

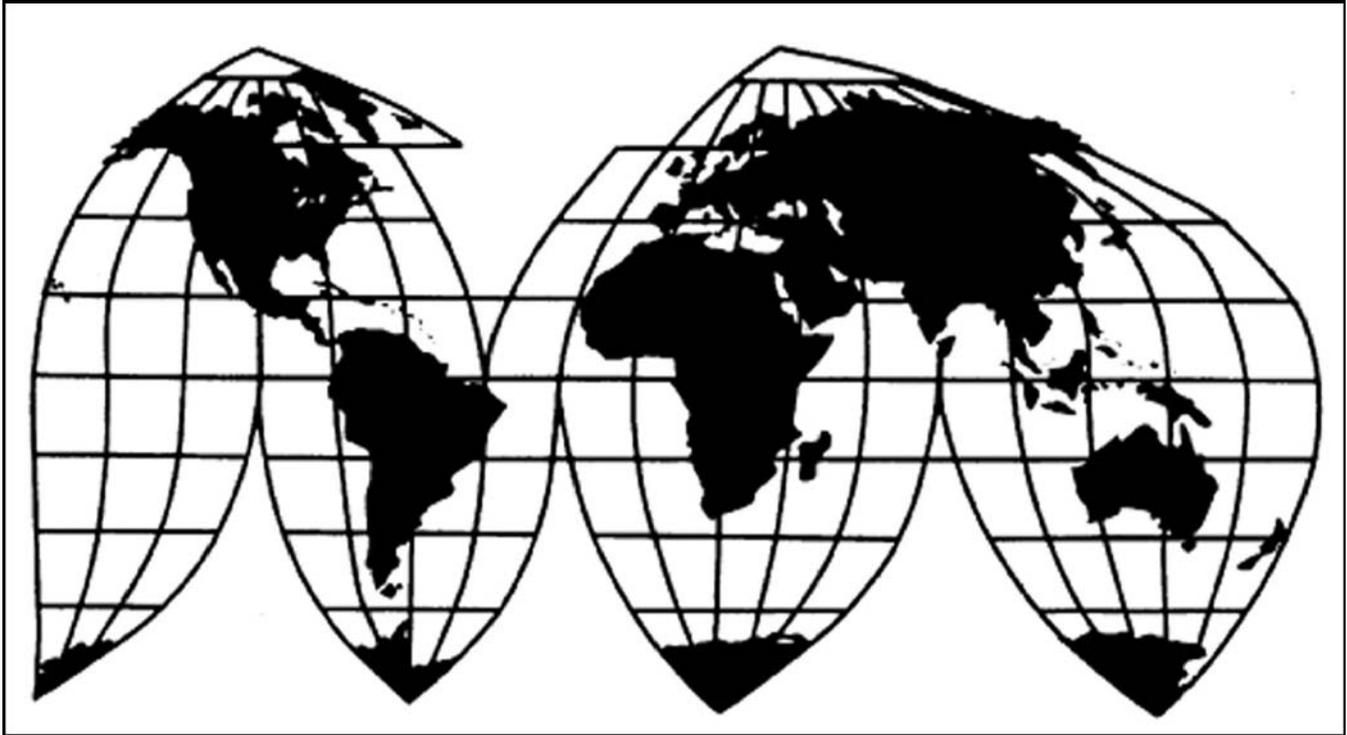
Prestressed Concrete Steel Wire Strand from China

Investigation Nos. 701-TA-464 and 731-TA-1160 (Preliminary)

Publication 4086

July 2009

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-464 and 731-TA-1160 (Preliminary)

PRESTRESSED CONCRETE STEEL WIRE STRAND FROM CHINA

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. §§ 1671b(a) and 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from China of prestressed concrete steel wire strand, provided for in subheading 7312.10.30 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV) and subsidized by the Government of China.

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

BACKGROUND

On May 27, 2009, a petition was filed with the Commission and Commerce by counsel on behalf of American Spring Wire Corp. ("American") (Bedford Heights, OH); Insteel Wire Products Co. ("Insteel") (Mt. Airy, NC); and Sumiden Wire Products Corp. ("Sumiden") (Dickson, TN), alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV and subsidized imports of prestressed concrete steel wire strand from China. Accordingly, effective May 27, 2009, the Commission instituted countervailing duty investigation No. 701-TA-464 and antidumping duty investigation No. 731-TA-1160 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of June 3, 2009 (74 FR 26731). The conference was held in Washington, DC, on June 17, 2009, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of prestressed concrete steel wire strand (“PC strand”) from China that are allegedly sold in the United States at less than fair value and subsidized by the Government of China.

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

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

II. BACKGROUND

The petition in these investigations was filed on May 27, 2009, by domestic producers American Spring Wire Corp. (“American”), Insteel Wire Products Co. (“Insteel”), and Sumiden Wire Products Corp. (“Sumiden”) (collectively, “Petitioners”). Only one respondent interested party, U.S. importer Global Steel Sales Corp. (“GSSC”), appeared at the conference and submitted a postconference brief.

The Commission has conducted several previous antidumping and countervailing duty investigations and five-year reviews concerning PC strand from nine different countries, and there are currently antidumping duty orders on imports of PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand, and a countervailing duty order on imports of PC strand from India.³

III. 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 the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”⁴ 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 {w}hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major

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

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

³ See CR/PR at Table I-1 and CR at I-5-I-6, PR at I-4. These outstanding orders are currently the subject of five-year reviews, which are scheduled to be completed in November 2009.

⁴ 19 U.S.C. § 1677(4)(A).

proportion of the total domestic production of the product.”⁵ 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”⁶

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.⁷ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.⁸ The Commission looks for clear dividing lines among possible like products and disregards minor variations.⁹ Although the Commission must accept the determination of the U.S. Department of Commerce (“Commerce”) as to the scope of the imported merchandise that is subsidized or sold at less than fair value,¹⁰ the Commission determines what domestic product is like the imported articles Commerce has identified.¹¹ The Commission must base its domestic like product determination on the record in these investigations. The Commission is not bound by prior determinations, even those pertaining to the same imported products, but may draw upon previous determinations in addressing pertinent domestic like product issues.¹²

⁵ 19 U.S.C. § 1677(4)(A).

⁶ 19 U.S.C. § 1677(10).

⁷ 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).

⁸ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

⁹ Nippon, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (1979) (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.”).

¹⁰ 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. 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).

¹¹ Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); Cleo, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); Torrington, 747 F. Supp. at 748-52 (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

¹² See, e.g., Acciai Speciali Terni S.p.A. v. United States, 118 F. Supp. 2d 1298, 1304-05 (Ct. Int’l Trade 2000); Nippon, 19 CIT at 455; Asociacion Colombiana de Exportadores de Flores v. United States, 693 F. Supp. 1165, 1169 n.5 (Ct. Int’l Trade 1988); Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1087-88 (Ct. Int’l Trade 1988).

B. Product Description

Commerce's notices of initiation define the imported merchandise within the scope of these investigations as follows:

steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, prestressed concrete (both pretensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A-416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft² standard set forth in ASTM-A-475.¹³

PC strand is steel strand produced from hot-rolled, high-carbon steel wire rod which, after cleaning and descaling, is drawn into wire, fabricated into multi-wire strand, and thermally stress-relieved. PC strand is used to compress concrete structural members to improve their ability to withstand loads. The PC strand is tensioned either prior to the pouring of concrete (pre-tensioning) or after the pouring of the concrete (post-tensioning). Typical applications for prestressed concrete in which PC strand is used include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.¹⁴

C. Parties' Arguments

Petitioners argue that the Commission should find one domestic like product coextensive with the scope of these investigations. At the outset, they note that this is the definition that the Commission has used in previous investigations and reviews for PC strand. They further assert that no significant changes have occurred with respect to the production of PC strand, the nature of the product, or its uses, that would warrant a different definition here.¹⁵

Petitioners make the following arguments. All PC strand shares the same basic characteristics of a seven-wire strand, and the most commonly produced PC strand is of the same dimension (½ inch) and grade (270K) (to the extent that there are different types of PC strand, these are variations of a single product).¹⁶ While different types of PC strand are used in different applications, all PC strand has the same use, which is to impart compressive forces to concrete.¹⁷ The various types of PC strand are all produced in accordance with ASTM specifications; within each type, PC strand is interchangeable.¹⁸

¹³ 74 Fed. Reg. 29665, 29669 (June 23, 2009) (initiation of antidumping duty investigation) and 74 Fed. Reg. 29670, 29674 (June 23, 2009) (initiation of countervailing duty investigation).

¹⁴ CR at I-3, PR at I-3.

¹⁵ Petitioners' Postconference Brief at 4.

¹⁶ Petitioners' Postconference Brief at 5.

¹⁷ Id.

¹⁸ Id.

Almost all PC strand is sold in the same channel of distribution, namely directly to end users.¹⁹ All PC strand is made using the same types of facilities and employees, as well as the same basic manufacturing process. Domestic producers and customers perceive PC strand as a single discrete product, and they do not perceive other products to be substitutable for PC strand. Finally, all types of PC strand are sold “within a reasonable range of prices,” according to Petitioners.²⁰

Respondent GSSC does not contest the like product definition advocated by Petitioners.²¹

D. Analysis

Physical Characteristics and Uses. All PC strand shares the same basic physical characteristics. It is made from hot-rolled, high-carbon steel wire rod. The steel wire rod is drawn into wire and fabricated into multi-wire strand. There are some variations in physical characteristics of the product based on the configuration of wires used (the most common PC strand configuration consists of six wires wound helically around a single wire core), the grade (there are generally three grades: 250, 270, and 300, corresponding to the minimum strength of the product in thousand of pounds per square inch), the diameter, whether the product is “low-relaxation” (the predominant form) or “stress-relieved” strand (a custom made form), whether the wire is “indented” or not, and whether or not it is coated with plastic or epoxy after it is produced (most PC strand is uncoated).²²

All PC strand is used for the same general purpose of imparting compressive forces to concrete. Concrete is prestressed in one of two ways: pre-tensioning or post-tensioning. In pre-tensioning, the PC strand is tensioned by a calibrated tensioning apparatus, the concrete is poured around the PC strand and the tension is released after the concrete has cured, whereby the tensile force of the strand induces a compressive force on the concrete. The PC strand is installed in this application uncovered because it is the bond between the cured concrete and the PC strand that holds the concrete in compression.²³ In post-tensioning, there is no bond between the PC strand and the cured concrete. The PC strand is tensioned using a calibrated tensioning apparatus after the concrete has cured and tension is maintained by installing permanent mechanical anchors that remain in place after the tensioning apparatus is removed.²⁴

Interchangeability. All PC strand that has the same physical size, configuration, and grade is interchangeable.²⁵

Channel of Distribution. Almost all of the domestic industry’s U.S. shipments of PC strand are made directly to converters or other end users.²⁶

Manufacturing Facilities, Production Processes, and Employees. There is no information in the record in this preliminary phase of the investigations to contradict Petitioners’ assertion that all PC strand is made using the same types of facilities and employees and the same basic manufacturing process.²⁷ We

¹⁹ Id.

²⁰ Petitioners’ Postconference Brief at 5-6.

²¹ Conference Transcript at 137 (Levinson).

²² CR at I-11-I-15, PR at I-10-I-12.

²³ CR at I-12, PR at I-10.

²⁴ CR at I-13, PR at I-11.

²⁵ CR at I-14, PR at I-11.

²⁶ CR/PR at Table II-1.

²⁷ Petitioners’ Postconference Brief at 5.

note that plastic coating of PC strand generally is performed by post-tensioners, not by the PC strand producers.²⁸

Producer and Customer Perceptions. There is no information in the record in this preliminary phase of the investigations to contradict Petitioners' assertion that domestic producers and customers perceive PC strand as a single discrete product.²⁹

Price. PC strand appears to be sold in a range of prices; epoxy or plastic coating adds a price premium to PC strand (most PC strand is uncoated).³⁰

Conclusion. All PC strand shares the same basic physical characteristics in that it consists of a multi-wire strand, made from high-carbon steel wire rod. All PC strand is used for the same general purpose: imparting compressive force to concrete. All PC strand that has the same physical dimensions, configuration, and grade is interchangeable. Almost all domestically produced PC strand is sold in the same channel of distribution, namely directly to end users. It appears that all PC strand is made using the same types of facilities and employees and basic manufacturing process, and that producers and customers perceive PC strand to be a single, discrete, product. Although there can be significant price differences between coated and uncoated PC strand, most domestically produced strand is uncoated. In light of the foregoing, we define a single like product in a manner that is co-extensive with the scope of the investigations, as the Commission has done in previous investigations involving PC strand.

IV. DOMESTIC INDUSTRY

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."³¹ 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. Based on our definition of the domestic like product, we define the domestic industry as all domestic producers of PC strand.

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). Subsection 1677(4)(B) 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.³² Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation. In these investigations, one domestic producer, Insteel, is a related party because it directly imported subject PC strand during the period examined. Another producer, ***, purchased subject imports from a U.S. importer.

²⁸ CR at III-6-III-7, PR at III-4.

²⁹ Petitioners' Postconference Brief at 5.

³⁰ CR at III-6-III-7, PR at III-4.

³¹ 19 U.S.C. § 1677(4)(A).

³² 19 U.S.C. § 1677(4)(B).

1. Petitioners' Arguments

Petitioners maintain that appropriate circumstances do not exist to exclude Insteel or *** from the domestic industry. Petitioners note that these producers ***. The interests of these companies lie in domestic production, as evidenced by Insteel's role as a petitioner and ***. *** benefitted financially from its importations, according to Petitioners.³³

Respondent GSSC does not address the question of whether related parties should be excluded from the domestic industry.

2. Analysis

Insteel, one of the petitioners,³⁴ accounted for *** percent of domestic production in 2008.³⁵ Its imports of the subject merchandise were equivalent to *** percent of its production in ***, the only period in which it imported the subject merchandise.³⁶ The company explained that it made these importations pursuant to a short-lived pilot program designed to determine whether it could profitably import and resell PC strand from China.³⁷

We find that appropriate circumstances do not exist to exclude Insteel from the domestic industry.³⁸ It is the *** domestic producer and a petitioner, and the levels of its imports relative to its domestic production ***. Its reason for importing was merely to supplement its domestic production, and it abandoned its experiment with reselling imported product well before the filing of the petition in these investigations.³⁹ Any benefit that it derived from importing the subject merchandise is unlikely to skew the data for the industry overall.⁴⁰

³³ Petitioners' Postconference Brief at 6-7.

³⁴ Id.

³⁵ CR/PR at Table III-1.

³⁶ CR/PR at Table III-7.

³⁷ CR at III-15-III-16, PR at III-10-III-11.

³⁸ *** was not a related party. The statute defines "related parties" as including "an importer of the subject merchandise." 19 U.S.C. § 1677(4)(B)(I). *** was not the importer in this case. It purchased *** pounds of PC strand from China from an importer in 2006. The Commission has on occasion found that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer, may nonetheless be deemed a related party if it controls large volumes of imports. Those circumstances do not appear to exist in this case.

³⁹ Conference Transcript at 77-80 (Woltz).

⁴⁰ CR/PR at Table VI-2.

B. Conclusion

We define the domestic industry to include all domestic producers of PC strand during the period examined, namely, American, Insteel, Rettco, Strand-Tech, Sumiden, PCS, and EMC.⁴¹ (The latter two firms produced PC strand during the early part of the period examined, but then ceased production.)

V. REASONABLE INDICATION OF THREAT OF MATERIAL INJURY BY REASON OF IMPORTS OF SUBJECT MERCHANDISE⁴²

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.⁴³ 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.⁴⁴ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁴⁵ In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁴⁶ 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.”⁴⁷

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured by reason of” unfairly traded imports,⁴⁸ 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.⁴⁹ In identifying a causal link, if any, between subject

⁴¹ One of the firms producing PC strand, Rettco, produces the product under a toll arrangement with another firm, MMI Products, Inc., whereby MMI provides Rettco with the raw material and pays a conversion fee for Rettco to produce finished PC strand, which MMI then sells. We treat Rettco, the toller, and not MMI, the tollee, as the domestic producer, as it is Rettco that engages in the production activity. While toll producers that engage in sufficient production related activity are included in the domestic industry, tollees “that merely supply raw materials and pay a fabrication fee” are not. See Certain Welded Large Diameter Line Pipe from Japan, Inv. No. 731-TA-919 (Final), USITC Pub. 3464 (November 2001) at 10 n.53. See also, e.g., Ferrovandium from China and South Africa, Inv. Nos. 731-TA-986 and 987 (Preliminary), USITC Pub. 3484 (January 2002) at 7 & n.35.

⁴² In these preliminary phase investigations, subject imports from China accounted for more than 3 percent of the volume of PC strand imported into the United States from all sources in the most recent 12-month period for which data are available preceding the filing of the petition. CR at IV-10, PR at IV-5. Accordingly, we find that subject imports are not negligible under 19 U.S.C. § 1677(24).

⁴³ 19 U.S.C. §§ 1671b(a), 1673b(a).

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

⁴⁵ 19 U.S.C. § 1677(7)(A).

⁴⁶ 19 U.S.C. § 1677(7)(C)(iii).

⁴⁷ 19 U.S.C. § 1677(7)(C)(iii).

⁴⁸ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁴⁹ Angus Chemical Co. v. United States, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not
(continued...)”)

