow from operations	193,234	388,424	167,272
	Ratio to net sales (percent)		
Cost of goods sold.--			
Raw materials	62.2	51.0	49.5
Direct labor	7.1	8.1	9.7
Other factory costs	24.2	27.8	32.6
Average COGS	93.4	86.8	91.7
Gross profit	6.6	13.2	8.3
SG&A expense	4.3	4.8	6.0
Operating income	2.2	8.3	2.3
Net income	1.2	7.1	1.6

Table continued on next page.

Table VI-1--Continued
Rebar: Results of operations of U.S. firms, 2014-16

Item	Fiscal year		
	2014	2015	2016
	Ratio to total COGS (percent)		
Cost of goods sold.-- Raw materials	66.5	58.7	53.9
Direct labor	7.6	9.3	10.6
Other factory costs	25.9	32.0	35.5
Average COGS	100.0	100.0	100.0
	Unit value (dollars per short ton)		
Commercial sales	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
Total net sales	634	568	470
Cost of goods sold.-- Raw materials	394	289	233
Direct labor	45	46	46
Other factory costs	153	158	153
Average COGS	592	493	431
Gross profit	42	75	39
SG&A expense	27	27	28
Operating income	14	47	11
Net income	8	40	7
	Number of firms reporting		
Operating losses	5	5	6
Net losses	5	5	6
Data	8	8	8

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

Table VI-2
Rebar: Changes in average per-short-ton values, between fiscal years, 2014-16

Item	Between fiscal years		
	2014-16	2014-15	2015-16
Total net sales	(164)	(66)	(98)
Cost of goods sold.-- Raw materials	(162)	(105)	(57)
Direct labor	1	1	(0)
Other factory costs	(0)	5	(5)
Average COGS	(161)	(99)	(62)
Gross profit	(3)	33	(36)
SG&A expense	1	0	1
Operating income or (loss)	(3)	33	(37)
Net income or (loss)	(0)	33	(33)

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

Table VI-3
Rebar: Variance analysis of financial results of U.S. firms, 2014-16

Item	Between fiscal years		
	2014-16	2014-15	2015-16
Net sales:			
Price variance	(1,141,025)	(452,254)	(680,704)
Volume variance	(175,206)	(252,568)	69,295
Net sales variance	(1,316,231)	(704,822)	(611,409)
COGS:			
Cost variance	1,121,950	678,615	431,231
Volume variance	163,704	235,987	(60,179)
COGS variance	1,285,654	914,602	371,052
Gross profit variance	(30,577)	209,780	(240,357)
SG&A expenses:			
Cost/expense variance	(4,998)	(300)	(4,693)
Volume variance	7,580	10,927	(3,352)
Total SG&A expense variance	2,582	10,627	(8,045)
Operating income variance	(27,995)	220,407	(248,402)
Summarized (at the operating income level) as:			
Price variance	(1,141,025)	(452,254)	(680,704)
Net cost/expense variance	1,116,952	678,314	426,538
Net volume variance	(3,922)	(5,654)	5,764

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

Table VI-4
Rebar: Results of operations of U.S. firms, by firm, 2014-16

* * * * * *

Cost of goods sold and gross profit

Raw materials

As shown in table VI-1, total raw material costs, a large share of which represents ferrous scrap, declined from a high of 66.5 percent of COGS in 2014 to a low of 53.8 percent in 2016.[8] As noted below and while average per-short-ton direct labor and other factory costs changed somewhat during the period (increasing in 2015 and then declining in 2016), the

[8] In general, raw material costs can be interpreted as primary raw material, namely ferrous scrap of varying grades, and additional non-scrap materials (depending on cost classification). The extent to which related conversion costs (i.e., direct labor and other factory costs) are included directly in raw material costs, as opposed to reported separately as part of other factory costs, also varies. In some instances, raw material cost reflects billets and/or other raw materials (not requiring a separate melting

(*continued*...)

decline in raw material cost as a share of total COGS generally reflects declines in the cost of ferrous scrap.[9] [10] On a company-specific basis (see table VI-4), most U.S. producers reported declining average per-short-ton raw material cost in each year.

Conversion costs

Conversion costs (combined direct labor and other factory costs) increased from 33.5 percent of total COGS in 2014 to 46.2 percent in 2016. Average per-short-ton other factory costs, the primary component of rebar conversion costs, increased somewhat in 2015 and then declined in 2016 to about the same level reported in 2014. While this pattern is broadly consistent with changes in overall sales volume and capacity utilization (i.e., in which fixed cost absorption tends to decline with reduced capacity utilization and increase with higher capacity utilization), the directional trend and magnitude of company-specific changes in average other factory costs was not uniform.

Among the larger-volume producers, the change in *** average per-short-ton other factory costs appears to be the most strongly correlated with the directional pattern of rebar sales volume, increasing somewhat in 2015 in conjunction with lower sales volume, and then declining in 2016 in conjunction with increased sales volume.[11] ***, whose sales volume *** throughout 2014-16, reported a modest decline in average per-short-ton other factory costs in

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(…*continued*)
and casting stage) purchased from outside sources; e.g., ***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

[9] As noted previously, a number of U.S. producers source ferrous scrap from related suppliers. The Commission's practice requires that relevant cost information associated with inputs purchased from related suppliers correspond to the manner in which this information is reported in the U.S. producer's accounting books and records.

The majority of ***. *** U.S. producer questionnaire, response to III-7. May 9, 2017 letter with attachment (revised table III-9a) from Wiley Rein on behalf of ***. *** U.S. producer questionnaire, response to III-7. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. *** U.S. producer questionnaire, response to III-7. *** U.S. producer questionnaire, response to III-7. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. *** U.S. producer questionnaire, response to III-7. ***.

[10] With regard to the 2015 decline in scrap prices in general, SDI stated that "{s}crap prices declined sharply in 2015 due to domestic scrap competition, the strong U.S. dollar tempering scrap exports, lower steel mill utilization rates resulting from excessive steel imports, and decreasing global pig iron prices." SDI 2015 10-K, p. 15. With respect to 2016, SDI stated that ". . . scrap prices improved as mill utilization rates increased with the lower level of steel imports." SDI 2016 10-K, p. 13.