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.⁵⁰

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.⁵¹ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁵² Nor does the

⁴⁹ (...continued)

‘compel the commissioners’ to employ {a particular methodology}.’), aff’g 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

⁵⁰ 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).

⁵¹ Statement of Administrative Action (“SAA”) on Uruguay Round Agreements Act (“URAA”), H.R. Rep. 103-316, Vol. I at 851-52 (1994) (“{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, developments in technology and the export performance and productivity of the domestic industry”); accord Mittal Steel, 542 F.3d at 877.

⁵² 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 v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001) (“{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, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997) (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

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“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.⁵³ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁵⁴

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.”⁵⁵ ⁵⁶ Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁵⁷

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.⁵⁸ 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.

⁵² (...continued)
harmful effects on domestic market prices.”).

⁵³ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁵⁴ 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.”).

⁵⁵ 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.

⁵⁶ Commissioner Pinkert does not join this paragraph or the following four paragraphs. He points out that the Federal Circuit, in Bratsk, 444 F.3d 1369, and Mittal, held that the Commission is required, in certain circumstances, to undertake a particular kind of analysis of nonsubject imports. Mittal explains as follows:

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

⁵⁷ 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.”).

⁵⁸ Mittal Steel, 542 F.3d at 875-79.

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.⁵⁹ 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.^{60 61}

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. Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.^{62 63}

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing 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.”⁶⁴ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.⁶⁵ In making our determination, we consider all statutory threat factors that are relevant to these investigations.⁶⁶

⁵⁹ 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).

⁶⁰ Commissioner Lane also refers to her dissenting views in Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, China, Thailand, and the United Arab Emirates, Inv. Nos. 731-TA-1131-1134 (Final), USITC Pub. 4040 (Oct. 2008), for further discussion of Mittal Steel.

⁶¹ 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 final phase investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission’s causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of nonsubject imports.

⁶² 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.”).

⁶³ We provide in the discussion of impact in section V.E. below an analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁶⁴ 19 U.S.C. § 1677(7)(F)(ii).

⁶⁵ 19 U.S.C. § 1677(7)(F)(ii).

⁶⁶ These factors are as follows:

- (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
(continued...))

As noted above, the Commission has nearly complete data coverage for the domestic industry (with the exception of two domestic producers that ceased production during the period examined, for which the Commission has only limited information). The Commission also received completed questionnaire responses from 26 importers that accounted for *** percent of subject imports and *** percent of nonsubject imports, and from four subject producers in China that accounted for an estimated 17 percent of production of PC strand in China in 2008 and 19.1 percent of subject imports in the same year.⁶⁷ When appropriate in these investigations, we have relied on the facts otherwise available, including official import statistics from Commerce and information available from published sources, as well as information submitted in these investigations.⁶⁸

⁶⁶ (...continued)

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,

(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,

* * *

(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).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the price effects analysis, and statutory threat factor (IX) is discussed in the impact analysis. Statutory threat factor (VII) is inapplicable, as no imports of agricultural products are involved in these investigations. No one has argued that the domestic industry is currently engaging or will imminently engage in any efforts to develop a derivative or more advanced version of the domestic like product, which would implicate statutory threat factor (VIII).

⁶⁷ CR/PR at IV-1, CR at VII-4, PR at VII-3.

⁶⁸ Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in injury investigations, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties' suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to
(continued...)

For the reasons stated below, we find that there is a reasonable indication that the domestic industry producing PC strand is threatened with material injury by reason of subject imports from China that are allegedly sold in the United States at less than fair value and subsidized by the Government of China.

A. Conditions of Competition

The following conditions of competition inform our analysis in the preliminary phase of these investigations.

1. Demand Conditions

Demand for PC strand is derived from demand for prestressed concrete. In turn, demand for prestressed concrete is tied to demand for construction projects, particularly infrastructure projects, commercial and institutional construction, large housing projects, and single-family housing.⁶⁹ Producers and importers are divided in their assessment of how demand has changed since the beginning of the period examined. Two U.S. producers reported that demand had fallen, and one reported that it had fluctuated. Of the 20 importers that responded to the Commission's questionnaire, 13 reported that demand has fluctuated, five reported that it has fallen, and two reported that demand has increased. Producers and importers reporting fluctuations in demand often described increasing demand in commercial and residential construction applications from 2006 through mid-2008, followed by sharply declining demand in these sectors since mid-2008.⁷⁰

Apparent U.S. consumption of PC strand declined by 15.2 percent in the 2006-08 period, from 1.1 billion pounds in 2006 to 942.7 million pounds in 2008.⁷¹ Demand dropped precipitously in late 2008 and early 2009, due to the economic downturn and reportedly because end users were drawing down their inventories rather than making new purchases.⁷² Apparent U.S. consumption of PC strand was 62.7 percent lower in interim 2009 (January-March 2009), at 97.0 million pounds, than in interim 2008, at 260.3 million pounds.⁷³

PC strand may be pre-tensioned or post-tensioned. Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site. Pre-tensioned concrete components may be used in balconies, lintels, floor slabs, beams, or foundation piles. In contrast, post-tensioning takes place on the job site in cast-in-place applications. The predominant end uses of post-tensioned PC strand are in slab-on-grade construction and in buildings for floors with moderate to long spans and moderate floor loads such as in parking garages and residential buildings.⁷⁴ Most of the subject imports were sold for post-tension applications, while the domestic product was sold mostly for

⁶⁸ (...continued)

consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive." SAA at 869.

⁶⁹ CR at II-7, PR at II-5.

⁷⁰ CR at II-6-II-7, PR at II-5.

⁷¹ CR/PR at Table C-1.

⁷² E.g., Conference Transcript at 33 (Johnson).

⁷³ CR/PR at Table C-1.

⁷⁴ CR at I-12-I-13, PR at I-10-I-11.

pre-tension applications.⁷⁵ Buy America(n) provisions (discussed below) are much more prevalent with respect to sales of PC strand to pre-tension customers.⁷⁶

“Buy America” requirements apply to iron and steel products such as PC strand and their coatings 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.”⁷⁷ The parties to these investigations disagree as to the significance of “Buy America(n)” provisions. GSSC estimates that “Buy America(n)” provisions now cover over 50 percent of U.S. consumption of PC strand, and are expected to cover an even greater percentage of U.S. consumption as a result of increased federal spending on infrastructure projects through the American Recovery and Reinvestment Act.⁷⁸ Petitioners on the other hand maintain that strict “Buy America(n)” requirements may cover less than 30 percent of the U.S. market, and that Federal stimulus spending will have no impact on the DOT-related “Buy America(n)” part of the U.S. market.⁷⁹ In 2008, 33.7 percent of total U.S. shipments of PC strand were subject to Buy America(n) restrictions; in interim 2009, the figure was 51.1 percent.⁸⁰

Demand for PC strand is somewhat seasonal in that PC strand is a construction material, and more construction occurs during warmer weather than during the winter. Thus, demand for PC strand is generally higher in the April-September period than in October-March.⁸¹

2. Supply Conditions

The domestic industry is the largest source of supply in the U.S. market, accounting for more than half of U.S. consumption by quantity over the period of investigation.⁸² There were five domestic producers of PC strand at the end of the period examined and two additional producers ceased production

⁷⁵ In 2008, subject imports accounted for 70.4 percent of domestic consumption of PC strand in post-tensioned applications, while U.S. producers accounted for 26.9 percent. CR/PR at Table C-3. In that year, subject imports accounted for only 8.7 percent of domestic consumption of PC strand in pre-tensioned applications, while U.S. producers accounted for 90.5 percent. Id.

⁷⁶ See CR/PR at Table III-5.

⁷⁷ CR at II-9 n.15, PR at II-8 n.15.

⁷⁸ Conference Transcript at 11 (Wisla).

⁷⁹ Conference Transcript at 57-60 (Feitler, Wolfe, and Cornelius).

⁸⁰ CR/PR at Table C-3.

⁸¹ CR at II-8-II-9, PR at II-7.

⁸² The domestic industry’s market share was 56.4 percent in 2006, 59.4 percent in 2007, and 56.2 percent in 2008. CR/PR at Table C-1. There is some indication in the record that the domestic industry may have been affected by shortages of steel wire rod (the principal raw material used to make PC strand) for a time in 2008, but such constraints appear to have been short-lived. CR at II-4, PR at II-3. It is unclear what effects this shortage has had on the domestic industry. See CR at II-4 n.6, PR at II-3 n.6.

in 2006 and 2007.⁸³ The market share of subject imports was 35.2 percent in 2006, 36.1 percent in 2007, and 40.5 percent in 2008, and subject imports accounted for the bulk of total imports during the period of investigation.⁸⁴ There appear to be at least 22 producers of PC strand in China.⁸⁵ Nonsubject imports declined over the period examined.⁸⁶ The principal sources of nonsubject imports in 2008 were Canada, Italy, Korea, and Portugal.⁸⁷ As discussed earlier, a number of nonsubject suppliers of PC strand are currently subject to antidumping and/or countervailing duties in the United States.⁸⁸

3. Substitutability

The record indicates that there is a high degree of substitutability between PC strand from domestic and other sources (subject to the proviso regarding “Buy America(n) restrictions, discussed below), and that price is an important consideration in purchasing decisions. Most responding producers and importers reported that subject imports are “always” used interchangeably with the domestic like product.⁸⁹ When asked whether differences other than price are significant in their sales of PC strand, all producers responded “never.” Most importers responded “sometimes” or “never” to this question, though a significant minority of importers reported that differences other than price are “always” or “frequently” significant to purchasers choosing between subject imports and the domestic like product.⁹⁰

The substitutability between domestically produced and imported PC strand is reduced somewhat by substantial end-use markets for the product that are subject to “Buy America(n)” provisions. As discussed earlier, a substantial share of U.S. shipments of PC strand are subject to these provisions.

C. Likely Volume of the Subject Imports⁹¹

Our analysis of the likely future volume of subject imports begins with trends observed over the period examined. Apparent U.S. consumption declined over the period examined, particularly in interim 2009 as compared to interim 2008. The volume of subject imports was 391.4 million pounds in 2006, 353.9 million pounds in 2007, and 381.7 million pounds in 2008.⁹² The volume of subject imports was

⁸³ CR at III-1-III-2, PR at III-1.

⁸⁴ CR/PR at Table C-1.

⁸⁵ CR at VII-4, PR at VII-3.

⁸⁶ CR/PR at Table IV-7. Nonsubject imports’ market share fell from 8.4 percent of apparent U.S. consumption in 2006 to 3.3 percent in 2008.

⁸⁷ CR/PR at Table IV-5.

⁸⁸ CR/PR at Table I-1.

⁸⁹ CR at II-11, PR at II-9; CR/PR at Table II-2.

⁹⁰ CR/PR at Table II-3.

⁹¹ Relevant to the likely volume of subject imports (19 U.S.C. § 1677(7)(F)(i)(I)), Commerce initiated a countervailing duty investigation based on 30 alleged subsidy programs, including six preferential lending programs, four programs providing goods and services for less than adequate remuneration, three income and other direct tax programs, five indirect tax and tariff exemption programs, six grant programs, and six programs involving preferential income tax subsidies for foreign invested enterprises. CR at I-9, PR at I-7. Several of the alleged subsidies are intended to benefit exportation and, thus, to encourage exports. Id.

⁹² CR/PR at Table C-1.

12.2 million pounds in interim 2009, as compared with 91.3 million pounds in interim 2008.⁹³ Accordingly, the market share of subject imports was 35.2 percent in 2006, 36.1 percent in 2007, and 40.5 percent in 2008. The market share of subject imports was 12.6 percent in interim 2009 as compared with 35.1 percent in interim 2008.⁹⁴ Although subject imports increased market share in the 2006-08 period, the market share of the domestic industry remained virtually unchanged, at 56.4 percent in 2006 and 56.2 percent in 2008.⁹⁵

The lower level of subject imports in interim 2009 than in interim 2008 was accompanied by a substantially higher level of inventories held by importers. The volume of subject merchandise in importers' inventories at the end of interim 2009 was 50.1 million pounds, as compared with 9.0 million pounds at the end of interim 2008.⁹⁶

These data show that the subject imports were present in substantial volumes and accounted for a substantial share of the U.S. market throughout the period examined, with the exception of interim 2009. Although there was a sharp decline in subject imports in interim 2009, we do not view this decline as being indicative of the likely levels of subject imports in the imminent future. There is evidence in the record indicating that there may have been a temporary slowdown in subject imports in late 2008 and early 2009 as PC strand customers worked down an inventory overhang. Moreover, while subject imports' market share fell sharply in interim 2009,⁹⁷ Chinese suppliers reportedly are still aggressively offering large quantities of PC strand at prices well below prevailing domestic prices for delivery later in 2009.⁹⁸

In addition to examining the trends of subject imports over the period examined, we have also analyzed the likely future volume of imports in the context of expected demand for PC strand in the U.S. market over the next six to twelve months. As noted previously, demand for PC strand fell sharply in late 2008 and interim 2009 and is projected to remain at low levels for the imminent future.⁹⁹ Because of lower projected demand, we recognize that the absolute volume of purchases may be lower in the imminent future than it was during much of the period examined.

As we consider the likely volume of subject imports in the U.S. market, we observe that the likely available supply from China will be high.¹⁰⁰ China appears to have the largest PC strand industry in the world. Its production in 2008 is estimated to have been approximately 5.1 billion pounds,¹⁰¹ which is approximately nine times as large as the U.S. industry's production in that year and more than twice the

⁹³ Id.

⁹⁴ The ratio of subject imports to domestic production measured by quantity was 58.1 percent in 2006, 58.8 percent in 2007, and 68.3 percent in 2008. The ratio of subject imports to domestic production was 15.1 percent in interim 2009 as compared with 56.7 percent in interim 2008. CR/PR at Table IV-8.

⁹⁵ CR/PR at Table C-1.

⁹⁶ CR/PR at Table VII-6. U.S. importers' end-of-period inventories of subject imports were 62.1 million pounds in 2006, 31.0 million pounds in 2007, and 52.4 million pounds in 2008. Id.

⁹⁷ The market share of subject imports was 12.6 percent in interim 2009.

⁹⁸ Conference Transcript at 33-34 (Johnson, Suncoast Post-Tension). See also, Petitioners' Postconference Brief at 40 and Exhibit 8.

⁹⁹ See, e.g., CR at II-7 n.10, PR at II-5 n.10.

¹⁰⁰ Four Chinese producers responded to the Commission's request for information. These producers accounted for only an estimated 17 percent of the Chinese industry's overall production, and 19.1 percent of subject imports, in 2008. CR at VII-4, PR at VII-3.

¹⁰¹ CR at VII-3, PR at VII-3.

production of the leading producers in the European Union in 2007.¹⁰² Apparent U.S. consumption was 942.7 million pounds in 2008,¹⁰³ or a fraction of the estimated subject production. There is little information on the record as to the Chinese PC strand industry's capacity utilization rates and the extent of any unused production capacity,¹⁰⁴ although the information available indicates that subject capacity increased substantially over the period examined.¹⁰⁵ Anecdotal evidence suggests that domestic consumption in China of PC strand has declined sharply since late 2008.¹⁰⁶ Given the relatively large size of the Chinese industry, even a modest amount of unused capacity has the potential for generating a substantial volume of exports to the U.S. market.¹⁰⁷

The record also indicates that Chinese PC strand producers are major exporters of the product. Based on data in the *Global Trade Atlas*, China was by far the world's leading exporter of PC strand and related products in the 2006-08 period.¹⁰⁸ China's exports of these products increased by over 70 percent from 2006 to 2008 and accounted for more than one-third of the world's exports by 2008.¹⁰⁹

Chinese producers also now may have an incentive to shift exports of PC strand from the European Union to the United States. The European Union, in May 2009, imposed definitive antidumping duties on PC strand from China ranging from 31.1 percent to 46.2 percent.¹¹⁰

We do not view the sharp decline in subject imports in interim 2009 as indicative of the likely levels of subject imports in the imminent future. In light of the substantial volumes of subject imports for much of the period examined and the high level of likely available supply from China, we find that subject imports will likely increase substantially from their interim 2009 levels in the imminent future. Nonetheless, we recognize that due to lower demand, the absolute volume of subject imports from China will likely be lower in the imminent future than the very high levels observed for much of the period examined.

¹⁰² The domestic industry's production in 2008 was 558.9 million pounds. CR/PR at Table C-1. Production of PC strand in the European Union was reported to have been 2.1 billion pounds in 2007. CR at VII-3, PR at VII-3.

¹⁰³ CR/PR at Table IV-7.

¹⁰⁴ The data provided by the four Chinese producers responding to the Commission's request for information show them to have been operating at high rates of capacity utilization during the period examined (97.5 percent in 2006, 100.1 percent in 2007, and 96.7 percent in 2008). CR/PR at Table VII-4. These data also show that the inventories of these four Chinese producers more than doubled in interim 2009 (at 63.5 million pounds), as compared with interim 2008 (at 31.3 million pounds). Id. We again note that the responding producers represent only a relatively small share of the overall Chinese PC strand industry.

¹⁰⁵ See CR/PR at Table VII-4.

¹⁰⁶ ***. Petitioners' Postconference Brief at Exh. 2.

¹⁰⁷ Based on the limited information in the record, there does not appear to be a potential for product-shifting, as none of the four Chinese producers responding to the Commission's questionnaire reported production of other products on the same equipment and machinery used in the production of PC strand. CR at VII-5, PR at VII-4. We note also that Petitioners did not argue that there is a potential for such product-shifting. See Petitioners' Postconference Brief at 32-44.

¹⁰⁸ CR/PR at VII-1 and Table VII-1. We recognize that these data are not limited to subject PC strand, but they constitute the facts available for our analysis.

¹⁰⁹ Id.

¹¹⁰ CR at VII-11 and Table VII-8/PR at VII-8 and Table VII-8. Before the antidumping duties were imposed, China's exports of PC strand to the EU were 191.6 million pounds in 2007, 96.1 million pounds in 2006, 25.9 million pounds in 2005, and 8.7 million pounds in 2004. Council Regulation (EC) No 383/2009 of 5 May 2009, Official Journal of the European Union, May 13, 2009, L 118/1, EDIS Doc No. 405848. One producer received a rate of 0 percent. It is unclear what, if any, proportion of these exports were accounted for by that producer.

Thus, for purposes of the preliminary phase of these investigations, we find a reasonable indication that the subject import volume is likely to be significant within an imminent time frame, both in absolute terms and relative to consumption and production in the United States, and that the increase in subject imports' market share will be substantial.

D. Likely Price Effects of the Subject Imports

In assessing the likely price effects of the subject imports, we consider pricing developments during the period examined and likely developments in the imminent future in light of key conditions of competition in the U.S. market. The record indicates that subject imports from China and domestic PC strand are highly substitutable and that most sales of both the domestic like product and subject imports are made to end users.¹¹¹

The Commission collected quarterly pricing data for three PC strand products. Product 1 was ½ inch, grade 270, low relaxation, uncovered PC strand sold for pre-tensioned applications. Product 2 was the same product, but sold for post-tensioned applications. Product 3 was the same product, but greased and covered in a polyethylene wrap and sold for post-tensioned applications.¹¹² Usable pricing data were provided by four domestic producers, accounting for 47.4 percent of domestic producers' shipments during 2008, and 18 importers, accounting for virtually all shipments of subject imports in that year.¹¹³ The evidence of underselling and overselling by subject imports was mixed. Subject imports undersold the domestic like product in 15 of 27 quarterly pricing comparisons by margins ranging from 1.9 percent to 27.6 percent.¹¹⁴ We note that most of the underselling by subject imports (12 of the 15 instances) occurred with respect to the strand sold in pre-tensioned applications (Product 1), the area in which the domestic industry dominates the market.¹¹⁵ The subject imports mostly oversold the domestic product with respect to the strand sold in post-tensioned applications (Product 2), in which most of the subject imports are sold.¹¹⁶

Of lost sales allegations totaling \$135.4 million, the Commission was able to confirm allegations totaling \$12.3 million.¹¹⁷ Of lost revenue allegations totaling \$684,480, the Commission was able to confirm allegations totaling \$10,000.¹¹⁸ There also is some evidence in the record that certain purchasers switched from U.S.-produced PC strand to the subject imports because of price and that U.S. producers were perceived to have lowered their prices in order to compete with subject imports.¹¹⁹ Further evidence

¹¹¹ CR at II-1-II-2 and II-9, PR at II-1 and II-7.

¹¹² CR at V-3-V-4, PR at V-3.

¹¹³ CR at V-4, PR at V-3.

¹¹⁴ CR/PR at Table V-4. The bulk of the pricing comparisons were for Products 1 and 2. A pricing comparison was possible only in one calendar quarter for Product 3, the covered strand. CR at V-4 n.5, PR at V-3 n.5.

¹¹⁵ As noted above, in 2008, for example, U.S. producers accounted for 90.5 percent of PC strand consumed in pre-tensioned applications, while subject imports accounted for only 8.7 percent. CR/PR at Table C-3.

¹¹⁶ As noted above, in 2008, for example, subject imports accounted for 70.4 percent of PC strand consumed in post-tensioned applications, while U.S. producers accounted for 26.9 percent. CR/PR at Table C-3.

¹¹⁷ Of the total \$12.3 million in confirmed lost sales, \$*** were "partial" confirmations. CR at V-10 and Table V-5, PR at V-6 and Table V-5.

¹¹⁸ CR at V-10 and Table V-6, PR at V-6 and Table V-5.

¹¹⁹ Seven of 18 purchasers reported that they had switched from the U.S. product to subject imports because of price, and eight of 15 purchasers reported that U.S. producers reduced their prices to compete with subject imports. CR at V-10 and V-13, PR at V-6.

of adverse price effects by subject imports throughout the period examined, and particularly in early 2009, was provided in testimony by a large U.S. importer of the subject merchandise.¹²⁰

The prices of both the Chinese and domestic products fluctuated in a narrow range in 2006 and 2007, before increasing sharply in 2008 through the third quarter of that year.¹²¹ This increase in prices in 2008 coincided with a substantial spike in the price of steel wire rod from late 2007 through August 2008.¹²²

There is some evidence of price suppression on the record of these preliminary phase investigations. The ratio of the domestic industry's cost of goods sold ("COGS") to sales increased steadily over the period examined. The COGS/sales ratio was 79.7 percent in 2006, 81.4 percent in 2007, 85.4 percent in 2008, and 109.0 percent in interim 2009 as compared with 83.1 percent in interim 2008, indicating that the domestic industry was unable to raise prices sufficiently to offset rising steel wire rod and other costs.^{123 124} We intend to examine, in any final phase investigations, the role of subject imports in any price suppression.

As subject imports are likely to enter the U.S. market in significant volumes and hold significant market share in the reasonably foreseeable future, this is likely to lead to adverse price effects that were only nascent in the period examined, during most of which demand was more robust than is likely in the imminent future. We intend to examine more closely the price effects of the subject imports in any final phase investigations.

E. Likely Impact of the Subject Imports on the Domestic Industry¹²⁵

Between 2006 and 2008, the domestic PC strand industry saw some declines in its performance indicators. Production, capacity utilization, shipments, and employment all fell in this period.¹²⁶ The domestic industry's financial results also weakened, although it recorded double-digit operating income ratios throughout the 2006-08 period.¹²⁷ The domestic industry's market share remained fairly constant in

¹²⁰ This importer testified that imports of PC strand from China were setting the price levels in the U.S. market throughout the period examined and leading to a loss of sales by domestic producers, even as they lowered their prices in an effort to be competitive with Chinese imports. The importer also testified that it is being offered Chinese PC strand at prices well below domestic prices in 2009. Conference Transcript at 31-35 (Johnson).

¹²¹ CR/PR at Tables V-1 and V-2.

¹²² CR/PR at V-1 and Figure V-1.

¹²³ CR/PR at Table C-1.

¹²⁴ Commissioners Lane and Pinkert find that the steady increase in the ratio of COGS to net sales indicates that price suppression was significant during the period.

¹²⁵ The alleged subsidies that form the basis for Commerce's initiation of the countervailing duty investigation are summarized above and are set forth in detail at CR at I-9, PR at I-7. Commerce initiated the antidumping duty investigation based on estimated dumping margins of 140.16 to 314.59 percent. CR at I-10, PR at I-8.

¹²⁶ Production was 673.2 million pounds in 2006, 601.7 million pounds in 2007, and 558.9 million pounds in 2008. Capacity utilization was 83.0 percent in 2006, 66.7 percent in 2007, and 61.8 percent in 2008. Domestic shipments were 627.4 million pounds in 2006, 582.8 million pounds in 2007, and 530.0 million pounds in 2008. Production related workers totaled 385 in 2006, 357 in 2007, and 331 in 2008. Hours worked totaled 856,000 in 2006, 771,000 in 2007, and 694,000 in 2008. CR/PR at Table C-1.

¹²⁷ Operating profit was \$48.9 million in 2006, \$39.4 million in 2007, and \$38.0 million in 2008. The domestic industry's ratio of operating income to net sales was 15.7 percent in 2006, 13.9 percent in 2007, and 10.7 percent in 2008. CR/PR at Table C-1.

this period.¹²⁸ Production capacity and productivity registered gains, however.¹²⁹ The data for the 2006-08 period must be viewed in the light of the general decline in demand for PC strand in that period. As noted above, apparent U.S. consumption of PC strand fell by 15.2 percent in the 2006-08 period. U.S. market demand for PC strand then dropped precipitously in late 2008 and interim 2009. As a result, many domestic industry indicators were substantially lower in the first quarter of 2009 than in the first quarter of 2008. Domestic production was 49.9 percent lower, capacity utilization was 35.5 percentage points lower, U.S. shipments were 49.8 percent lower, the number of production workers was 22.5 percent lower, hours worked were 34.5 percent lower, productivity was 23.4 percent lower, and operating income was also drastically lower.^{130 131 132 133} For purposes of these preliminary phase determinations, we find a reasonable indication that the continued or increased presence of subject imports at low prices will likely result in material injury to the domestic industry unless antidumping and countervailing duty orders are issued.

For purposes of these preliminary phase investigations, we find that there likely will be a causal nexus between the subject imports and an imminent adverse impact on the domestic industry. This conclusion is based on the declines in the industry's trade and employment data discussed above, our finding that the volume of subject imports is likely to increase substantially from its interim 2009 level in an imminent time frame, and our conclusion that underselling by subject imports will likely continue and have significant adverse effects on domestic prices. Significant volumes of subject imports at low prices are likely to affect the industry's sales volumes and prices negatively, thereby reducing the industry's levels of production, employment, and profitability.

We have considered whether there are other factors that will likely have an imminent impact on the domestic industry. We recognize that the decline in PC strand demand played a role in the downturn in the domestic industry's performance near the end of the period examined. Moreover, as discussed above, demand is likely to remain at suppressed levels in the imminent future. In any final phase of these

¹²⁸ U.S. producers' share of apparent U.S. consumption was 56.4 percent in 2006, 59.4 percent in 2007, and 56.2 percent in 2008. CR/PR at Table C-1.

¹²⁹ Production capacity was 810.7 million pounds in 2006, 902.8 million pounds in 2007, and 903.8 million pounds in 2008. Productivity (pounds per hours) was 786.7 in 2006, 780.0 in 2007, and 805.0 in 2008. CR/PR at Table C-1.

¹³⁰ Production was 161.1 million pounds in interim 2008 and 80.8 million pounds in interim 2009. Capacity utilization was 71.2 percent in interim 2008 and 35.7 percent in interim 2009. U.S. shipments were 160.8 million pounds in interim 2008 and 80.7 million pounds in interim 2009. The number of production workers was 333 in interim 2008 and 258 in interim 2009. Hours worked were 183,000 in interim 2008 and 120,000 in interim 2009. Productivity (pounds per hour) was 881.2 in interim 2008 and 674.7 in interim 2009. Operating income was \$9.9 million in first quarter 2008 and a loss of 7.7 million in first quarter 2009. CR/PR at Table C-1.

¹³¹ We recognize that inventory write-down costs by one domestic producer (Insteel) were a significant component of the domestic industry's poor financial performance in interim 2009. It is unclear to what extent these inventory losses are related to the effects of subject imports. We intend to explore this issue further in any final phase of these investigations. We note, however, that, even without the effects of these inventory write-downs, the domestic industry would still have suffered sharply lower operating income in interim 2009 as compared with interim 2008. CR at VI-3 n.3, PR at VI-1 n.3.

¹³² Chairman Aranoff, Vice Chairman Pearson, and Commissioner Okun find that, based on these data, and in light of the current economic conditions, the domestic industry is unlikely to perform as well in the near term as it did during the period examined. Nonetheless, given the industry's performance, albeit with declines, throughout the period, they do not find that the domestic industry is currently in a vulnerable state.

¹³³ Commissioners Lane, Pinkert, and Williamson find, based on these data, that the domestic industry is in a weakened state and therefore vulnerable to the likely volume and price effects of subject imports.

investigations, we intend to explore further the role that any changes in demand would play in the performance of the domestic industry in order to ensure that we do not attribute to subject imports the effects of any future adverse demand conditions.¹³⁴

We also recognize that Buy America(n) provisions may shield the domestic industry from direct competition from subject imports in a part of the domestic PC strand market, even though a substantial part of the market is not subject to such provisions. In any final phase of these investigations, we will also explore this issue further.

Finally, in any final phase of these investigations, we will also examine the market dynamics underlying sales for pre-tensioning and post-tensioning applications, and the reasons why most of the subject imports were sold for post-tension applications, while the domestic product was sold mostly for pre-tension applications.

Consequently, we conclude for purposes of the preliminary phase of these investigations that there is a likely causal nexus between the subject imports and an imminent adverse impact on the domestic industry, which demonstrates a reasonable indication that the domestic industry is threatened with material injury by reason of subject imports.

CONCLUSION

For the foregoing reasons, and based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of subject imports of PC strand from China that are allegedly sold in the United States at less than fair value and allegedly subsidized by the Government of China.

¹³⁴ Nonsubject imports played only a minor, and generally declining, role in the U.S. market during the period examined. The market share of nonsubject imports declined from 8.4 percent in 2006, to 4.5 percent in 2007, and to 3.3 percent in 2008. The market share of nonsubject imports was 3.2 percent in interim 2009, as compared with 4.3 percent in interim 2008. CR/PR at Table C-1.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by counsel on behalf of American Spring Wire Corp. (“American”) (Bedford Heights, OH); Insteel Wire Products Co. (“Insteel”) (Mt. Airy, NC); and Sumiden Wire Products Corp. (“Sumiden”) (Dickson, TN), on May 27, 2009, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of prestressed concrete steel wire strand (“PC strand”)¹ from China. Information relating to the background of the investigations is provided below.²

Effective date	Action
May 27, 2009	Petition filed with Commerce and the Commission; institution of Commission’s investigations (74 FR 26731, June 3, 2009)
June 17, 2009	Commission’s conference ¹
June 16, 2009	Commerce’s notice of initiation of countervailing duty investigation (74 FR 29670, June 23, 2009)
June 23, 2009	Commerce’s notice of initiation of antidumping duty investigation (74 FR 29665)
July 10, 2009	Commission’s vote
July 13, 2009	Commission’s determinations transmitted to Commerce
July 20, 2009	Commission’s views transmitted to Commerce

¹ A list of witnesses that appeared at the conference is presented in app. B.

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.

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations.

² *Federal Register* notices cited in the tabulation are presented in app. A.

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

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 declines in output, sales, market share, profits, productivity, return on investments, 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.

Organization of the Report

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV and V* present the volume and pricing of imports of the subject merchandise, 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

PC strand is steel strand produced from hot-rolled, high-carbon steel wire rod which, after cleaning and descaling, is drawn into wire, fabricated into multi-wire strand, and thermally stress-relieved. PC strand is used to compress concrete structural members to improve their ability to withstand loads. The PC strand is tensioned either prior to the pouring of concrete (pre-tensioning) or after the pouring of the concrete (post-tensioning) to impart compressive force to the concrete in which it is placed. Demand for PC strand is derived from demand for prestressed concrete which, in turn, is derived from demand for construction projects. Typical applications for prestressed concrete in which PC strand is used include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.

There are currently five U.S. producers of PC strand: American; Insteel; Rettco Steel, LLC (“Rettco”)/MMI Products, Inc. (“MMI”);³ Strand-Tech Martin (“Strand-Tech”); and Sumiden.⁴ *** is the largest domestic PC strand producer, accounting for *** percent of production of PC strand in the United States during 2008. The petitioners indicated that there are at least 22 producers of PC strand in China;⁵ the largest nonsubject sources of PC strand imported into the United States during 2008 include Canada (Bekaert Canada Ltd. and Stelwire Ltd.); Italy (CB Trafilati Accial, Far SPA, Redaelli Tecnasud, Siderurgica Latina Martin, and Trafilati SPA); Korea (Dong-II Steel Mfg. Co. Ltd., Kiswire Ltd., Manho Rope and Wire Ltd., and Youngheung Iron and Steel Co. Ltd.); and Portugal (Fapricela Industria de Trefilaria SA). At least 18 firms have imported PC strand from China since 2006. The three largest importers providing responses to the questionnaire in these investigations – *** – together accounted for almost two-thirds of total subject U.S. imports from China in 2008 as measured by official Commerce import statistics. The leading U.S. importer of PC strand from nonsubject countries (primarily Canada) is ***. U.S. purchasers of PC strand are firms that typically either pre-tension or post-tension concrete structural components. Suncoast Post-Tension is reportedly the largest purchaser of PC strand in the United States. Other leading U.S. purchasers include Coreslab Structures, Dywidag Systems, VSL, Valmont Newmark, and Builders PT.

Apparent U.S. consumption of PC strand totaled 942.7 million pounds (\$550.5 million) in 2008. U.S. producers’ U.S. shipments of PC strand totaled 530.0 million pounds (\$334.4 million) in 2008, and accounted for 56.2 percent of apparent U.S. consumption by quantity and 60.8 percent by value. U.S. imports from China totaled 381.7 million pounds (\$194.3 million) in 2008 and accounted for 40.5 percent of apparent U.S. consumption by quantity and 35.3 percent by value. U.S. imports from nonsubject sources totaled 31.1 million pounds (\$21.8 million) in 2008 and accounted for 3.3 percent of apparent U.S. consumption by quantity and 4.0 percent by value. Apparent U.S. consumption, on the basis of quantity, declined by 15.2 percent from 2006 to 2008 and was 62.7 percent lower in the first quarter of 2009 relative to the first quarter of 2008.