[11] When asked to describe the factors that impacted the pattern of conversion costs in general, of which the primary component is other factory costs, large-volume U.S. producers emphasized the importance of capacity utilization. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions.

***. April 20, 2017 e-mail from *** to USITC auditor.

2015 followed by an increase in 2016.[12] ***, reporting a pattern of sales volume *** but with a larger decline and subsequent increase in 2015 and 2016, respectively, reported increases in average per-short-ton other factory costs in both 2015 and 2016.

Gross profit or loss

Table VI-1 shows that overall gross profit (on an absolute basis and as a ratio to net sales) increased to its highest level in 2015 and then declined to its lowest level in 2016. As shown in table VI-2, the increase in the U.S. industry's average per-short-ton gross profit in 2015 reflects a decline in average per-short-ton COGS, attributable entirely to lower average per-short-ton raw material cost, which more than offset the corresponding decline in average per-short-ton sales value. In contrast, the decline in average per-short-ton gross profit in 2016 reflects a decline in average per-short-ton sales value which was only partially offset by the corresponding decline in average per-short-ton COGS, again attributable primarily to lower average per-short-ton raw material cost and, to a lesser extent, lower average per-short-ton conversion cost.

On a company-specific basis (see table VI-4), U.S. producers reported a relatively wide range of gross profit ratios (total gross profit divided by total revenue). The degree/magnitude of period-to-period change in company-specific gross profit and directional pattern also varied. *** reported gross losses for all or the majority of the period.[13] *** total cumulative gross profit with gross profit ratios only marginally above break even in 2014 and 2016. While its average per-short-ton sales values were generally in same range as the other large-volume producers, ***.

SG&A expenses and operating income or loss

SG&A expenses

The U.S. industry's overall SG&A expense ratios (total SG&A expenses divided by total revenue) increased somewhat during the period, largely due to declines in total revenue; e.g., average per-short-ton SG&A expenses remained within a narrow range during 2014-16. While higher SG&A expense ratios reduced corresponding operating income to some extent, the overall pattern of operating income was primarily determined at the gross level; i.e., reflecting the directional pattern of sales volume, average per-short-ton sales value, and average per-short-ton COGS.

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[12] ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor. ***. Ibid.

[13] ***. April 20, 2017 e-mail from *** to USITC auditor.

***. Petitioner's postconference brief, exhibit 2 (***) responses to follow-up questions. ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor

***.

Operating income or loss

As shown in table VI-4 and with some exceptions, most U.S. producers reported lower operating income, or higher operating losses, in 2016 compared to 2015.[14] ***.[15] [16]

Interest expense, other expenses, and net income or loss

As shown in table VI-1, the primary item below operating income is interest expense, the majority of which was accounted for by ***. The pattern of declining interest expense is primarily attributable to ***. In 2016, the higher level of other income reflects ***.[17]

Notwithstanding declines in interest expense and increases in other income in 2016, lower 2016 operating income yielded the lowest corresponding net income of the period.

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

Table VI-5 presents company-specific capital expenditures and research and development (R&D) expenses related to U.S. rebar operations.

Table VI-5
Rebar: Capital expenditures and research and development (R&D) expenses, by firm, 2014-16

Item	Fiscal year		
	2014	2015	2016
	Capital expenditures (1,000 dollars)		
* * * * * *			
Total capital expenditures	95,309	80,839	146,070
	R&D expenses (1,000 dollars)		
* * * * * *			

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

[14] With regard to their financial performance through the end of full-year 2016, U.S. producers attributed the 2016 decline to import levels and continued margin compression. ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor. Table VI-4 shows that *** reported operating losses of varying magnitude for all or the majority of the period.

[15] ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor. ***. USITC auditor preliminary phase notes.

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

[17] ***. USITC auditor final phase notes.

Capital expenditures

Table VI-5 shows that the U.S. industry's total capital expenditures declined somewhat in 2015 and then increased notably in 2016, which primarily reflects ***. For the period as a whole, *** accounted for the largest share of total 2014-16 capital expenditures (*** percent), followed closely by *** (*** percent), and *** (*** percent).[18] The remaining U.S. producers accounted for the following shares of total 2014-16 capital expenditures: *** (*** percent), *** (*** percent), *** (*** percent), *** (*** percent), and *** (*** percent).[19]

R&D expenses

*** U.S. producers, ***, reported R&D expenses during the period. ***.[20] ***.[21]

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

***. *** U.S. producer questionnaire, III-13 (note 1). ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor.

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

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

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

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

[20] *** U.S. producer questionnaire, III-13 (note 2).

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

ASSETS AND RETURN ON ASSETS

Table VI-6 presents data on the U.S. producers' rebar total assets, asset turnover (sales divided by total assets), and return on assets.[22]

Table VI-6
Rebar: U.S. producer's total assets, asset turnover, and return on assets, 2014-16

Firm	Fiscal years		
	2014	2015	2016
	Total net assets (1,000 dollars)		
* * * * * *			
Total net assets	1,624,072	1,527,526	1,516,042
	Asset turnover ratio (multiple)		
* * * * * *			
Average asset turnover	2.8	2.5	2.2
	Operating return on assets (percent)		
* * * * * *			
Average operating return on assets	6.3	21.2	4.9

[1] ***. April 20, 2017 letter with attachments from Wiley Rein on behalf of *** to USITC auditor.
[2] ***.

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

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

CAPITAL AND INVESTMENT

The Commission requested the U.S. producers of rebar to describe any actual or potential negative effects on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of rebar from Japan, Taiwan, and Turkey. Table VI-7 tabulates the responses of U.S. producers regarding actual negative effects on investment, growth and development, as well as anticipated negative effects. Table VI-8 presents U.S. producers' narrative responses regarding actual and anticipated negative effects on investment, growth and development.