³ Rettco (the “toller” or “toll producer”) produces PC strand under a toll agreement with MMI (the “tollee”). MMI furnishes Rettco with the raw material (i.e., wire rod), pays Rettco a conversion fee for producing finished PC strand, and sells the finished PC strand. The production, capacity, capacity utilization, and employment data presented in this report were submitted by toller Rettco and the shipment, inventory, pricing, and primary financial data were provided by MMI.

⁴ PCS of America (“PCS”) (Rosenberg, TX), formerly related to Mexican PC strand producer Aceros Camesa S.A. de C.V. (“Camesa”), and EMC (Phoenix, AR), formerly owned by Mexican PC strand producer Cablesa S.A. de C.V. (“Cablesa”), both produced PC strand in the United States during the early portion of the period for which information was requested in these investigations. PCS ceased U.S. production of PC strand by *** and EMC ceased production by ***. *Email* from *** to Mary Messer, June 26, 2009; and petition, pp. 3-4.

⁵ Petition, exh. General-4.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, tables C-1 and C-2.⁶ U.S. industry data are based on questionnaire responses of five firms that accounted for all U.S. production of PC strand during 2008.⁷ U.S. imports presented in the body of this report are based on Commerce's official import statistics.⁸ Data regarding the Chinese industry are based on four foreign producer questionnaire responses submitted in these investigations. Appendixes D and E present additional price data and comments on the effects of imports, respectively.

PREVIOUS AND RELATED INVESTIGATIONS

Antidumping and Countervailing Duty Investigations and Reviews

The Commission has conducted several previous antidumping and countervailing duty investigations and five-year reviews concerning PC strand from 9 different countries. The earliest investigations concerning PC strand were conducted by the Commission in 1978. The Commission's domestic like product and domestic industry determinations in all PC strand investigations and reviews are similar in that the Commission has consistently found one domestic like product consisting of PC strand and one domestic industry consisting of all domestic producers of PC strand. Table I-1 presents information on previous and related title VII investigations and five-year reviews concerning PC strand.

On December 1, 2008 (73 FR 72834), the Commission instituted its third five-year review of the antidumping duty finding concerning PC strand from Japan and its initial five-year reviews of the orders concerning PC strand from Brazil, India, Korea, Mexico, and Thailand. The Commission's determinations in those five-year reviews are scheduled to be transmitted to Commerce on November 24, 2009. The domestic and respondent interested parties indicated in their responses to the Commission's notice of institution in those reviews that they agree with the Commission's definitions of the domestic like product and domestic industry in the original investigations.⁹

⁶ Table C-1 presents apparent U.S. consumption calculated using U.S. imports compiled from official import statistics. Table C-2 presents apparent U.S. consumption calculated using U.S. shipments of imports compiled from Commission questionnaire responses. Although table C-1 incorporates full import coverage, table C-2 captures shifts in inventory holdings by U.S. importers.

⁷ There are currently five U.S. producers of PC strand: American, Insteel, Rettco/MMI, Strand-Tech, and Sumiden. The data presented in this report do not include the data of two U.S. PC strand producers (PCS and EMC) that ceased production during 2006-07.

⁸ Data on U.S. shipments of imports based on Commission questionnaire responses are presented separately in appendix C, table C-2.

⁹ *Response to Commission's Notice of Institution of Domestic Interested Parties*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 16, 2009, p. 24; *Response to Commission's Notice of Institution of Dong-II Steel Mfg. Co., Ltd.*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 20, 2009, item (11); and *Response to Commission's Notice of Institution of Camesa and Deacero*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 21, 2009, p. 10.

Table I-1

PC strand: Previous Title VII investigations and five-year reviews

Investigations/Reviews		Dates		Domestic Like Product/Domestic Industry Determination	Outcome
Country	Number	Begin	End		
India	AA1921-182 (Final)	06/02/1978	08/25/1978	Under the then-applicable statutory provisions, the Commission made no domestic like product determination <i>per se</i> in its original determinations, but it essentially treated all PC strand as a single domestic like product. The Commission determined that it "considered the relevant domestic industry to consist of facilities in the United States devoted to the production of steel wire strand for prestressed concrete."	Commission negative final determination
Japan	AA1921-188 (Final)	08/29/1978	11/22/1978	The Commission's domestic like product and domestic industry determinations in the original final investigation concerning PC strand from Japan were the same as its determinations in the final investigation concerning PC strand from India.	Commission affirmative final determination
	AA1921-188 (First Review)	09/01/1998	02/02/1999	The Commission found that the appropriate definition of the domestic like product in the expedited initial five-year review was the same as Commerce's scope: all steel wire strand, other than alloy steel, not galvanized, which has been stress-relieved and is suitable for use in prestressed concrete. It further determined that the appropriate domestic industry was all U.S. producers of PC strand.	Commission expedited initial review determination to continue order
	AA1921-188 (Second Review)	01/02/2004	06/07/2004	The Commission's domestic like product and domestic industry determinations in the expedited second five-year review was the same as its determinations in the expedited initial five-year review on PC strand from Japan.	Commission expedited second review determination to continue order
Spain	701-TA-164 (Final)	04/26/1982	08/23/1982	The Commission defined the domestic like product as "all wire strand of steel for prestressing concrete" and it defined the domestic industry as the producers of that domestic like product.	Commission negative final determination
Brazil	701-TA-152 (Final)	03/04/1982	03/14/1983	The Commission's domestic like product and domestic industry determinations in the original final investigations concerning PC strand from Brazil, France, and the United Kingdom were the same as its determinations in the final investigation concerning PC strand from Spain.	Commission negative final determinations
France	701-TA-153 (Final)		12/06/1982		
United Kingdom	731-TA-89 (Final)		02/02/1983		
Brazil	731-TA-1024	01/31/2003	01/21/2004	The Commission found the domestic like product to be all PC strand co-extensive with Commerce's scope: steel strand produced from wire of non-stainless, non-galvanized steel that is suitable for use in prestressed concrete (both pre-tensioned and post-tensioned) applications and that encompasses covered and uncovered strand and all types, grades, and diameters of prestressed concrete steel wire strand. The Commission found the domestic industry to be all producers of PC strand. The Commission also determined that plastic coating did not constitute sufficient production-related activity to qualify coaters as members of the domestic industry producing PC strand.	Commission affirmative final determinations
India	701-TA-432 731-TA-1025				
Korea	731-TA-1026				
Mexico	731-TA-1027				
Thailand	731-TA-1028				
Source: Various Commission publications and <i>Federal Register</i> notices.					

Safeguard Investigations

Following receipt of a request from the Office of the United States Trade Representative on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974¹⁰ to determine whether certain steel products, including PC strand,¹¹ were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.¹² On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate (“Senate Finance Committee” or “Committee”) requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.¹³ Consistent with the Senate Finance Committee’s resolution, the Commission consolidated the investigation requested by the Committee with the Commission’s previously instituted investigation No. TA-201-73.¹⁴ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission made a negative determination with respect to the product grouping that included PC strand.¹⁵

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged Subsidies

On June 23, 2009, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on PC strand from China.¹⁶ Commerce indicated in its notice that it is including in its investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in China:

¹⁰ 19 U.S.C. § 2252.

¹¹ Carbon and alloy (including stainless) steel strand, rope, cable, and cordage, a product category that included PC strand, were found to be a single ‘like or directly competitive’ product by Chairman Stephen Koplán, Vice Chairman Deanna Tanner Okun, and Commissioners Marcia E. Miller and Jennifer A. Hillman. Commissioner Lynn M. Bragg included PC strand in a broader wire product grouping that also included carbon and alloy steel wire as well as many downstream products. Commissioner Dennis M. Devaney included PC strand in an even broader product grouping that included all carbon and alloy steel long products. *See, e.g., Steel, Inv. No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, pp. 88-90, 273, and 312.

¹² *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

¹³ 19 U.S.C. § 2251.

¹⁴ *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

¹⁵ *Steel; Import Investigations*, 66 FR 67304, December 28, 2001. Specifically, Chairman Stephen Koplán, Vice Chairman Deanna Tanner Okun, and Commissioners Marcia E. Miller and Jennifer A. Hillman made a negative determination with respect to carbon and alloy steel strand, rope, cable, and cordage, while Commissioners Lynn M. Bragg and Dennis M. Devaney dissented, having made affirmative determinations with respect to carbon and alloy steel wire products (Commissioner Bragg) and carbon and alloy steel long products (Commissioner Devaney).

¹⁶ *Prestressed Concrete Steel Wire Strand From the People’s Republic of China: Initiation of Countervailing Duty Investigation*, 74 FR 29670, June 23, 2009.

- A. Loan Programs
 - 1. Policy Lending at the Federal Level to PC Strand Industry.
 - 2. Policy Lending at the Provincial and Municipal Level.
 - 3. Preferential Loans for State-Owned Enterprises.
 - 4. Treasury Bond Loans.
 - 5. Honorable Enterprises Program.
 - 6. Preferential Loans for Key Projects and Technologies.
- B. Government Provision of Goods and Services for Less Than Adequate Remuneration (“LTAR”)
 - 1. Government Provision of Wire Rod for LTAR.
 - 2. Provision of Land Use Rights for LTAR to Foreign Invested Enterprises/Entities (“FIEs”) in Jiangxi and the City of Xinyu.
 - 3. Federal Provision of Electricity for LTAR.
 - 4. Provision of Electricity and Water at LTAR for FIEs and “Technologically Advanced” Enterprises by Jiangsu Province.
- C. Income and Other Direct Taxes
 - 1. Income Tax Credits for Domestically Owned Companies Purchasing Domestically Produced Equipment.
 - 2. Income Tax Exemption for Investment in Domestic Technological Renovation.
 - 3. Reduction in or exemption from Fixed Assets Investment Orientation Regulatory Tax.
- D. Indirect Tax and Tariff Exemption Programs
 - 1. Stamp Exemption on Share Transfers Under Non-Tradable Share Reform.
 - 2. Deed Tax Exemption for State Owned Enterprises (“SOEs”) Undergoing Mergers or Restructurings.
 - 3. Export Incentive Payments Characterized as “VAT Rebates.”
 - 4. Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries.
 - 5. Import Tariff and VAT Refunds to Promote the Development of Equipment Manufacturing in China.
- E. Grant Programs
 - 1. The State Key Technology Project Fund.
 - 2. Subsidies for Development of Famous Export Brands and China World Top Brands.
 - 3. Sub-Central Government Programs to Promote Famous Export Brands and China World Top Brands.
 - 4. Exemptions for SOEs from Distributing Dividends to the State.
 - 5. Grants to Loss-Making SOEs.
 - 6. Program to Rebate Antidumping Fees.
- F. Preferential Income Tax Subsidies for FIEs
 - 1. Two Free, Three Half Program.
 - 2. Income Tax Exemption Program for Export-Oriented FIEs.
 - 3. Local Income Tax Exemption and Reduction Programs for “Productive” FIEs.
 - 4. Preferential Tax Programs for FIEs Recognized as High or New Technology Enterprises.
 - 5. Income Tax Subsidies for FIE’s Based on Geographic Location.
 - 6. VAT Refunds for FIE’s Purchasing Domestically Produced Equipment.

In addition, Commerce reported that it is not including in its investigation the following programs alleged by petitioners to benefit producers and exporters of the subject merchandise in China because of insufficient evidence of such benefit: Export Loans; Stamp Tax Exemption and Waiver of Administrative Charges for SOEs Undergoing Mergers or Restructurings; Export Assistance Grants; Provision of Land to SOEs for Less Than Adequate Remuneration; Government Provision of Land at Less Than Adequate Remuneration to Companies Located in Development Zones; Government Restraints on Exports of Wire Rod; Tax Reduction for Enterprises Making Little Profit; and China's Enforced Undervaluation of Its Currency.

Alleged Sales at LTFV

On June 23, 2009, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigation on PC strand from China.¹⁷ Commerce has initiated an antidumping duty investigation based on estimated dumping margins ranging from 140.16 percent to 314.59 percent for PC strand from China.

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce has defined the scope of these investigations as follows:

For purposes of this investigation, prestressed concrete steel wire strand (PC strand) is steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, prestressed concrete (both pre-tensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A-416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft² standard set forth in ASTM-A-475.¹⁸

¹⁷ *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Initiation of Antidumping Duty Investigation*, 74 FR 29665, June 23, 2009.

¹⁸ *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Initiation of Antidumping Duty Investigation*, 74 FR 29665, June 23, 2009; and *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 74 FR 29670, June 23, 2009.

Tariff Treatment

PC strand is classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under subheading 7312.10.30 and reported for statistical purposes under statistical reporting numbers 7312.10.3010 and 7312.10.3012. Table I-2 presents current tariff rates for PC strand.

Table I-2
PC strand: Tariff treatment, 2009

HTS provision	Article description	Column 1		Column 2 ²
		General ¹	Special	
		Rates (<i>percent ad valorem</i>)		
7312	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated:			
7312.10	Stranded wire, ropes and cables: Stranded wire:			
.30	Other {than of stainless steel}	Free	(³)	35%
	For prestressing concrete:			
.10	Covered with textile or other nonmetallic material			
.12	Other			

¹ Normal trade relations rate, formerly known as the most-favored-nation duty rate.
² Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.
³ Special rates not applicable when General rate is free. China is not eligible for any special tariff treatment.

Source: Harmonized Tariff Schedule of the United States (2009).

THE DOMESTIC LIKE PRODUCT

Description and Applications

PC strand consists of multiple steel wires wound together to produce a strong, flexible product that is used to strengthen concrete structures. PC strand is commonly available in three grades, in covered and uncovered form, and in several nominal diameters. The most common PC strand configuration consists of six wires wound helically around a single wire core.¹⁹ Nominal diameters of PC strand typically range from 0.25 to 0.70 inch²⁰ and generally have three grade designations, 250, 270, and 300.²¹

PC strand is used in the construction of prestressed concrete structural components to introduce compression into the concrete.²² This compression offsets or neutralizes forces within the concrete that occur when it is subjected to loads.²³ Typical applications of prestressed concrete include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.²⁴ One of the most widespread uses of prestressed concrete, however, is parking garages.²⁵

PC strand may be pre-tensioned or post-tensioned.²⁶ Pre-tensioned PC strand is tensioned (pulled tightly and slightly elongated) using a calibrated tensioning apparatus, and concrete is cured around the PC strand.²⁷ After the concrete has cured, the tension is released and the tensile force of the strand induces a compressive force in the concrete. Pre-tensioned prestressed concrete depends upon the bond created between the concrete and the PC strand to hold the concrete in compression. Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site.²⁸ Pre-tensioned concrete components may be used in balconies, lintels, floor slabs, beams or foundation piles.

¹⁹ Although the seven-wire PC strand is the most prevalent product in the industry, PC strand may also be produced with as few as three wires. Shemenski, Robert M. et al (eds.), *Ferrous Wire Handbook*, Guilford, CT: The Wire Association, 2008, pp. 922-923. According to petitioners, “all types, grades, and diameters of PC strand are produced in the United States.” Petition, vol. I, p. 9.

²⁰ Petition, vol. I, p. 11; conference transcript, p. 14 (Selhorst).

²¹ PC strand grade designations (such as grades 250, 270, and 300) correspond to the minimum ultimate strength of the product in thousands of pounds per square inch (“psi”) based on tensile strength and cross-sectional surface area of the PC strand. For example, grade 270 PC strand has a minimum ultimate strength of 270,000 psi. According to petitioners, one-half inch diameter grade 270 is the predominant grade and size used in the U.S. market. Petition, vol. I, pp. 9 and 14; conference transcript, p. 15 (Selhorst).

²² Conference transcript, p. 15 (Selhorst).

²³ Prestressed concrete may also contain reinforcing wire or wire fabric. Lankford, William T. et al (eds.), *The Making, Shaping, and Treating of Steel, 10th Edition*, Pittsburgh, PA: Association of Iron and Steel Engineers, 1984, pp. 1014-1015.

²⁴ Petition, vol. I, p. 10.

²⁵ Portland Cement Association Web site, http://www.cement.org/basics/concreteproducts_prestressed.asp, accessed June 10, 2009.

²⁶ According to Timothy Selhorst, President of American Spring Wire Corporation, “the same PC strand may be sold to pre- and post-tensioners” and both types of PC strand have the same purpose—to impart compressive forces into concrete so that it can withstand tensile forces without cracking. Conference transcript, p. 15 (Selhorst).

²⁷ Petition, vol. I, p. 11.

²⁸ Conference transcript, p. 73 (Woltz).

For post-tensioned PC strand, there is no bond between the PC strand and the cured concrete. Instead, the PC strand is tensioned using a calibrated tensioning apparatus after the concrete has cured.²⁹ In post-tensioned prestressed concrete, tension is maintained by installing permanent mechanical anchors that remain in place after the tensioning apparatus is removed. Unlike pre-tensioning, which is largely performed at precast manufacturing facilities, post-tensioning takes place on the job site in cast-in-place applications.³⁰ The concrete component is cast in a way in which PC strand may be installed so that it is protected from bonding with the concrete. Post-tensioning gives designers the flexibility to further optimize material use by creating thinner concrete components.³¹ The predominant end uses of post-tensioned PC strand are in slab-on-grade construction and in buildings for floors with moderate to long spans and moderate floor loads such as in parking garages and residential buildings.³² Approximately *** percent of total U.S. shipments of post-tensioned PC strand in 2007 were used in slab-on-grade (***) percent) and building (***) percent) construction applications.³³

Depending on the application, PC strand will be either uncoated or coated (with plastic or epoxy). Plastic-coated PC strand is lubricated with grease and encased in a plastic tube, whereas epoxy-coated PC strand is coated with epoxy. For pre-tensioning applications, where the bond between the cured concrete and the PC strand holds the concrete in compression, the PC strand is installed uncoated. In contrast, post-tensioning applications may require uncoated or coated PC strand.