Table VI-7
Rebar: Negative effects of imports from subject sources on investment, growth, and development since January 1, 2014

Item	No	Yes
Negative effects on investment	0	8
Cancellation, postponement, or rejection of expansion projects		2
Denial or rejection of investment proposal		2
Reduction in the size of capital investments		4
Return on specific investments negatively impacted		1
Other		3
Negative effects on investments differ by country	8	0
Effects of imports on growth and development	0	8
Rejection of bank loans		0
Lowering of credit rating		1
Problem related to the issue of stocks or bonds		1
Ability to service debt		1
Other		5
Does growth and development response differ by country?	8	0
Anticipated negative effects of imports	0	8
Does anticipated effect response differ by country?	8	0

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

Table VI-8
Rebar: Narrative responses of U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2014

* * * * * *

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

---

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

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

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

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

THE INDUSTRY IN JAPAN

The Commission issued foreign producers' or exporters' questionnaires to 19 firms believed to produce and/or export rebar from Japan.[3] Useable responses to the Commission's questionnaire were received from three firms: Jonan, Mukoyama Steel Works Co. Ltd. ("Mukoyama"), and Sanko. These firms' exports to the United States accounted for approximately *** percent of U.S. imports of rebar from Japan in 2016. The production of rebar in Japan presented in this section of the report accounts for approximately 9.2 percent of the overall production of rebar in Japan, according to estimates provided by responding Japanese producers. Table VII-1 presents information on the rebar operations of the responding producers and exporters in Japan.

Table VII-1
Rebar: Summary data for producers in Japan, 2016

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Jonan	***	***	***	***	***	***
Mukoyama	***	***	***	***	***	***
Sanko Seiko	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Operations on rebar

None of the responding producers in Japan reported changes in their rebar operations since 2014. Table VII-2 presents information on the rebar operations of the responding producers and exporters in Japan. Reported capacity in Japan remained stable from 2014 to 2016 and is projected to continue to remain stable in calendar years 2017 and 2018. Reported production in Japan, however, decreased by *** percent between 2014 and 2016. Production is projected to decline in 2017 (by *** percent) and is projected to recover slightly from in 2018. There is an overall projected decrease of *** percent from 2016 to 2018. Capacity utilization also experienced a decline, from a high of *** percent in 2014 to a low of *** percent in 2016.[4]

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

[4] In March 2016, Kyoei Steel closed its Osaka mill. The closure of the Osaka mill is not reflected in questionnaire data, but is indicative of an overall trend of Japanese steel companies to diversify by developing production capacity in foreign markets. Kyoei Steel has opened production facilities in Vietnam and purchased a U.S. rebar mill in 2016. See, 2016 Annual Letter to Shareholders," Kyoei Steel, Accessed May 25, 2017. Http://www.kyoeisteel.co.jp/english/ir/.

Table VII-2
Rebar: Data for producers in Japan, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-3, one responding Japanese firm (***) produced other products on the same equipment and machinery used to produce rebar.

Table VII-3
Rebar: Japanese producers' overall capacity and production on the same equipment as subject production, 2014-16

* * * * * * *

Exports

According to GTA, the leading export markets for rebar from Japan are the United States and Korea (table VII-4). During 2016, the United States was the top export market for rebar from Japan, accounting for 64.2 percent, followed by the Korea, accounting for 26.6 percent.

Table VII-4
Rebar: Exports from Japan by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Japan to the United States	99,442	258,786	302,604
Exports from Japan to other major destination markets.--Korea	91,576	145,913	125,693
Dominican Republic	---	---	13,388
Canada	---	22,375	12,709
Guam	5,374	15,481	8,454
Vietnam	1,593	1,741	1,762
China	3,436	1,988	1,618
Bangladesh	---	---	1,554
Myanmar	---	787	1,282
All other destination markets	16,306	14,354	2,592
Total Japan exports	217,728	461,425	471,656
	Value (1,000 dollars)		
Exports from Japan to the United States	47,350	98,592	96,506
Exports from Japan to other major destination markets.--Korea	40,706	52,706	40,947
Dominican Republic	---	---	3,787
Canada	---	8,957	3,997
Guam	3,164	8,769	3,652
Vietnam	1,039	834	1,215
China	2,070	937	738
Bangladesh	---	---	811
Myanmar	---	344	613
All other destination markets	9,433	6,042	925
Total Japan exports	103,762	177,181	153,191
	Share of quantity (percent)		
Exports from Japan to the United States	45.7	56.1	64.2
Exports from Japan to other major destination markets.--Korea	42.1	31.6	26.6
Dominican Republic	---	---	2.8
Canada	---	4.8	2.7
Guam	2.5	3.4	1.8
Vietnam	0.7	0.4	0.4
China	1.6	0.4	0.3
Bangladesh	---	---	0.3
Myanmar	---	0.2	0.3
All other destination markets	7.5	3.1	0.5
Total Japan exports	100.0	100.0	100.0

Table continued on next page.

Table VII-4—Continued
Rebar: Exports from Japan by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Japan to the United States	476	381	319
Exports from Japan to other major destination markets.--			
Korea	445	361	326
Dominican Republic	---	---	283
Canada	---	400	315
Guam	589	566	432
Vietnam	652	479	690
China	602	471	456
Bangladesh	---	---	521
Myanmar	---	437	478
All other destination markets	579	421	357
Total Japan exports	477	384	325

Source: Official export statistics under HS subheadings 7213.10, and 7214.20, as reported by the Japan Ministry of Finance in the HIS/GTA database, accessed April 18, 2017.

THE INDUSTRY IN TAIWAN

The Commission issued foreign producers' or exporters' questionnaires to 11 firms believed to produce and/or export rebar from Taiwan.[5] Useable responses to the Commission's questionnaire were received from two firms: Power Steel Co. Ltd. ("Power Steel") and Wei Chih Steel Industrial Co. Ltd. ("Wei Chih"). These firms' estimated share of exports to the United States accounted for *** of U.S. imports of rebar from Taiwan in 2016. The production of rebar in Taiwan reported in this section of the report accounts for approximately 50 percent of overall production of rebar in Taiwan, according to estimates provided by responding producers. Table VII-5 presents information on the rebar operations of the responding producers and exporters in Taiwan.

[5] These firms were identified through a review of information submitted in the petition and contained in *** records.

Table VII-5
Rebar: Summary data for producers in Taiwan, 2016

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Power Steel	***	***	***	***	***	***
Wei Chih	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Operations on rebar

As presented in table VII-6, one producer reported changes in its rebar operations since 2014.

Table VII-6
Rebar: Taiwan producers' reported changes in operations, since January 1, 2014

Item / firm	Reported changed in operations
Prolonged shutdowns or curtailments:	
***	***

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

Table VII-7 presents information on the rebar operations of the responding producers and exporters in Taiwan. Reported capacity in Taiwan remained stable from 2014 to 2016 and reported production in Taiwan increased by *** percent from 2014 to 2016. Capacity utilization rose by *** percentage points from 2014 to 2016. Capacity is projected to remain stable in 2017-18, while production is projected to be *** than in 2016.

Table VII-7
Rebar: Data for producers in Taiwan, 2014-16, and projections for calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-8, one responding firms in Taiwan (***) produced other products on the same equipment and machinery used to produce rebar.

Table VII-8
Rebar: Taiwan producers' overall capacity and production on the same equipment as subject production, 2014-16

* * * * * * *

Exports

According to GTA, the leading export markets for rebar from Taiwan are the United States, Canada, and Australia (table VII-9). During 2016, the United States was the top export market accounting for 46.3 percent of Taiwan's rebar exports, followed by Canada, accounting for 30.0 percent.

Table VII-9
Rebar: Exports from Taiwan by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Taiwan to the United States	13,983	40,146	137,294
Exports from Taiwan to other major destination markets.--Canada	---	113,154	89,087
Australia	43,806	---	62,907
Philippines	439	5,902	2,824
Guam	2,612	1,804	2,474
Northern Mariana Islands	58	4,930	888
Hong Kong	51,268	731	748
New Zealand	---	---	331
Palau	---	106	79
All other destination markets	6,054	112	96
Total Taiwan exports	118,221	166,886	296,728
	Value (1,000 dollars)		
Exports from Taiwan to the United States	6,973	14,145	50,768
Exports from Taiwan to other major destination markets.--Canada	---	46,187	31,576
Australia	23,544	---	23,400
Philippines	253	2,499	800
Guam	1,485	714	1,014
Northern Mariana Islands	33	1,738	382
Hong Kong	29,295	1,220	1,074
New Zealand	---	---	147
Palau	---	57	35
All other destination markets	3,343	34	53
Total Taiwan exports	64,925	66,593	109,248
	Unit value (dollars per short ton)		
Exports from Taiwan to the United States	499	352	370
Exports from Taiwan to other major destination markets.--Canada	---	408	354
Australia	537	---	372
Philippines	578	423	283
Guam	568	396	410
Northern Mariana Islands	566	353	430
Hong Kong	571	1,669	1,435
New Zealand	---	---	444
Palau	---	539	438
All other destination markets	552	377	551
Total Taiwan exports	549	399	368

Table continued on next page.

Table VII-9—Continued
Rebar: Exports from Taiwan by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Share of quantity (percent)		
Exports from Taiwan to the United States	11.8	24.1	46.3
Exports from Taiwan to other major destination markets.-- Canada	---	67.8	30.0
Australia	37.1	---	21.2
Philippines	0.4	3.5	1.0
Guam	2.2	1.1	0.8
Northern Mariana Islands	0.0	3.0	0.3
Hong Kong	43.4	0.4	0.3
New Zealand	---	---	0.1
Palau	---	0.1	0.0
All other destination markets	5.1	0.1	0.0
Total Taiwan exports	100.0	100.0	100.0

Source: Official export statistics under HS subheadings 7213.10, and 7214.20, as reported by the Taiwan Directorate General of Customs in the HIS/GTA database, accessed April 18, 2017.

THE INDUSTRY IN TURKEY

The Commission issued foreign producers' or exporters' questionnaires to 32 firms believed to produce and/or export rebar from Turkey.[6] Useable responses to the Commission's questionnaire were received from five firms: Çolakoğlu Metalurji AS ("Colakoglu"), Habas, Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S ("Icdas"), Izmir Demir Celik Sanayi AS ("Izmir"), and Kaptain Demir. These firms' exports to the United States accounted for approximately *** percent of U.S. imports of rebar from Turkey in 2016. The production of rebar in Turkey reported in this section of the report accounts for approximately 46.1 percent of overall production of rebar in Turkey, according to estimates provided by responding Turkish producers. Table VII-10 presents information on the rebar operations of the responding producers and exporters in Turkey.

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

Table VII-10
Rebar: Summary data for producers in Turkey, 2016

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

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

Operations on rebar

As presented in table VII-11, two producers (***) in Turkey reported operational and organizational changes since January 1, 2014. In addition, public record shows that Corbus Metal Ic ve Dis has been begun expanding its melt shop in 2015.[7] Overall capacity from Corbus has increased from 150 thousand metric tons in 2010 to 500 thousand metric tons in 2017.[8] This additional capacity is not reflected in questionnaire responses. Additionally, in 2015, Kaptain Demir renovated its Corlu rolling mill and increased its annual capacity to 500 thousand metric tons.[9]

[7] "Capacity Developments in the World Steel Industry," Organization for Economic Co-operation and Development, April 8, 2016, accessed May 25, 2017. www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SU/SC(2014)16/FINAL&docLanguage=En

[8] "Company History," Corbus Metal Ic ve Dis, Accessed May 25, 2017. http://www.corbus.com.tr/en/?page_id=26.

[9] "World-class quality production in M.Ereglisi, Karabuk, and Corlu," Kaptain Demir Celik ve Tic AS, Accessed May 25, 2017. http://kaptangroupturkey.com/english/sirket_haddehaneler.html.