There are two methods of post-tensioning PC strand in concrete members: internal and external. For internal post-tensioning applications, the PC strand is either (1) greased and plastic-coated (which keeps the concrete from bonding to the PC strand during the curing process) and concrete is cured around the coated PC strand or (2) plastic or metal ducts are cast into the concrete and uncoated PC strand is passed through each duct. If the duct method is used, after tensioning and anchoring, the ducts containing the PC strand are filled with grout to protect it from corrosion.³⁴ For external post-tensioning applications, coated PC strand or uncoated, galvanized PC strand may be used to protect against corrosion. Whether it is used uncoated or coated, PC strand of various suppliers is interchangeable within each physical size, physical configuration, and grade.

²⁹ Petition, vol. I, p. 11.

³⁰ Conference transcript, p. 73 (Woltz).

³¹ Portland Cement Association Web site, http://www.cement.org/buildings/post_tensioned_splash.asp, accessed June 10, 2009.

³² Craig D. Olson and Laura N. Smith, "Building with Concrete: Post-tensioned Concrete for Today's Market," The Seattle Daily Journal of Commerce, May 9, 1997, <http://www.djc.com/special/concrete97/10024302.htm>.

³³ Post-Tensioning Institute, "PTI Tonnage Report: Summary of Post-Tensioning Industry Shipments in North America 1972-2007," 2008, p. 1.

³⁴ Petition, vol. I, p. 11.

Manufacturing Process

PC strand is produced from hot-rolled, high-carbon steel wire rod³⁵ through a production process consisting of four distinct steps: drawing, stranding, stabilizing, and packaging.³⁶ The drawing step begins with cleaning and descaling to remove dirt and mill scale from the hot-rolled, high-carbon steel wire rod before feeding it through the wire drawing dies. Cleaning and descaling can be accomplished chemically, using a strong acid, or mechanically, using abrasive methods. The cleaned and descaled wire rod is then coated with zinc phosphate and pulled through a series of wire drawing dies to reduce its size. Depending on the finished size required, the rod may be drawn through up to nine dies. If indented wire is specified, the wire is indented, using carbide rollers, after the final size reduction.³⁷

After drawing, the wire undergoes stranding. During the stranding process, the wires are wound into a strand, helically and uniformly, by a stranding machine. The PC strand is then stabilized by removing residual mechanical stresses through thermal and possibly mechanical treatments. The extent of the stress relief determines the type of PC strand. Low-relaxation PC strand is subjected to simultaneous thermal and mechanical treatment after stranding, while “normal”-relaxation PC strand (commonly referred to as stressed-relieved PC strand) requires only thermal treatment.³⁸ Finally, if coating is required, the PC strand is either lubricated with grease and encased in a plastic tube, or coated with epoxy.³⁹

The finished product is wound onto a drum, strapped into place with steel bands, and packaged as a coil. The coil may be covered with a protective material, such as plastic or burlap and is packaged such that the end user can place the coil directly onto a strand dispenser.⁴⁰

³⁵ The American Society for Testing and Materials (“ASTM”) specifies mechanical properties for finished PC strand, but does not specify chemical composition of the wire used to make PC strand. ASTM Standard A416/A 416M-06, 2006, “Standard Specification for Steel Strand, Uncoated Seven-Wire for Prestressed Concrete,” ASTM International, West Conshohocken, PA, 2009, Section 1, vol. 01.04, pp. 246-250; ASTM Standard A421/A 412M-05, 2005, “Standard Specification for Uncoated Stress-Relieved Steel Wire for Prestressed Concrete,” West Conshohocken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 251-254; and ASTM Standard A910/A 910M-05, 2005, “Standard Specification for Uncoated, Weldless, 2- and 3-Wire Steel Strand for Prestressed Concrete,” West Conshohocken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 514-517.

³⁶ Conference transcript, p. 72 (Selhorst).

³⁷ PC strand made from indented wire may be specified for certain pre-tensioning applications. The indentations in the wire enhance the bond between the cured concrete and the PC strand.

³⁸ Low-relaxation strand is regarded as the standard type of PC strand and stress-relieved strand is not furnished unless specifically requested by a customer. See ASTM Standard A416/A 416M-06, 2006, “Standard Specification for Steel Strand, Uncoated Seven-Wire for Prestressed Concrete,” ASTM International, West Conshohocken, PA, 2009, Section 1, vol. 01.04, pp. 246-250; and ASTM Standard A910/A 910M-05, 2005, “Standard Specification for Uncoated, Weldless, 2- and 3-Wire Steel Strand for Prestressed Concrete,” West Conshohocken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 514-517.

³⁹ PC strand is coated or greased and covered to improve its resistance to corrosion. End users may purchase epoxy-coated PC strand to further enhance the corrosion resistance of the strand in applications where there is an abundance of moisture, such as in bridge and/or in other applications where the strand is exposed to the elements. Staff telephone notes, ***, June 29, 2009.

⁴⁰ Petition, vol. I, p. 10.

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product and domestic industry have been raised in these investigations concerning PC strand from China. In fact, the petitioners propose that the domestic like product and domestic industry should continue to be defined in the same way as they were defined in the Commission's 2003-04 investigations concerning PC strand from Brazil, India, Korea, Mexico, and Thailand: all PC strand co-extensive with Commerce's scope and all U.S. producers of the domestic like product, excluding firms that solely coat PC strand.⁴¹ Petitioners add that "no significant technological or marketing changes have occurred in the production of PC strand since those earlier findings to alter that result."⁴² The respondent in these investigations indicated that it is in agreement with the petitioners with regard to the definitions of the domestic like product and domestic industry.⁴³

⁴¹ In the 2003-04 original investigations concerning PC strand from Brazil, India, Korea, Mexico, and Thailand, the petitioners and Mexican respondents disagreed as to the definition of the domestic like product. In those investigations, the petitioners argued that the domestic like product definition should mirror the scope of the investigations. They contended that an analysis of the six like product factors, as well as Commission precedent, supported a finding of one domestic like product comprised of all PC strand. The petitioners further argued that the domestic industry should exclude companies that simply coat the strand with grease and plastic coating, due to the minor or incidental nature of such companies' operations. The Mexican respondents, on the other hand, contended that the Commission should find that "covered" (plastic-coated) and bare PC strand constituted two separate domestic like products and that there were two separate domestic industries: one producing coated PC strand and the second producing bare PC strand. They contended that bare PC strand was used by the pre-tensioned market and that the plastic-coated PC strand was used by the post-tensioned market. They further contended that whether applying the six-factor "like product analysis" or the "semifinished product analysis," the Commission should find that coated and bare PC strand constitute two separate domestic like products and industries. *Prestressed Concrete Steel Wire Strand From Brazil, India, Korea, Mexico, and Thailand, Investigations Nos. 701-TA-432 (Final) and 731-TA-1024-1028 (Final)*, USITC Pub. 3663, January 2004, pp. 7-12. In the current five-year reviews of those orders, the domestic and respondent interested parties (including the Mexican respondents) indicated in their responses to the Commission's notice of institution that they agree with the Commission's definitions of the domestic like product and domestic industry. *Response to Commission's Notice of Institution of Domestic Interested Parties*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 16, 2009, p. 24; *Response to Commission's Notice of Institution of Dong-II Steel Mfg. Co., Ltd.*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 20, 2009, item (11); and *Response to Commission's Notice of Institution of Camesa and Deacero*, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 21, 2009, p. 10.

⁴² Conference transcript, pp. 12-13 (Cannon).

⁴³ Conference transcript, p. 137 (Levinson).

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

U.S. MARKET CHARACTERISTICS

PC strand is used in the construction of prestressed concrete structural members. PC strand serves to compress concrete members to offset, or neutralize, forces which occur when the prestressed concrete members are subject to load. Typical applications for prestressed concrete include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.

PC strand is used to prestress concrete either by pre-tensioning or by post-tensioning. In pre-tensioning, the PC strand is tensioned before the concrete is cured, and in post-tensioning the PC strand is tensioned after the concrete is cured.¹ Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site.² Pre-tensioned components may be used in balconies, lintels, floor slabs, beams, or foundation piles. Unlike pre-tensioning, post-tensioning takes place on the job site in cast-in-place applications.³ The predominant end uses of post-tensioned PC strand are in slab-on-grade construction and in buildings for floors with moderate to long spans and moderate floor loads such as in parking garages and residential buildings.⁴

CHANNELS OF DISTRIBUTION

U.S. shipments of PC strand by U.S. producers and importers to post-tensioners/converters,⁵ other end users, and other distributors are shown in table II-1. U.S. producers sold PC strand primarily and increasingly, to end users other than post-tensioners/converters. The vast majority of imported Chinese PC strand was sold to post-tensioners/converters over the period, despite some growth in the share of shipments to other end users. PC strand imported from all other countries was sold primarily to post-tensioners/converters until the first quarter of 2009, when sales to other end users accounted for the majority of total shipments of imported PC strand from all other countries.

¹ Conference transcript, p. 15 (Selhorst).

² Conference transcript, p. 73 (Woltz).

³ Conference transcript, p. 73 (Woltz).

⁴ Craig D. Olson and Laura N. Smith, "Building with Concrete: Post-tensioned Concrete for Today's Market," The Seattle Daily Journal of Commerce, May 9, 1997, <http://www.djc.com/special/concrete97/10024302.htm>. The Post-Tensioning Institute reported that slab-on-grade construction (***) and buildings (***) accounted for the largest shares of PTI member tonnages to post-tensioners in 2007. Post-Tensioning Institute, "PTI Tonnage Report: Summary of Post-tensioning Industry Shipments in North America (1972-2007)," 2008, p. 1.

⁵ The post-tensioners/converters category includes end users and distributors that convert or post-tension PC strand.

Table II-1

PC strand: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2006-08 and January-March 2009

Item	Period			
	2006	2007	2008	Jan.-Mar. 2009
Share of quantity (in percent)				
Domestic producers' U.S. shipments of PC strand to:				
Post-tensioners/converters	46.7	40.6	36.7	34.6
Other end users	53.3	59.4	63.3	65.4
Other distributors	0.0	0.0	0.0	0.0
U.S. importers' U.S. shipments of PC strand from China to:				
Post-tensioners/converters	97.4	98.0	97.8	92.4
Other end users	0.7	2.1	2.2	7.6
Other distributors	1.8	0.0	0.0	0.0
U.S. importers' U.S. shipments of PC strand from all other countries to:				
Post-tensioners/converters	83.6	79.2	86.8	30.1
Other end users	9.5	15.2	13.1	69.9
Other distributors	7.0	5.6	0.0	0.0
Source: Compiled from data submitted in response to Commission questionnaires.				

SUPPLY AND DEMAND CONSIDERATIONS

Supply

U.S. Supply

Available information indicates that U.S. PC strand producers have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of U.S.-produced PC strand to the U.S. market. The main contributing factors to the high degree of supply responsiveness are relatively low industry capacity utilization rates and relatively large inventory levels.

Industry capacity

U.S. producers operated at relatively low levels of capacity utilization, particularly by the end of the period. U.S. producers' capacity to produce PC strand increased from 810.7 million pounds in 2006 to 903.8 million pounds in 2008, and was steady at 226.3 million pounds in January-March 2008 and January-March 2009. At the same time, U.S. producers' capacity utilization fell from 83.0 percent in 2006 to 61.8 percent in 2008, and was 35.7 percent in January-March 2009 compared to 71.2 percent in January-March 2008.

Alternative markets

U.S. producers' export shipments accounted for a relatively small share of their total shipments during January 2006-March 2009. U.S. producers' export shipments, as a share of total shipments, increased from *** percent in 2006 to *** percent in 2008, but fell to *** percent in January-March 2009 compared to *** percent in January-March 2008.

Inventory levels

U.S. producers maintained relatively stable inventory levels, relative to shipments, until the end of the period. The ratio of U.S. producers' inventories to total shipments increased from *** percent in 2006 to *** percent in 2008. However, U.S. producers' annualized inventory shares were substantially higher in January-March 2009 (*** percent) than in January-March 2008 (*** percent).

Production alternatives

None of the responding U.S. producers reported that they were able to switch production between PC strand and other products in response to a relative change in the price of PC strand, using the same equipment and labor.

Supply constraints

Insteel reported that there was a period of time when the supply of steel wire rod was tight for a few months. Specifically, Insteel saw sharply escalating prices for steel scrap that were reflected in increasing prices for steel wire rod, and Insteel's steel wire rod supplier put them on allocation for a period of time. However, Insteel reported that the wire rod supply shortage was resolved relatively quickly, and that currently it has ample raw material supply.⁶

Subject Imports from China

Based on available information, Chinese producers have the ability to respond to changes in demand with large changes in the quantity of shipments of PC strand to the U.S. market. The main contributing factors to the high degree of supply responsiveness are Chinese producers' demonstrated ability to add production capacity and the existence of substantial alternate markets. However, Chinese producers' high rates of capacity utilization during most of the period reduce their ability to respond to changes in U.S. demand. The information contained in this section is based on data provided by four Chinese producers of PC strand; their reported exports to the United States accounted for 19.1 percent of total U.S. imports of PC strand from China in 2008 (see *Part VII* for more information regarding the industry in China).

⁶ Conference transcript, pp. 80-81 (Woltz). As reported in the trade press, Insteel, "faced with a major maintenance outage by one of its rod suppliers last year after having been placed on controlled order entry by other domestic suppliers, looked overseas for relief," although the company reportedly paid "top-of-the-market" prices and saw the wire rod market "collapse" by the time the wire rod arrived. AMM, "Insteel gets caught in import squeeze," January 15, 2009.

Industry capacity

The four Chinese producers reported an increase in capacity from 630.2 million pounds in 2006 to 908.3 million pounds in 2008. Reported capacity utilization was close to 100 percent during 2006-08 but was 74.0 percent in January-March 2008 and 84.5 percent in January-March 2009.⁷

Alternative markets

These four Chinese firms reported that more than two-thirds of their shipments were to the Chinese home market during 2006-08. Exports to the United States, as a share of total shipments, fell from 17.5 percent in 2006 to 8.6 percent in 2008, and accounted for only 0.9 percent of all shipments in January-March 2009. These firms reported exporting to a large number of other markets; such exports, as a share of total shipments, grew from 7.9 percent in 2006 to 20.9 percent in 2008. PC strand produced in China is currently subject to antidumping duties in the European Union, effective May 5, 2009 (see *Part VII* for more information regarding antidumping investigations in third-country markets).

Inventory levels

Inventories of PC strand in China reported by the four responding Chinese firms ranged from 3.6 to 6.8 percent of total shipments during 2006 to 2008, and reached 7.8 percent by March 2009. U.S. importers' end-of-period inventories of Chinese PC strand were substantial, 52.4 million pounds (16.9 percent of U.S. shipments of imports) in December 2008 and 50.1 million pounds (95.4 percent of U.S. shipments of imports) by March 2009.

Production alternatives

*** of the responding Chinese firms reported production of other products in addition to PC strand on the same equipment and machinery used in the production of PC strand in China.

Nonsubject Imports

There are at least 22 producers of PC strand in the countries that comprise the European Union. Overall European Union production was reported to be 2.1 billion pounds in 2007, and these facilities reportedly operated at 79 percent capacity utilization. In addition, the total 2007 production of the four firms in Korea that manufacture PC strand was estimated to be 182.1 million pounds and the total 2007 production of the two firms in Mexico that manufacture PC strand was estimated to be markedly smaller than the Korea production (see *Part VII* for more information regarding the industry in nonsubject countries).

Demand

Based on available information, the overall demand for PC strand is likely to change moderately in response to changes in price. The relatively large cost share that PC strand accounts for in its end-use products, particularly in post-tensioned applications such as slabs-on-grade, suggests a higher demand

⁷ Rob Hendricks of Global Steel Sales Corp. acknowledged that “{t}he Chinese have all the capacity they need to supply all the strand that this market could possibly buy. That’s a true statement. So do the Europeans. The Europeans are working at less than 50 percent. The whole world is in an economic crisis. Nobody is running their facilities anywhere near capacity.” Conference transcript, p. 120 (Hendricks).

elasticity.⁸ However, the somewhat limited number of substitute products reduces the elasticity of demand for PC strand.

Available data indicate that apparent U.S. consumption of PC strand fell by 15.2 percent from 1.1 billion pounds in 2006 to 942.7 million pounds in 2008. Apparent U.S. consumption was only 97.0 million pounds in January-March 2009 compared to 260.3 million pounds in January-March 2008.

When asked how the U.S. demand for PC strand had changed since January 1, 2006, two U.S. producers reported that U.S. demand had decreased and one reported that U.S. demand had fluctuated. Among the 20 responding importers, 13 reported that U.S. demand had fluctuated, five reported that U.S. demand had decreased and two reported that U.S. demand had increased. Firms that reported fluctuating U.S. demand for PC strand often cited increasing U.S. demand for commercial and residential construction during 2006 to mid-2008, then sharply declining demand for commercial and residential construction since then due to the economic conditions in the United States.