Table VII-11
Rebar: Turkey producers' reported changes in operations, since January 1, 2014

Item / firm	Reported changed in operations
Expansions:	
***	***
Prolonged shutdowns or curtailments:	
***	***
Revised labor agreements:	
***	***
Raw material supply shortage or disruption:	
***	***

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

Table VII-12 presents information on the rebar operations of the five responding producers and exporters in Turkey. Reported capacity in Turkey increased by *** percent from 2014 to 2016. Projected capacity for 2017 and 2018 is expected to be slightly higher than reported capacity in 2016. Reported production in Turkey increased from 2014 to 2016 by *** percent. Capacity utilization ranged from *** percent to *** percent in 2014 to 2016 and projected capacity utilization is *** percent for 2017 and *** percent for 2018.

Table VII-12
Rebar: Data for producers in Turkey, 2014-16, and projection calendar years 2017 and 2018

* * * * * * *

Alternative products

As shown in table VII-13, three responding Turkish firms (***) produced other products on the same equipment and machinery used to produce rebar.

Table VII-13
Rebar: Turkish producers' overall capacity and production on the same equipment as subject production, 2014-16

* * * * * * *

Exports

According to GTA, the leading export markets for rebar from Turkey are the United States and the United Arab Emirates (table VII-14). During 2016, the United States was the top export market, accounting for 19.8 percent of Turkey's rebar exports, followed by the United Arab Emirates, accounting for 15.6 percent.

Table VII-14
Rebar: Exports from Turkey by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
Exports from Turkey to the United States	1,032,973	1,505,179	1,533,811
Exports from Turkey to other major destination markets.--United Arab Emirates	1,454,016	1,400,077	1,211,930
Israel	835,036	679,570	959,560
Egypt	460,188	915,131	930,665
Yemen	737,811	312,977	622,075
Iraq	833,435	675,531	398,427
Ethiopia	257,178	334,288	207,354
Colombia	37,399	88,537	164,221
Oman	176,288	193,246	158,899
All other destination markets	2,744,963	1,973,236	1,561,882
Total Turkey exports	8,569,286	8,077,774	7,748,823
	Value (1,000 dollars)		
Exports from Turkey to the United States	522,911	565,151	537,079
Exports from Turkey to other major destination markets.--United Arab Emirates	710,201	520,809	406,992
Israel	425,659	261,403	335,959
Egypt	232,395	322,741	305,052
Yemen	347,726	123,483	206,697
Iraq	436,195	269,509	138,277
Ethiopia	131,767	122,326	68,966
Colombia	19,779	34,608	55,433
Oman	88,611	73,375	57,140
All other destination markets	1,406,666	782,008	554,398
Total Turkey exports	4,321,909	3,075,413	2,665,994

Table continued on next page.

Table VII-14—Continued
Rebar: Exports from Turkey by destination market, 2014-16

Destination market	Calendar year		
	2014	2015	2016
	Unit value (dollars per short ton)		
Exports from Turkey to the United States	506	375	350
Exports from Turkey to other major destination markets.-- United Arab Emirates	488	372	336
Israel	510	385	350
Egypt	505	353	328
Yemen	471	395	332
Iraq	523	399	347
Ethiopia	512	366	333
Colombia	529	391	338
Oman	503	380	360
All other destination markets	512	396	355
Total Turkey exports	504	381	344
	Share of quantity (percent)		
Exports from Turkey to the United States	12.1	18.6	19.8
Exports from Turkey to other major destination markets.-- United Arab Emirates	17.0	17.3	15.6
Israel	9.7	8.4	12.4
Egypt	5.4	11.3	12.0
Yemen	8.6	3.9	8.0
Iraq	9.7	8.4	5.1
Ethiopia	3.0	4.1	2.7
Colombia	0.4	1.1	2.1
Oman	2.1	2.4	2.1
All other destination markets	32.0	24.4	20.2
Total Turkey exports	100.0	100.0	100.0

Source: Official export statistics under HS subheadings 7213.10, and 7214.20, as reported by Turkey's State Institute of Statistics in the HIS/GTA database, accessed April 18, 2017.

COMBINED OPERATIONS IN SUBJECT COUNTRIES

Table VII-15 presents combined data on rebar operations of the reporting producers in the subject countries. Table VII-16 presents combined data on capacity and production on the same equipment used to produce rebar.

Table VII-15
Rebar: Data on industry in subject sources, 2014-16, and projection calendar years 2017 and 2018

* * * * * * *

Table VII-16
Rebar: Overall capacity and production on the same equipment as in-scope production by producers in subject sources, 2014-16

* * * * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-17 presents data on U.S. importers' reported inventories of rebar. There were *** inventories of imports from Taiwan. Inventories from Japan increased from ***. Inventories of imports from Turkey decreased from ***.

Table VII-17
Rebar: U.S. importers' inventories, 2014-16

Item	Calendar year		
	2014	2015	2016
	Inventories (short tons); Ratios (percent)		
Imports from Japan: Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Taiwan: Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Turkey: Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all subject sources: Inventories	***	26,228	39,244
Ratio to U.S. imports	***	1.9	3.3
Ratio to U.S. shipments of imports	***	1.8	3.4
Ratio to total shipments of imports	***	1.8	3.4
Imports from nonsubject sources: Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all import sources: Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***

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

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of rebar from Japan, Taiwan, and/or Turkey after December 31, 2017. Table VII-18 presents U.S. import shipments of rebar arranged for importation after December 31, 2017.

Table VII-18
Rebar: Arranged imports, January 2017 through December 2017

Item	Period				
	Jan-Mar 2017	Apr-Jun 2017	Jul-Sept 2017	Oct-Dec 2017	Total
Japan	24,169	***	***	***	***
Taiwan	0	***	***	***	***
Turkey	518,058	***	***	***	***
All other sources	85,311	***	***	***	***
Total U.S. imports	627,538	***	***	***	***

Note. -- Data for January-March 2017 reflect actual entries; data for subsequent periods are drawn from questionnaires.

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

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Rebar from the subject countries has been subject to several trade remedy investigations in other markets. In addition to the countervailing duty order on rebar from Turkey in the United States, two countries (the Dominican Republic and Canada)[10] have issued antidumping orders on rebar from Turkey and two countries (Egypt and Morocco)[11] have implemented safeguard measures against rebar from Turkey. On October 19, 2015, Australia introduced duties on rebar from Taiwan.[12] On August 19, 2016, Canada initiated investigations on imports of rebar from Japan. On October 19, 2016, Canada issued preliminary affirmative injury determinations on rebar from Japan and on May 3, 2017, Canada issued final affirmative injury determinations on rebar from Japan.[13]

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[10] On June 13, 2011, the Dominican Republic issued an antidumping duty order on imports of rebar from Turkey Dominican Republic, Regulatory Commission on Unfair Trade Practices and Safeguard Measures (Comisión Reguladora de Prácticas Desleales en el Comercio y Medidas de Salvaguardias), Resolution No. CDC-RD-AD-025-2016 of 30 November 2016. On January 9, 2015, Canada issued an antidumping duty order on rebar from Turkey. *Dumping and Subsidizing: Finding, Inquiry No. NQ-2014-001, Concrete Reinforcing Bar*, Canadian International Trade Tribunal, January 9, 2015.

[11] On May 2, 2016, Morocco implemented a safeguard measure on rebar from Turkey. . WTO, Committee on Safeguards, Notification under Article 12.1 (B) and (C) of the Agreement on Safeguards, Morocco, Wire Rods and Reinforcing Bars, 04.09.2015 (Document G/SG/N/8/MAR/3/Suppl.1/Corr.1 - G/SG/N/10/MAR/3/Corr.1 - G/SG/N/11/MAR/2/Suppl.1/Corr.1). On February 5, 2016, Egypt introduced a safeguard measure on rebar from Turkey. WTO, Committee on Safeguards, Notification under Article 12.1 (B) and (C) of the Agreement on Safeguards, Egypt, Steel Rebar, 16.04.2015 (Document G/SG/N/8/EGY/7, G/SG/N/10/EGY/7, G/SG/N/11/EGY/8/Suppl.1).

[12] *Steel Reinforcing Bar Exported from the Republic of Korea, Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand and the Republic of Turkey: Findings in Relation to a Dumping Investigation*, Anti-Dumping Notice No. 2015.133, November 19, 2015.

[13] *Dumping and Subsidizing: Finding, Inquiry No. NQ-2016-003, Concrete Reinforcing Bar*, Canadian International Trade Tribunal, May 3, 2017.

INFORMATION ON NONSUBJECT COUNTRIES

The quantity of global rebar exports decreased by 7.5 percent during 2014-16 (table VII-19). Turkey was not only the largest import source of rebar for the United States (*see* table IV-2), it was also, by far, the largest global exporter with a 29.3 percent share of global exports in 2016 (table VII-19). The next largest global exporters, each exporting more than 1 million short tons in 2016 were: Ukraine, Italy, Spain, Germany, and Portugal. In 2015, China accounted for *** short tons (about *** percent of global capacity) and constitutes most of the capacity in the world. Turkey is second only to China in rebar capacity with *** short tons of capacity *** in 2015.[14] Despite China's production capacity, China is the twenty-second largest global exporter of rebar in 2016 with an export quantity of 223 thousand short tons in 2016.

Table VII-19
Rebar: Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Quantity (short tons)		
United States	534,331	364,881	288,383
Japan	217,728	461,425	471,656
Taiwan	118,221	166,885	296,728
Turkey	8,569,286	8,077,774	7,748,823
All subject sources	8,905,235	8,706,084	8,517,207
All other major reporting exporters.-- Ukraine	2,626,460	2,247,710	2,493,504
Italy	2,034,922	1,959,403	2,333,805
Spain	1,911,481	1,626,496	1,579,735
Germany	1,217,074	1,366,357	1,358,665
Portugal	1,352,344	1,252,947	1,311,158
Russia	684,892	861,127	908,652
Belarus	925,086	928,833	905,899
Brazil	379,264	471,907	695,988
France	707,197	622,891	612,241
Greece	359,542	388,923	515,857
China[1]	226,748	223,085	222,240
All other exporters	6,737,602	6,646,350	4,715,394
Total global exports	28,602,180	27,666,993	26,458,726

Table continued on next page.

[14] Information comes from petitioners in the preliminary phase of the investigation. ***.

Table VII-19—Continued
Rebar: Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Value (1,000 dollars)		
United States	366,307	223,079	147,241
Japan	103,762	177,181	153,191
Taiwan	64,925	66,593	109,248
Turkey	4,321,909	3,075,413	2,665,994
All subject sources	4,490,596	3,319,187	2,928,433
All other major reporting exporters.-- Ukraine	1,260,915	798,997	751,683
Italy	1,096,696	794,285	883,964
Spain	1,011,158	642,715	606,981
Germany	711,403	627,127	599,902
Portugal	702,382	489,913	477,839
Russia	334,868	304,978	278,503
Belarus	425,611	306,580	251,371
Brazil	257,834	235,256	282,159
France	391,042	260,155	238,047
Greece	193,467	154,966	188,011
China	133,578	104,079	93,999
All other exporters	3,952,723	3,026,105	1,947,892
Total global exports	15,328,579	11,287,422	9,676,026
	Unit value (dollars per short ton)		
United States	686	611	511
Japan	477	384	325
Taiwan	549	399	368
Turkey	504	381	344
All subject sources	504	381	344
All other major reporting exporters.-- Ukraine	480	355	301
Italy	539	405	379
Spain	529	395	384
Germany	585	459	442
Portugal	519	391	364
Russia	489	354	307
Belarus	460	330	277
Brazil	680	499	405
France	553	418	389
Greece	538	398	364
China	589	467	423
All other exporters	587	455	413
Total global exports	536	408	366

Table continued on next page.