U.S. producers and importers were also asked how demand for PC strand outside the United States had changed since January 1, 2006. Two U.S. producers reported that demand had decreased, and one reported that demand had fluctuated. Among importers that responded, 8 reported that demand had fluctuated, four reported that demand had increased, and one reported that demand had decreased. Responding firms that reported fluctuating or decreasing demand outside the United States generally attributed these changes to the global economic conditions;⁹ firms that reported increasing demand outside the United States cited construction of high-rise buildings in the Middle East and Asia.

Demand Characteristics

PC strand is used in the construction of prestressed concrete structural members. Prestressed concrete members are used in the construction of buildings, bridges, parking decks and garages, highways, and slabs for residences. Therefore, demand for PC strand is derived from the demand for construction, particularly infrastructure projects, commercial and institutional construction, large housing projects, and single-family housing. Monthly values of public, private nonresidential, and private residential construction are shown in figure II-1. Monthly values of private residential construction trended sharply downward, whereas monthly values for public construction and private nonresidential construction trended upward over the period.¹⁰ Private residential construction reportedly uses more slabs-on-grade, a post-tensioned application, than public construction and private nonresidential construction. This implies that the demand for post-tensioning applications has decreased since 2006.¹¹

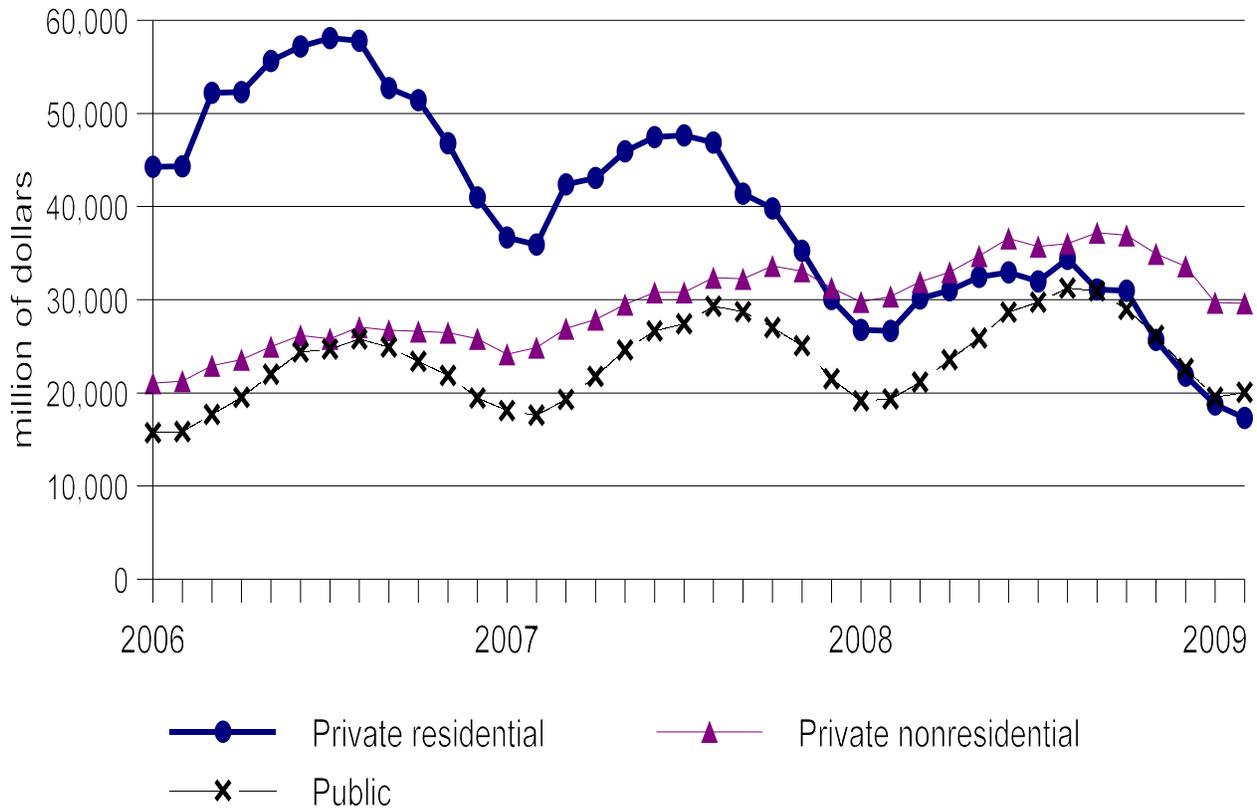
⁸ Tim Johnson, of Suncoast Post-tensioners, reported that “I’m losing, on a single family house where we are delivering a cable package, I’m losing business for \$6 on a house. A house that you would buy for \$200,000, I’m losing business for \$6 on that cable package that’s less than a half a cent a foot.” Conference transcript, p. 79 (Johnson).

⁹ *** reported that, from 2006 through mid-2008, demand for PC strand in China increased, as China rushed to improve its infrastructure before the 2008 Olympic games. *** maintains that, since the middle of 2008 to the present, demand for PC strand outside the United States has fallen significantly.

¹⁰ In addition, the Architecture Billings Index (“ABI”), a leading indicator of U.S. non-residential construction, held steady at 42.9 in May, suggesting that the U.S. economic recovery has stalled. The index has not crossed above 50—a level that indicates improving demand for design services—since January 2008. All four construction sectors and all four geographic regions tracked the ABI remained below 50 in May, with the Northeast strongest at 48.3, its fifth straight monthly increase. The ABI’s lowest reading was 33.3 in January 2009. Nick Zieminski, “Architecture Billings Index Steady in May—AIA,” *Reuters*, June 24, 2009.

¹¹ Insteel reported in its 10-Q for the period ending March 28, 2009 that “Our visibility for business conditions through the remainder of fiscal 2009 is clouded by the continued uncertainty regarding future global economic conditions, the impact of the measures that have been undertaken to ease the tightening in the credit markets and the
(continued...)

Figure II-1
Construction: Monthly values of construction put in place, by type, January 2006-February 2009



Source: U.S. Census Bureau.

¹¹ (...continued)

timing and magnitude of the impact of the additional federal infrastructure-related funding provided for under the American Recovery and Reinvestment Act (“ARRA”). Although we expect nonresidential construction, our primary demand driver, to decline from the levels of recent years, particularly for commercial projects which have been the most severely impacted by the economic downturn, the additional infrastructure funding provided for under ARRA should serve to at least partially mitigate this decline. We anticipate that residential construction will remain weak, which would continue to adversely affect shipments to customers that have greater exposure to the housing sector.”

Business Cycles

Demand for PC strand is cyclical because it is a construction material, and demand for residential and non-residential construction is cyclical.¹² Demand for PC strand is also seasonal because construction sites are more active during warmer weather months than during winter months, as can be seen in figure II-1. Therefore, U.S. demand for PC strand is generally higher during April-September than during October-March.¹³

Substitute Products

No U.S. producers and only two of 21 responding importers reported substitutes for PC strand. The importers that reported substitute products cited rebar and structural steel as possible substitutes.¹⁴

Cost Share

U.S. producers reported that the cost of PC strand accounts for 75-80 percent of the cost of end use products such as post-tensioned slabs and elevated slabs, compared to 10-20 percent for prestressed bridge members and 15-20 percent for hollow core planks, piling, girders, and double tees. U.S. importers of Chinese PC strand reported that PC strand accounts for 50-100 percent of the cost of end use products for post-tensioning applications such as residential slabs, versus 25-30 percent for prestressed applications such as hollow core planks.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported PC strand depends upon such factors as quality (e.g., meeting or exceeding ASTM specifications, defect rates, etc.), and conditions of sale (e.g., “Buy America(n)” provisions, lead times between order and delivery dates, reliability of supply, availability, payment terms, product services, etc.). Based on available information, staff believes that, for PC strand made to the same ASTM specifications, there is a high degree of substitution between domestic PC strand and subject imports sold for end uses not subject to “Buy America(n)” provisions.

¹² Conference transcript, pp. 56 (Selhorst) and 74 (Woltz).

¹³ Conference transcript, p. 74 (Johnson and Woltz).

¹⁴ Rebar is used to impart support, whereas PC strand imparts strength. In some cases, rebar and PC strand are used in conjunction in the production of construction members. Since rebar and PC strand typically are used for different purposes, they may not be direct substitutes.

However, the existence of substantial end-use markets subject to “Buy America(n)” provisions reduces that substitutability.¹⁵

Factors Affecting Purchasing Decisions

U.S. producers and importers agree that PC strand is a commodity product built to strict ASTM specifications.¹⁶ However, respondents maintain that the presence of mandatory “Buy America(n)” provisions greatly attenuates competition between the domestic industry and imported PC strand. Respondents estimate that “Buy America(n)” provisions now cover over 50 percent of U.S. consumption of PC strand, and are expected to cover an even greater percentage of U.S. consumption as a result of increased federal spending on infrastructure projects through the American Recovery and Reinvestment Act.¹⁷

Petitioners maintain that the “Buy America(n)” provisions are a mixture of “Buy America(n)” requirements and “Buy America(n)” preferences, and that strict “Buy America(n)” requirements may cover less than 30 percent of the U.S. market.¹⁸ Petitioners also maintain that the Federal stimulus spending will have no impact on the DOT-related “Buy America(n)” part of the U.S. market.¹⁹ Petitioners further argue that prices for imported Chinese PC strand affect prices for U.S. PC strand sold for projects covered by strict “Buy America(n)” requirements because purchasers buy PC strand both for projects subject to and not subject to “Buy America(n)” provisions.²⁰ Petitioners maintain that “Buy America(n)” provisions cover about the same share of the pre-tension market for PC strand as they cover in the post-tensioning market.²¹

U.S. producers reported that 58.3 percent of their U.S. shipments for pre-tensioned applications were subject to “Buy America(n)” restrictions, while 35.7 percent of their U.S. shipments for post-tensioned applications were subject to “Buy America(n)” restrictions in 2008. Overall, U.S. producers

¹⁵ “Buy America” requirements apply to iron and steel products and their coatings that are purchased for the Federal-aid highway construction program (highways, bridges, transit systems, and terminals). 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,” and has completely different rules. 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.” U.S. Department of Transportation, Federal Highway Administration Web site, “Construction Program Guide: Buy America,” <http://www.fhwa.dot.gov/construction/cqit/buyam.cfm> (accessed July 6, 2009) and U.S. Department of Transportation, Federal Highway Administration Memorandum, “Buy America Requirements (HHO-32),” dated, July 6, 1989, last modified July 27, 2007, <http://www.fhwa.dot.gov/programadmin/contracts/070689.cfm> (accessed July 6, 2009).

¹⁶ Conference transcript, pp. 11 (Wisla), 15 (Selhorst), 21 (Woltz), and 32 (Johnson).

¹⁷ Conference transcript, p. 11 (Wisla).

¹⁸ Conference transcript, pp. 57-59 (Feitler, Woltz, and Cornelius). See also Insteel’s “Investor Presentation,” June 2009, p. 7 (“Estimated 30 percent of our PC strand sales go into public construction projects subject to ‘Buy America’ requirements which must be sourced domestically.”).

¹⁹ Conference transcript, pp. 59-60 (Feitler, Woltz, and Cornelius).

²⁰ Conference transcript, pp. 66-67 (Selhorst, Woltz, and Johnson).

²¹ Conference transcript, pp. 75-76 (Feitler and Selhorst).

and importers reported that 33.7 percent of total U.S. shipments of PC strand were subject to “Buy America(n)” restrictions in 2008.²²

Comparison of U.S.-Produced and Imported PC Strand

In order to determine whether U.S.-produced PC strand can generally be used in the same applications as imports from China, U.S. producers and importers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably (table II-2). All four responding U.S. producers reported that PC strand from each of the country pairs was always interchangeable. Most responding importers also reported that PC strand from each of the country pairs was always interchangeable, and nearly all responding importers reported that PC strand from each of the country pairs was always or frequently interchangeable.

At the Commission’s conference, Tim Johnson of Suncoast Post-tension (the largest purchaser of PC strand in the United States) testified that “Suncoast can buy identical PC strand from a number of importers of Chinese strand and use it interchangeably with domestic strand. As a result, as long as a producer or importer can deliver the PC strand on the schedule I want, the most important factor in the purchasing decision is going to be price.”²³

Table II-2
PC strand: Perceived interchangeability between PC strand produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. China	4	0	0	0	13	6	1	0
U.S. vs. nonsubject countries:								
U.S. vs. Canada	4	0	0	0	12	3	1	0
U.S. vs. Other	4	0	0	0	11	4	1	0
Subject vs. nonsubject countries:								
China vs. Canada	4	0	0	0	13	1	1	0
China vs. Other	4	0	0	0	12	2	1	0
Nonsubject country comparisons:								
Canada vs. Other	4	0	0	0	12	2	1	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.								
Source: Compiled from data submitted in response to Commission questionnaires.								

²² See tables III-5 (U.S. producers’ “Buy America(n)” sales) and C-3 (share of “Buy America(n)” sales relative to apparent U.S. consumption).

²³ Conference transcript, p. 32 (Johnson).

U.S. producers and importers were requested to provide information regarding the significance of differences other than price for domestic, Chinese, and other PC strand (table II-3). All four responding U.S. producers reported that there were never significant non-price differences for any of the specified country comparisons. Most responding importers reported that there were either sometimes or never significant non-price differences for all of the country comparisons, although four importers reported that there were always significant non-price differences between U.S. and Chinese PC strand.

Table II-3
PC strand: Perceived importance of differences in factors other than price between PC strand produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. China	0	0	0	4	4	2	8	5
U.S. vs. nonsubject countries:								
U.S. vs. Canada	0	0	0	4	1	2	3	6
U.S. vs. Other	0	0	0	4	2	2	3	5
Subject vs. nonsubject countries:								
China vs. Canada	0	0	0	4	1	2	3	6
China vs. Other	0	0	0	4	2	1	3	5
Nonsubject country comparisons:								
Canada vs. Other	0	0	0	4	2	1	2	5
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.								
Source: Compiled from data submitted in response to Commission questionnaires.								

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the nature of the alleged subsidies and the alleged margin of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of domestic producers that accounted for all U.S. production of PC strand during 2008.

U.S. PRODUCERS

The Commission sent producer questionnaires to the petitioners (American, Insteel, and Sumiden) and to three additional firms (MMI, Rettco,¹ and Strand-Tech). Completed questionnaire responses were received from all domestic firms currently in operation. Two domestic firms—PCS (Rosenberg, TX) and EMC (Phoenix, AR)—produced PC strand in the United States during the early portion of the period for which information was collected in these investigations. Although producer questionnaire responses were not completed by these two firms, certain information was provided to the Commission by related PC strand producers in Mexico.

PCS, formerly owned by *** and related to Mexican PC strand producer Camesa, began production of PC strand at the Rosenberg, TX, site in ***. Production and shipments at that facility ceased by ***. In 2007, the PC strand production equipment from the PCS Texas site was shipped to the related PC strand producer in Mexico (Camesa).² Camesa, owned by WireCo World Group, currently operates a wire rope production facility at that former Rosenberg PC strand site.³ Production and shipments in 2006 were estimated for PCS by Camesa as totalling *** pounds. There were no reported production and shipments of PC strand by PCS subsequent to 2006.⁴

EMC's Arizona facility, formerly owned by Mexican PC strand producer Cablesa,⁵ began production of PC strand in ***. Production and shipments in 2006 were estimated for EMC by Deacero as ranging from approximately *** pounds. Production and shipments for 2007 were estimated as ranging from *** pounds. Production at that facility ceased in *** 2007 and the production equipment was ***. The final disposition of that equipment ***.⁶

Presented in table III-1 is a list of current domestic producers of PC strand and each company's position on the petition, production location(s), related and/or affiliated firm(s), and share of 2008 PC strand production. As indicated in table III-1, the current U.S. producers are not related to any foreign producers or U.S. importers of PC strand from China. However, two U.S. producers reported being related to foreign producers in nonsubject countries: ***. In addition, as discussed in greater detail below, one U.S. producer (Insteel) directly imported the subject merchandise from China during the

¹ As indicated earlier in *Part I*, toll producer Rettco produces PC strand under a toll agreement with tollee MMI, whereas MMI furnishes Rettco with the raw material, pays Rettco a conversion fee for producing finished PC strand, and sells the finished PC strand.

² *Emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009.

³ Camesa Web site, <http://www.camesa.com.mx/indexi.htm>, accessed June 30, 2009; and WireCo World Group Web site, <http://www.wirecoworldgroup.com/Company/History-of-Growth>, accessed June 30, 2009.

⁴ *Emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009.

⁵ Cablesa has since been acquired by Deacero. Petition, exh. INJURY-4.

⁶ *Emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009; petition, exh. INJURY-4; and conference transcript, p. 90 (Woltz, Johnson).