Table VII-19—Continued
Rebar: Global exports by exporter, 2014-16

Exporter	Calendar year		
	2014	2015	2016
	Share of quantity (percent)		
United States	1.9	1.3	1.1
Japan	0.8	1.7	1.8
Taiwan	0.4	0.6	1.1
Turkey	30.0	29.2	29.3
All subject sources	31.1	31.5	32.2
All other major reporting exporters.-- Ukraine	9.2	8.1	9.4
Italy	7.1	7.1	8.8
Spain	6.7	5.9	6.0
Germany	4.3	4.9	5.1
Portugal	4.7	4.5	5.0
Russia	2.4	3.1	3.4
Belarus	3.2	3.4	3.4
Brazil	1.3	1.7	2.6
France	2.5	2.3	2.3
Greece	1.3	1.4	1.9
China	0.8	0.8	0.8
All other exporters	23.6	24.0	17.8
Total global exports	100.0	100.0	100.0

[1] China is the 22nd largest source. Other exporters reported larger quantities.

Source: Official export statistics under HS subheadings 7213.10, and 7214.20, as reported by various national statistical authorities in the HIS/GTA database, accessed April 19, 2017.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
81 FR 66294, September 27, 2016	*Steel Concrete Reinforcing Bar (Rebar) From Japan, Taiwan, and Turkey; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.gpo.gov/fdsys/pkg/FR-2016-09-27/pdf/2016-23207.pdf
81 FR 71697, October 18, 2016	*Steel Concrete Reinforcing Bar From Japan, Taiwan and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-18/pdf/2016-25171.pdf
81 FR 71705, October 18, 2016	*Steel Concrete Reinforcing Bar From the Republic of Turkey: Initiation of Countervailing Duty Investigation*	https://www.gpo.gov/fdsys/pkg/FR-2016-10-18/pdf/2016-25178.pdf
81 FR 79050, November 10, 2016	*Steel Concrete Reinforcing Bar From Japan, Taiwan, and Turkey*	https://www.gpo.gov/fdsys/pkg/FR-2016-11-10/pdf/2016-27146.pdf
82 FR 12195, March 1, 2017	*Steel Concrete Reinforcing Bar From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*	https://www.gpo.gov/fdsys/pkg/FR-2017-03-01/pdf/2017-03958.pdf
82 FR 12791, March 7, 2017	*Steel Concrete Reinforcing Bar From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2017-03-07/pdf/2017-04416.pdf
82 FR 12796, March 7, 2017	*Steel Concrete Reinforcing Bar From Japan: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2017-03-07/pdf/2017-04415.pdf
82 FR 12800, March 7, 2017	*Steel Concrete Reinforcing Bar From Taiwan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.gpo.gov/fdsys/pkg/FR-2017-03-07/pdf/2017-04414.pdf
82 FR 13854, March 15, 2017	*Steel Concrete Reinforcing Bar From Japan, Taiwan, and Turkey; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*	https://www.gpo.gov/fdsys/pkg/FR-2017-03-15/pdf/2017-05148.pdf

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Citation	Title	Link
82 FR 23188 May 22, 2017	*Steel Concrete Reinforcing Bar From the Republic of Turkey: Final Affirmative Countervailing Duty Determination*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-22/pdf/2017-10505.pdf
82 FR 23192, May 22, 2017	*Steel Concrete Reinforcing Bar From the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-22/pdf/2017-10346.pdf
82 FR 23195, May 22, 2017	*Steel Concrete Reinforcing Bar From Japan: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-22/pdf/2017-10348.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject:	Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey
Inv. Nos.:	701-TA-564 and 731-TA-1338-1340 (Final)
Date and Time:	May 18, 2017 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street SW, Washington, DC.

CONGRESSIONAL APPEARANCES:

The Honorable Sherrod Brown, United States Senator, Ohio

The Honorable Peter J. Visclosky, U.S. Representative, 1st District, Indiana

The Honorable Richard M. Nolan, U.S. Representative, 8th District, Minnesota

The Honorable John Katko, U.S. Representative, 24th District, New York

OPENING REMARKS:

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

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

Wiley Rein LLP
Washington, DC
on behalf of

The Rebar Trade Action Coalition

Burke Byer, President and CEO, Byer Steel

Barbara Smith, President and Chief Operating Officer,
Commercial Metals Company

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

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

Peter Campo, President, Gerdau Long Steel North America

Marcelo Canosa, Director of Marketing, Gerdau Long Steel North America

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

Joe Crawford, Vice President and General Manager, Steel Dynamics Inc.

Amos Maillett, Executive Vice President, HarMac Rebar & Steel Corp.

Jeff Veilleux, Vice President of Sales and Marketing, PJ's Rebar, Inc.

Robert Webb, President, Southwestern Suppliers

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

Alan H. Price)
John R. Shane) – OF COUNSEL
Laura El-Sabaawi)

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

Arent Fox LLP
Washington, DC
on behalf of

Turkish Steel Exporters' Association
The Istanbul Minerals and Metals Exporters Association ("IMMIB")
Icdas Enerji Tersane ve Ulasim Sanayi A.S.

Namik Ekinci, Chairman, Turkish Steel Exporters' Association

Ebru Dursun, International Relations Advisor, Turkish Steel Exporters' Association

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Kerem Vaizoglu, Steel Trader and Importer, Intermetal Rebar

Matthew M. Nolan)
) – OF COUNSEL
Andrew Jaxa-Debicki)

REBUTTAL/CLOSING REMARKS:

Petitioners (**Alan H. Price** and **Laura El-Sabaawi**, Wiley Rein LLP)
Respondents (**Matthew M. Nolan**, Arent Fox LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Rebar: Summary data concerning the U.S. market, 2014-16
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. consumption quantity:						
Amount	8,239,510	8,575,930	8,847,358	7.4	4.1	3.2
Producers' share (fn1)	82.7	76.5	76.2	(6.6)	(6.2)	(0.4)
Importers' share (fn1):						
Japan	1.1	3.1	3.3	2.2	2.0	0.2
Taiwan	0.1	0.5	1.4	1.4	0.4	1.0
Turkey	11.9	19.0	16.9	4.9	7.0	(2.1)
Subject sources	13.1	22.5	21.6	8.5	9.4	(0.9)
Nonsubject sources	4.1	0.9	2.2	(1.9)	(3.2)	1.3
All import sources	17.3	23.5	23.8	6.6	6.2	0.4
U.S. consumption value:						
Amount	5,167,235	4,568,556	3,933,401	(23.9)	(11.6)	(13.9)
Producers' share (fn1)	84.4	80.4	80.2	(4.2)	(4.0)	(0.2)
Importers' share (fn1):						
Japan	1.0	2.6	2.6	1.7	1.6	0.0
Taiwan	0.1	0.4	1.4	1.4	0.3	1.0
Turkey	10.6	15.7	13.7	3.1	5.0	(1.9)
Subject sources	11.7	18.7	17.8	6.1	7.0	(0.9)
Nonsubject sources	4.0	1.0	2.0	(2.0)	(3.0)	1.1
All import sources	15.6	19.6	19.8	4.2	4.0	0.2
U.S. imports from:						
Japan:						
Quantity	93,970	267,130	294,963	213.9	184.3	10.4
Value	50,529	119,414	103,432	104.7	136.3	(13.4)
Unit value	$538	$447	$351	(34.8)	(16.9)	(21.6)
Ending inventory quantity	***	***	***	***	***	***
Taiwan						
Quantity	6,542	39,807	127,476	1,848.4	508.4	220.2
Value	3,876	18,811	56,708	1,363.2	385.4	201.5
Unit value	$592	$473	$445	(24.9)	(20.2)	(5.9)
Ending inventory quantity	***	***	***	***	***	***
Turkey						
Quantity	981,199	1,625,308	1,491,203	52.0	65.6	(8.3)
Value	548,582	715,531	540,531	(1.5)	30.4	(24.5)
Unit value	$559	$440	$362	(35.2)	(21.3)	(17.7)
Ending inventory quantity	***	***	***	***	***	***
Subject sources:						
Quantity	1,081,712	1,932,245	1,913,643	76.9	78.6	(1.0)
Value	602,987	853,755	700,671	16.2	41.6	(17.9)
Unit value	$557	$442	$366	(34.3)	(20.7)	(17.1)
Ending inventory quantity	***	26,228	39,244	***	***	49.6
Nonsubject sources:						
Quantity	340,440	81,258	194,691	(42.8)	(76.1)	139.6
Value	205,197	43,716	79,032	(61.5)	(78.7)	80.8
Unit value	$603	$538	$406	(32.7)	(10.7)	(24.5)
Ending inventory quantity	***	***	***	***	***	***
All import sources:						
Quantity	1,422,152	2,013,503	2,108,334	48.2	41.6	4.7
Value	808,184	897,471	779,703	(3.5)	11.0	(13.1)
Unit value	$568	$446	$370	(34.9)	(21.6)	(17.0)
Ending inventory quantity	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Rebar: Summary data concerning the U.S. market, 2014-16
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. producers':						
Average capacity quantity	9,658,066	9,540,680	9,689,016	0.3	(1.2)	1.6
Production quantity	7,328,202	6,776,526	6,924,244	(5.5)	(7.5)	2.2
Capacity utilization (fn1)	75.9	71.0	71.5	(4.4)	(4.8)	0.4
U.S. shipments:						
Quantity	6,817,358	6,562,427	6,739,024	(1.1)	(3.7)	2.7
Value	4,359,051	3,671,085	3,153,698	(27.7)	(15.8)	(14.1)
Unit value	$639	$559	$468	(26.8)	(12.5)	(16.3)
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	635,143	560,844	495,214	(22.0)	(11.7)	(11.7)
Inventories/total shipments (fn1)	***	***	***	***	***	***
Production workers	4,279	4,244	4,085	(4.5)	(0.8)	(3.7)
Hours worked (1,000s)	9,313	8,901	8,570	(8.0)	(4.4)	(3.7)
Wages paid ($1,000)	355,766	331,775	320,631	(9.9)	(6.7)	(3.4)
Hourly wages (dollars)	$38.20	$37.27	$37.41	(2.1)	(2.4)	0.4
Productivity (short tons per 1,000 hours)	786.9	761.3	808.0	2.7	(3.2)	6.1
Unit labor costs	$48.55	$48.96	$46.31	(4.6)	0.8	(5.4)
Net sales:						
Quantity	7,239,416	6,841,032	6,963,058	(3.8)	(5.5)	1.8
Value	4,589,660	3,884,838	3,273,429	(28.7)	(15.4)	(15.7)
Unit value	$634	$568	$470	(25.8)	(10.4)	(17.2)
Cost of goods sold (COGS)	4,288,349	3,373,747	3,002,695	(30.0)	(21.3)	(11.0)
Gross profit or (loss)	301,311	511,091	270,734	(10.1)	69.6	(47.0)
SG&A expenses	198,573	187,946	195,991	(1.3)	(5.4)	4.3
Operating income or (loss)	102,738	323,145	74,743	(27.2)	214.5	(76.9)
Net income or (loss)	55,517	276,755	51,343	(7.5)	398.5	(81.4)
Capital expenditures	95,309	80,839	146,070	53.3	(15.2)	80.7
Unit COGS	$592	$493	$431	(27.2)	(16.7)	(12.6)
Unit SG&A expenses	$27	$27	$28	2.6	0.2	2.5
Unit operating income or (loss)	$14	$47	$11	(24.4)	232.8	(77.3)
Unit net income or (loss)	$8	$40	$7	(3.8)	427.5	(81.8)
COGS/sales (fn1)	93.4	86.8	91.7	(1.7)	(6.6)	4.9
Operating income or (loss)/sales (fn1)	2.2	8.3	2.3	0.0	6.1	(6.0)
Net income or (loss)/sales (fn1)	1.2	7.1	1.6	0.4	5.9	(5.6)

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.