Table III-1

PC strand: U.S. producers, positions on the petition, U.S. production locations, related and/or affiliated firms, and shares of 2008 U.S. production

Firm	Position on petition	U.S. production location(s)	Related and/or affiliated firms	Share of production (percent)
American	Petitioner	Bedford Heights, OH Houston, TX	***	***
Insteel	Petitioner	Gallatin, TN Sanderson, FL	Wholly owned by Insteel Industries, Inc. (US)	***
MMI ¹	Support	Houston, TX	***	(²)
Rettco ¹	Support	Newnan, GA	***	***
Strand-Tech	Support	Summerville, SC	***	***
Sumiden	Petitioner	Dickson, TN Stockton, CA	***	***

¹ Tollee MMI has a contractual agreement with toll producer Rettco in which MMI supplies the raw materials, the conversion fee, and the sales force and Rettco converts the raw material to finished PC strand. *** of Rettco's production of PC strand is produced for MMI under this tolling arrangement.

² Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires; petition, p. 4; conference transcript, pp. 14 (Selhorst) and 25 (Cornelius).

period for which data were collected in these investigations⁷ and *** purchased the subject merchandise from U.S. importers. None of the domestic producers reported having produced PC strand in a foreign trade zone.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for PC strand are presented in table III-2.⁸ These data show an overall 11.5-percent increase in capacity during 2006-08. A 17.0-percent decline in production was reported by U.S. producers during 2006-08 and capacity utilization reported by the U.S. producers of PC strand fell by 21.2 percentage points over the same period. U.S. producers' aggregate capacity to produce PC strand was the same during the first quarter of 2008 and the first quarter of 2009; however, U.S. producers' aggregate production and capacity utilization were substantially lower during January-March 2009 than in the comparable period of 2008.

Two domestic PC strand producers (***) reported an increase in capacity to produce PC strand in 2007 and one producer (***) reported increases in its capacity to produce during 2007 and 2008. ***. Insteel's capacity increase of 70 million pounds is explained by the company's expansion of its

⁷ Conference transcript, pp. 79-80 (Woltz); and AMM, "Insteel nixes pilot program to import wire products from China," October 22, 2007.

⁸ The aggregate data presented for capacity, production, and capacity utilization are for toll producer Rettco and producers American, Insteel, Strand-Tech, and Sumiden.

Table III-2
PC strand: U.S. capacity, production, and capacity utilization, 2006-08, January-March 2008, and January-March 2009¹

Item	Calendar year			January-March--	
	2006	2007	2008	2008	2009
Capacity (1,000 pounds)	810,653	902,782	903,795	226,334	226,334
Production (1,000 pounds)	673,195	601,717	558,885	161,089	80,750
Capacity utilization (percent)	83.0	66.7	61.8	71.2	35.7

¹ Capacity (production capability) data is based on operating 168 hours per week and 48.6 to 52 weeks per year.

Note.--The aggregate data presented in the table are for toll producer Rettco and producers American, Insteel, Strand-Tech, and Sumiden. The data presented do not include the following estimated data for the two domestic PC strand facilities that were shuttered during late 2006-early 2007: *** pounds of capacity during 2006, *** pounds of capacity in 2007, *** pounds of production in 2006, and *** pounds of production in 2007.

Source: Compiled from data submitted in response to Commission questionnaires; petition, pp. 3-4 and exh. INJURY-4; *emails* from *** to Mary Messer, June 26, 2009, and June 30, 2009.

Tennessee PC strand facility during 2006 and 2007. The company indicated that it added a production line and it incorporated new technology into its production process.⁹ ***.

The 2006 and 2007 capacity and production data presented in table III-2, however, do not include the data of the two domestic PC strand facilities that were closed in late 2006 to early 2007 (i.e., PCS and EMC). Estimated combined capacity of these two firms to produce PC strand was approximately *** pounds during 2006 and *** pounds in 2007¹⁰ and the combined annual production was approximately *** pounds in 2006 and *** pounds during 2007.¹¹ If these estimates are included in the aggregate data, the capacity data would show an overall ***-percent increase in capacity during 2006-08, a ***-percent decline in production, and a *** percentage point decline in capacity utilization.

The domestic PC strand producers were asked in Commission questionnaires to describe the constraints that set the limit on their production capacity for PC strand. Four of the five producers indicated that the stranding operations machinery was the production constraint at their facilities. One producer indicated that it was specifically the cleaning/pickling operation that was the production constraint for its production facility. None of the U.S. producers of PC strand reported the production of other products on the same equipment and machinery and using the same production and related workers employed in the production of PC strand. Likewise, no U.S. producer reported the ability to switch production between PC strand and other products in response to a relative change in the price of PC strand vis-a-vis the price of other products, using the same equipment and labor.

In the Commission's questionnaire, U.S. producers were asked if they had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials; or any other change in the character of their operations or organization relating to the production of PC strand since January 1, 2006. *** reported such changes; their responses to this inquiry are presented in table III-3.

Two domestic producers, Insteel and Sumiden, reported that they epoxy-coat bare PC strand at their U.S. PC strand facilities. These two U.S. producers are the only domestic firms that manufacture the

⁹ Conference transcript, pp. 84-85 (Woltz).

¹⁰ Petition, pp. 3-4 and exh. INJURY-4.

¹¹ *Emails* from *** to Mary Messer, June 26, 2009, and June 30, 2009.

Table III-3
PC strand: U.S. producers' comments concerning changes in the character of operations

* * * * *

epoxy-coated PC strand, using an epoxy-coating process technology for which Insteel holds the patent. The epoxy-coating line uses a proprietary technology that is technically sophisticated. These firms indicated that bare PC strand accounts for approximately *** percent of the total value of this highly specialized epoxy-coated strand product. Insteel and Sumiden indicated that the epoxy-coated strand accounts for a very small share of the companies' overall sales.¹²

Insteel also reported that it periodically will *** cover bare PC strand with grease and plastic for unbonded post-tensioned applications but that this strand product accounts for a very small share of the company's overall sales.¹³ Otherwise, none of the domestic PC strand producers grease and cover bare PC strand in-house and none perform post-tensioning services. In fact, conference testimony revealed that these services are largely performed by domestic purchasers of bare strand.¹⁴ Insteel indicated in its questionnaire response that bare PC strand accounts for approximately *** percent of the total value of the polyethylene-covered strand product. Suncoast, a domestic purchaser of PC strand that greases and covers bare PC strand with plastic, indicated that the incremental cost of the greased and plastic-covered strand is approximately 4 to 4.5 cents per foot, which at the current low price of bare PC strand, amounts to about 20 percent of the total cost to produce the covered strand.¹⁵

Insteel was the only domestic PC strand producer that reported the production of indented PC strand.¹⁶ The company indicated that it produces the indented PC strand by mechanically deforming the wire during the cold drawing process prior to stranding. Following the production of the indented wire, it is stranded, stabilized, and packaged using the same processes and equipment that are used to produce smooth PC strand. Insteel indicated that since the indented strand is not produced from "unprocessed" PC strand, the percentage of value represented by unprocessed PC strand is not relevant.

U.S. PRODUCERS' RAW MATERIAL SUPPLY

Wire rod is the primary raw material input into the production of PC strand. U.S. shipments of wire rod (by volume) peaked in July 2008, but had decreased by 74 percent by December 2008. Shipments in the first quarter of 2009 remained 50 percent below first quarter 2008 levels.¹⁷ Moreover, citing worsening demand in the first quarter of 2009, U.S. wire rod producers reportedly are cutting production capacity and shuttering production facilities.¹⁸

¹² Conference transcript, pp. 54-55 (Woltz and Cornelius).

¹³ Conference transcript, p. 54 (Woltz).

¹⁴ Conference transcript, p. 91 (Selhorst).

¹⁵ Conference transcript, pp. 61 and 92 (Johnson).

¹⁶ PC strand made from indented wire may be specified for certain pre-tensioning applications. The indentations in the wire enhance the bond between the cured concrete and the PC strand.

¹⁷ American Iron and Steel Institute, "Shipments of Steel Mill Products, Carbon (AIS-10C)," Monthly report, January 2007-September 2007; American Iron and Steel Institute, "Net Shipments of Steel Mill Products, All Grades Including Carbon, Alloy, and Stainless (AIS-10)," Monthly report, October 2007-March 2009.

¹⁸ AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008; AMM, "Raw material costs, tight supply driving long products market," April 28, 2008; AMM, "Sivaco slates \$150/ton hike, complains of allocations," April 15, 2008; and AMM, "Wire rod tightness hints at mart 'allocation' shift," January 31, 2008.

PC strand producers reported that there were some wire rod supply constraints in 2008 but that there is now ample wire rod available for their operations.¹⁹ Other downstream producers, however, claim that decreases in wire rod production may limit the availability of high-carbon wire rod and cause some wire rod producers to put their customers on allocation or controlled order entry.²⁰ Controlled order entry was last reported in 2008.²¹ Downstream products producers further claim that an extended shutdown, limiting the supply of this important raw material, may cause greater strain in an industry that consumes wire rod faster than it is produced.²²

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of PC strand are presented in table III-4.²³ The domestic commercial market accounted for all of the U.S. producers' U.S. shipments of PC strand and for more than 95 percent of the U.S. producers' total shipments of PC strand throughout the period for which data were collected in these investigations. Export shipments, which accounted for less than *** percent of the U.S. producers' total shipments of PC strand throughout the entire period, were made by ***. The U.S. producers' export markets were ***. Domestic producers' U.S. shipments of PC strand fell, in terms of quantity, in each year from 2006 to 2008, while export shipments increased overall during the same time period. The unit value of U.S. producers' U.S. shipments fell from \$476 per 1,000 pounds in 2006 to \$461 per 1,000 pounds in 2007, but climbed to \$631 per 1,000 pounds in 2008. The unit value of exports increased from 2006 to 2008. In comparing the partial-year periods, U.S. producers' U.S. shipments and exports were lower during the first quarter of 2009 than they were during the comparable period in 2008. However, the unit values of U.S. shipments were higher in the first quarter of 2009 than they were in the first quarter of 2008.

Presented in table III-5 are data provided by domestic PC strand producers on their U.S. shipments, by type of application (i.e., bare/coated and pre-tensioned/post-tensioned) and restriction (i.e., "Buy America(n)"). These data reveal that, during January 2006-March 2009, more than three-fourths of U.S. producers' total U.S. shipments of PC strand were for pre-tensioned applications on the basis of quantity, slightly more than half of which were subject to "Buy America(n)" restrictions. Of the less than one-fourth of U.S. producers' total U.S. shipments that were destined for post-tensioned applications

¹⁹ Timothy Selhorst, President, American Spring Wire Corporation, reported that the supply of high-carbon wire rod during 2008 and 2009 has been "plentiful." Conference transcript, p. 81 (Selhorst). Howard Woltz, President, Insteel Wire Products Co., reported, however, that "there certainly was a period of time in Insteel's experience where wire rod was tight for a few months. We did see sharply escalating prices in scrap that flowed through to rod. We were on allocation from our suppliers for a period of time. That situation resolved itself relatively quickly...The condition today is obvious ample internal capacity and ample raw material supply." Conference transcript, pp. 80-81 (Woltz). As reported in the trade press, Insteel, "faced with a major maintenance outage by one of its rod suppliers last year after having been placed on controlled order entry by other domestic suppliers, looked overseas for relief," although the company reportedly paid "top-of-the-market" prices and saw the wire rod market "collapse" by the time the wire rod arrived. AMM, "Insteel gets caught in import squeeze," January 15, 2009.

²⁰ AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008; AMM, "Raw material costs, tight supply driving long products market," April 28, 2008; AMM, "Sivaco slates \$150/ton hike, complains of allocations," April 15, 2008; and AMM, "Wire rod tightness hints at mart 'allocation' shift," January 31, 2008.

²¹ Conference transcript, p. 81 (Woltz).

²² AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008.

²³ The aggregate data presented for U.S. producers' shipments are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.

Table III-4

PC strand: U.S. producers' shipments, by types, 2006-08, January-March 2008, and January-March 2009¹

Item	Calendar year			January-March--	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
U.S. commercial shipments	627,436	582,780	529,973	160,799	80,651
Export shipments ²	***	***	***	***	***
Total shipments	***	***	***	***	***
Value (1,000 dollars)					
U.S. commercial shipments	298,841	268,784	334,404	75,696	46,653
Export shipments ²	***	***	***	***	***
Total shipments	***	***	***	***	***
Unit value (per 1,000 pounds)					
U.S. commercial shipments	\$476	\$461	\$631	\$471	\$578
Export shipments ²	***	***	***	***	***
Total shipments	***	***	***	***	***
Share of quantity (percent)					
U.S. commercial shipments	***	***	***	***	***
Export shipments ²	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0
<p>¹ U.S. producers reported no transfers to related firms and no internal consumption of the PC strand they produced.</p> <p>² Principal export markets include ***.</p> <p>Note.--The aggregate data presented are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

Table III-5

PC strand: U.S. producers' U.S. shipments, by type of application and restriction, 2006-08, January-March 2008, and January-March 2009

* * * * *

during January 2006-March 2009, almost one-quarter were subject to “Buy America(n)” restrictions. In the aggregate, approximately one-half of the quantity of U.S. producers’ total U.S. shipments were subject to “Buy America(n)” restrictions during January 2006-March 2009.

The U.S. producers’ data provided also show a shift away from serving customers using the PC strand in post-tensioned applications in favor of pre-tensioning customers. In 2006, *** percent of the domestic producers’ U.S. shipments were for pre-tensioned applications. By 2008, this share increased to *** percent of total U.S. shipments by domestic producers. This shift is highlighted by the corporate decision in the third quarter of 2007 by Insteel, ***, to “minimize {its} participation in slab-on-grade posttension market due to pricing deterioration resulting from low-priced Chinese import competition and ongoing weakness in housing-related demand.”²⁴ Insteel explained that, in the past, its post-tensioner customers had traditionally been some of the company’s largest customers but that it had “lost a tremendous amount of business with post-tensioners over the last three years, virtually all of it to Chinese strand.”²⁵ Domestic producer American also indicated that it has had difficulty making sales of PC strand to the large post-tensioned customers because of stiff price competition with the Chinese product.²⁶ Regardless, Insteel noted that it continues to monitor the environment for post-tensioned applications and wants to “do business with Suncoast and with the other customers in the post-tensioned business from which we had been forced out.”²⁷

U.S. PRODUCERS’ INVENTORIES

Due to the seasonality of PC strand sales in the U.S. market, a substantial portion of domestic PC strand is manufactured by U.S. producers to particular specifications for stocking in inventory during the winter months when demand is lower in order to support anticipated sales in excess of capacity during the summer months. Oftentimes, however, domestic PC strand producers manufacture PC strand in response to a particular customer’s order during the summer months when demand for the product is higher. The petitioners add that their PC strand inventory is not distinguished between that destined for post-tensioned or pre-tensioned applications.²⁸

Data collected in these investigations on domestic producers’ end-of-period inventories of PC strand are presented in table III-6.²⁹ U.S. producers’ inventories, which were equivalent to between *** and *** percent of U.S. producers’ total shipments during 2006-08, fell in terms of quantity by 9.9 percent in 2007, but increased by 9.5 percent in 2008 to a level below that which was reported in 2006. U.S. producers’ inventories at the end of the first quarter of 2009 were 18.9 percent higher than inventories reported for the comparable period in 2008. End-of-period inventories as a percentage of total shipments were markedly higher at the end of the first quarter of 2009, equivalent to *** percent of U.S. producers’ total annualized shipments. *** alone accounted for *** of the inventories held at the end of the first quarter of 2009 and *** together accounted for *** of the inventories held at that time.

²⁴ Insteel Industries Inc., “Investor Presentation,” June 2009, p. 8.

²⁵ Conference transcript, pp. 23 and 76-77 (Woltz).

²⁶ Conference transcript, p. 79 (Napoli).

²⁷ Conference transcript, p. 78 (Wagner).

²⁸ Conference transcript, p. 56 (Selhorst).

²⁹ The aggregate data presented for U.S. producers’ inventories are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.

Table III-6

PC strand: U.S. producers' end-of-period inventories, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March--	
	2006	2007	2008	2008	2009
Inventories (1,000 pounds)	68,014	61,262	67,081	54,954	65,324
Ratio to production (percent)	10.1	10.2	12.0	8.5	20.2
Ratio to U.S. shipments (percent)	10.8	10.5	12.7	8.5	20.2
Ratio to total shipments (percent)	***	***	***	***	***

¹ Partial-year ratios are based on annualized production and shipments.

Note.--The aggregate inventory data and aggregate shipment data used in the calculations of ratios to U.S. and total shipments are for tolee MMI and producers American, Insteel, Strand-Tech, and Sumiden. The aggregate production data used in the calculations of ratios to production are for toller Rettco and producers American, Insteel, Strand-Tech, and Sumiden.

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of PC strand are presented in table III-7. As shown, one U.S. producer (Insteel) directly imported the subject merchandise from China during the period for which information was collected in these investigations. Domestic producer *** directly imported PC strand from *** and domestically purchased *** PC strand from U.S. importers. Domestic producer *** reported direct imports of PC strand from ***.

Table III-7

PC strand: U.S. producers' imports and purchases, 2006-08, January-March 2008, and January-March 2009

* * * * *

Insteel's direct imports of PC strand from China accounted for *** of the firm's U.S. production of PC strand during ***. Insteel indicated that it made the decision to import PC strand from China beginning in *** when it found that it could not compete with the low-priced Chinese imports. The company developed a pilot program to determine whether it could import PC strand from China and profitably distribute the product to its longstanding customer base. However, Insteel indicated that the pilot program was abandoned after only a couple of import deliveries because Chinese PC strand prices continued to fall and the imported material in transit was worth less when it arrived in the United States than it was when it was initially purchased.³⁰ In direct conference testimony, Insteel explained that

in fact the pilot program wound up being about half the size that we originally envisioned it just due to the mess that was in the market and our quick realization that we couldn't

³⁰ Conference transcript, pp. 77-80 (Woltz).

add value and we couldn't reduce prices fast enough to keep up with what was happening from the real Chinese importers.³¹

* * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for PC strand are presented in table III-8.³² In the aggregate, U.S. PC strand producers reported a decline of 14.0 percent in the number of production and related workers employed in the manufacture of PC strand during 2006-08. Likewise, the number of hours worked by these employees, as well as the total and hourly wages paid and unit labor costs, fell overall during the same time period. In contrast, productivity fell by 0.9 percent from 2006 to 2007 but increased by 3.2 percent in 2008 to a level higher than that reported in 2006. All employment indicators, with the exception of unit labor costs during the first quarter of 2009 were lower than the comparable period in 2008. Unit labor costs were 29.4 percent higher during January-March 2009 than reported for January-March 2008.

Table III-8
PC strand: U.S. producers' employment-related data, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March--	
	2006	2007	2008	2008	2009
Production and related workers (PRWs)	385	357	331	333	258
Hours worked by PRWs (1,000 hours)	856	771	694	183	120
Hours worked per PRW	2,223	2,161	2,098	549	464
Wages paid to PRWs (1,000 dollars)	16,963	14,145	13,264	3,366	2,184
Hourly wages	\$19.82	\$18.34	\$19.11	\$18.41	\$18.25
Productivity (pounds produced per hour)	786.7	780.0	805.0	881.2	674.7
Unit labor costs (per 1,000 pounds)	\$25.20	\$23.51	\$23.73	\$20.90	\$27.05

Note.--The aggregate data presented are for toller Rettco and producers American, Insteel, Strand-Tech, and Sumiden.

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

³¹ Conference transcript, p. 80 (Woltz).

³² The aggregate data presented for U.S. producers' employment-related indicators are for toller Rettco and producers American, Insteel, Strand-Tech, and Sumiden.

The domestic producers testified that the decline in their sales and shipments and the resulting reductions in production led to the permanent layoff of many U.S. workers manufacturing PC strand. The petitioners further argued that these declines in sales and shipments were due to “imports from China that consistently undercut our prices.”³³ In addition, press reports indicate and conference testimony confirms that certain job losses in the PC strand industry were explained by investments in technology improvements by the domestic producers and the general downturn in the economy. In particular, 15 jobs were eliminated at Insteel’s PC strand operations in Sanderson, FL in November 2008, as that facility underwent a substantial investment program to upgrade its 1970s production technology. Such improvements in the process technology led to a less labor-intensive manufacturing process. Insteel reported that those jobs were originally scheduled for elimination in 2009 but the layoffs were accelerated because of the immediate downturn in the market conditions. Insteel also carried out the expansion and the total upgrade of its Gallatin, TN facility with internally developed proprietary technology. Insteel reported that capital investment projects at both facilities resulted in significant gains in productivity and labor utilization. The company further indicated that it expected the increase in the number of jobs at its Tennessee facility to offset the job losses at its Florida facility; however, the company explained that by the time the new investments were operational, the company was forced to cut back on production and employment at both facilities. Insteel added that the two capital investment projects at its Florida and Tennessee facilities represented approximately \$20 million and increased its PC strand capacity by approximately 35,000 tons per year.³⁴ Domestic producers American and Sumiden also reported capital investments for equipment upgrades but neither firm reported significant changes in their work force as a result of any of the capital improvements.³⁵

³³ Conference transcript, pp. 26, 31 (Cornelius), and 40 (Beck).

³⁴ AMM, “Insteel laying off 15 at PC strand plant,” November 13, 2008; and conference transcript, pp. 84-85 (Woltz).

³⁵ Conference transcript, p. 85 (Selhorst and Cornelius).

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

U.S. IMPORTERS

Importer questionnaires were sent to 58 firms believed to be importers of subject PC strand, as well as to all U.S. producers of PC strand.¹ Usable questionnaire responses were received from 26 companies, representing 86.7 percent of total imports from China and 58.7 percent of total imports from all other countries combined during 2008 under HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012. Table IV-1 lists all responding U.S. importers of PC strand from China and other sources, their locations, and their shares of U.S. imports in 2008. As the table illustrates, ***, the three largest importers providing responses to the Commission's questionnaire in these investigations, accounted for *** percent of total subject U.S. imports from China in 2008 and *** percent of total U.S. imports from all countries as measured by official Commerce import statistics.

Table IV-1
PC strand: U.S. importers, source(s) of imports, U.S. locations, and shares of official imports in 2008

* * * * *

U.S. IMPORTS

During 2001, there were no reported U.S. imports of PC strand from China. By 2003 (i.e., the year before antidumping and countervailing duty orders concerning PC strand from Brazil, India, Korea, Mexico, and Thailand entered into effect), U.S. imports of PC strand from China amounted to 38.5 million pounds and accounted for 15.9 percent of total U.S. PC strand imports on the basis of quantity. In the following year, when imports from Brazil, India, Korea, Mexico, and Thailand declined by almost 100 million pounds in the aggregate, U.S. imports from China increased further by more than 100 million pounds. By that time, China accounted for almost one-half of the total quantity of U.S. imports of PC strand. The second largest supplier of PC strand to the U.S. market during 2004 was Taiwan, representing 8.4 percent of total U.S. imports in that year. PC strand imports from China continued to increase in terms of quantity from 2004 levels to a historical high of 391.4 million pounds in 2006. China accounted for 80.7 percent of total U.S. imports during 2006.

Table IV-2 presents data for U.S. imports of PC strand from China, primary nonsubject sources, and all other sources combined. Because Commission questionnaire import data coverage from subject and nonsubject sources was less than complete, the import data presented in this report are based on official import statistics of Commerce.

U.S. imports from China accounted for a relatively large and increasing share of the total quantity of U.S. imports of PC strand from 2006 to 2008. By 2008, China accounted for over 90 percent of total U.S. PC strand imports. However, in the first quarter of 2009, China accounted for only about three-fourths of total U.S. imports. The quantity of U.S. imports from China fell by 9.6 percent from 2006 to 2007 but increased in 2008 to a level 2.5 percent below that reported in 2006. The quantity of U.S. imports of PC strand from China during the first quarter of 2009 was 86.7 percent lower than the quantity reported in the comparable period of 2008. The unit values of PC strand imports from China, which

¹ The Commission sent questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have imported at least 50 metric tons under HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012 in any one year since 2006.

Table IV-2
PC strand: U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
China	391,367	353,937	381,652	91,269	12,183
Nonsubject sources:					
Canada	14,459	15,725	11,312	2,644	2,836
Indonesia	2,549	0	0	0	0
Italy	11,785	5,245	3,574	322	171
Japan	1,580	1,952	1,380	410	0
Korea	3,958	2,831	3,325	662	86
Mexico	1,526	2,283	1,514	398	692
Portugal	7,835	3,864	7,223	3,642	0
Taiwan	15,261	1,659	0	0	0
Other nonsubject sources ¹	34,458	10,206	2,759	147	370
Total nonsubject sources	93,412	43,766	31,089	8,225	4,154
Total U.S. imports	484,778	397,703	412,741	99,494	16,337
Value (1,000 dollars)²					
China	127,617	115,843	194,276	36,157	5,251
Nonsubject sources:					
Canada	8,271	9,023	8,365	1,585	2,002
Indonesia	862	0	0	0	0
Italy	5,904	3,345	2,668	233	141
Japan	1,100	1,343	916	294	0
Korea	1,506	1,399	2,201	416	54
Mexico	729	1,036	885	202	319
Portugal	3,718	1,776	4,166	1,764	0
Taiwan	5,316	731	0	0	0
Other nonsubject sources ¹	12,670	4,329	2,571	182	409
Total nonsubject sources	40,085	22,982	21,771	4,675	2,924
Total U.S. imports	167,702	138,825	216,047	40,832	8,176

Table continued on following page.

Table IV-2--Continued

PC strand: U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Unit value (per 1,000 pounds)²					
China	\$326	\$327	\$509	\$396	\$431
Nonsubject sources:					
Canada	572	574	739	600	706
Indonesia	338	(³)	(³)	(³)	(³)
Italy	501	638	746	724	826
Japan	696	688	663	716	(³)
Korea	380	494	662	628	624
Mexico	478	454	584	507	462
Portugal	475	460	577	484	(³)
Taiwan	348	441	(³)	(³)	(³)
Other nonsubject sources ¹	368	424	932	1,237	1,105
Average, nonsubject sources	429	525	700	568	704
Average, all U.S. imports	346	349	523	410	500
Share of quantity (percent)					
China	80.7	89.0	92.5	91.7	74.6
Nonsubject sources:					
Canada	3.0	4.0	2.7	2.7	17.4
Indonesia	0.5	0.0	0.0	0.0	0.0
Italy	2.4	1.3	0.9	0.3	1.0
Japan	0.3	0.5	0.3	0.4	0.0
Korea	0.8	0.7	0.8	0.7	0.5
Mexico	0.3	0.6	0.4	0.4	4.2
Portugal	1.6	1.0	1.8	3.7	0.0
Taiwan	3.1	0.4	0.0	0.0	0.0
Other nonsubject sources ¹	7.1	2.6	0.7	0.1	2.3
Total nonsubject sources	19.3	11.0	7.5	8.3	25.4
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Table continued on following page.

Table IV-2--Continued

PC strand: U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Share of value (percent)					
China	76.1	83.4	89.9	88.6	64.2
Nonsubject sources:					
Canada	4.9	6.5	3.9	3.9	24.5
Indonesia	0.5	0.0	0.0	0.0	0.0
Italy	3.5	2.4	1.2	0.6	1.7
Japan	0.7	1.0	0.4	0.7	0.0
Korea	0.9	1.0	1.0	1.0	0.7
Mexico	0.4	0.7	0.4	0.5	3.9
Portugal	2.2	1.3	1.9	4.3	0.0
Taiwan	3.2	0.5	0.0	0.0	0.0
Other nonsubject sources ¹	7.6	3.1	1.2	0.4	5.0
Total nonsubject sources	23.9	16.6	10.1	11.4	35.8
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
¹ Other nonsubject sources include Argentina, Austria, Belgium, Ecuador, Germany, Hungary, India, Ireland, Malaysia, Netherlands, Panama, South Africa, Spain, Switzerland, Thailand, and the United Kingdom. ² Landed, U.S. port of entry, duty-paid. ³ Not applicable.					
Source: Compiled from official statistics of the U.S. Department of Commerce.					

increased throughout the period for which data were collected in these reviews, ranged from \$326 to \$509 per 1,000 pounds.

The domestic producers argued that a large build up of inventories of the Chinese product by purchasers in the United States in 2008 and the general downturn in demand for PC strand led to the decline in U.S. imports from China during the first quarter of 2009. They asserted that U.S. purchasers “simply stopped buying strand, domestic or import, in order to consume the dumped Chinese strand they had previously purchased.”² The petitioners further argued that the decline in U.S. imports from China “reflected a temporary excess inventory situation, and is not an indication that Chinese producers are reducing the huge volumes of PC strand they have exported in the past three years.”³

By contrast, U.S. imports from nonsubject sources accounted for a relatively small and declining share of the total quantity of U.S. imports of PC strand from 2006 to 2008. By 2008, nonsubject sources accounted for only 7.5 percent of total U.S. PC strand imports. However, by the first quarter of 2009, nonsubject sources accounted for about one-quarter of the total quantity. Canada was, by far, the largest nonsubject source of U.S. imports of PC strand during the latter periods for which the Commission

² Conference transcript, p. 23 (Woltz)

³ Conference transcript, p. 23 (Cornelius).

collected information in these investigations. In fact, during the first quarter of 2009, Canada accounted for 17.4 percent of the total quantity of U.S. PC strand imports. The quantity of U.S. imports from countries other than China (primarily Canada) fell by 66.7 percent from 2006 to 2008. The quantity of U.S. imports of PC strand from all other sources during the first quarter of 2009 were 63.0 percent lower than the quantity reported in the comparable period of 2008. The unit values of PC strand imports from nonsubject sources, which increased overall throughout the period for which data were requested in these reviews, were consistently higher than the unit values of PC strand imported from China. Nonsubject imports ranged from \$429 to \$704 per 1,000 pounds.

U.S. importers provided data concerning their U.S. shipments of PC strand by type of application (i.e., bare/coated and pre-tensioned/post-tensioned). These data, presented in tables IV-3 (China) and IV-4 (nonsubject countries), reveal that, during 2008, *** percent of the quantity of subject importers' total U.S. shipments of PC strand was for post-tensioned applications and *** percent was bare strand for pre-tensioned applications. The data provided by nonsubject importers indicate that, during 2008, *** of the quantity of nonsubject importers' total U.S. shipments of PC strand was bare strand for post-tensioned applications and *** was bare strand for pre-tensioned applications. The data also show that very little coated PC strand is imported into the United States.

Table IV-3
PC strand: U.S. shipments of U.S. imports from China, by application, 2006-08, January-March 2008, and January-March 2009

* * * * *

Table IV-4
PC strand: U.S. shipments of U.S. imports from nonsubject sources, by application, 2006-08, January-March 2008, and January-March 2009

* * * * *

A review of monthly import data for January 2006 through April 2009 indicates that imports of PC strand from China and Canada entered the United States in each month of the entire period for which data are presented (table IV-5). These data also illustrate the seasonality of the product—that is, lower quantities of PC strand were imported into the United States during the off-peak months from November to February of each calendar year.

Table IV-5
PC strand: Monthly U.S. imports, by sources, January 2006-April 2009

Country	2006												Total
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Quantity (1,000 pounds)													
Argentina	761	229	886	0	229	0	931	1,329	1,415	665	74	82	6,600
Austria	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	256	0	0	0	0	0	0	0	256
Canada	1,106	1,388	1,406	1,430	1,389	1,180	952	1,262	894	1,172	1,268	1,013	14,459
China	17,611	21,536	30,004	45,003	34,586	31,940	31,356	46,152	43,838	37,104	34,710	17,524	391,367
Ecuador	11	0	0	0	0	0	0	0	0	0	0	0	11
Germany	1,077	903	344	0	43	474	0	0	0	0	0	0	2,841
Hungary	0	1,594	926	399	0	0	0	0	0	0	0	0	2,919
India	0	0	0	2	0	0	0	0	0	0	0	0	2
Indonesia	0	0	0	446	440	1,184	479	0	0	0	0	0	2,549
Ireland	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	84	356	766	560	2,259	1,345	1,323	1,257	963	197	1,430	1,244	11,785
Japan	333	0	325	0	163	0	0	0	149	407	0	203	1,580
Korea	0	103	0	66	87	66	131	84	210	2,897	234	80	3,958
Malaysia	458	0	0	454	2,845	1,558	458	46	320	1,538	0	4	7,682
Mexico	0	0	0	0	0	0	241	228	753	0	303	0	1,526
Netherlands	126	0	0	174	430	86	0	0	0	0	0	0	816
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	1,174	877	829	264	1,911	871	490	887	424	109	0	0	7,835
South Africa	709	103	905	160	618	964	1,986	439	1,836	698	0	0	8,416
Spain	676	2,702	0	342	792	0	0	0	0	0	0	0	4,512
Switzerland	0	0	0	0	0	0	0	0	38	33	35	37	143
Taiwan	1,753	1,441	1,271	1,694	1,711	1,483	1,590	780	2,975	344	0	218	15,261
Thailand	0	0	0	0	0	0	0	0	0	45	0	0	45
United Kingdom	0	0	0	0	36	72	0	0	0	71	0	36	215
Total	25,878	31,231	37,662	50,995	47,795	41,222	39,938	52,464	53,815	45,280	38,056	20,443	484,778

Table continued on following page.

Table IV-5--Continued

PC strand: Monthly U.S. imports, by sources, January 2006-April 2009

Country	2007												Total
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
<i>Quantity (1,000 pounds)</i>													
Argentina	0	0	0	0	0	0	220	0	220	0	0	0	440
Austria	0	0	0	0	0	0	0	0	0	0	42	0	42
Belgium	0	0	81	0	0	0	0	0	0	0	0	0	81
Canada	1,198	1,081	1,408	1,063	1,540	1,330	1,519	1,160	1,441	1,422	1,020	1,543	15,725
China	20,206	13,086	28,911	30,822	53,950	38,256	50,968	20,140	28,688	34,986	15,929	17,994	353,937
Ecuador	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	0	0	0	0	0	0	0	0	0	344	0	344
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0
India	0	235	0	0	0	0	0	0	0	0	0	0	235
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	1,607	663	383	683	118	86	246	747	204	115	307	86	5,245
Japan	325	0	0	244	407	0	0	488	163	163	163	0	1,952
Korea	164	207	0	1,103	0	88	522	44	138	126	217	223	2,831
Malaysia	0	863	0	451	1,022	1,320	540	0	0	0	0	0	4,196
Mexico	369	0	0	0	180	357	81	262	42	131	250	610	2,283
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	94	0	0	94
Portugal	871	317	753	0	542	105	108	112	0	411	599	45	3,864
South Africa	281	39	0	477	567	0	487	476	0	0	473	0	2,800
Spain	0	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	1	1,349	0	24	0	48	0	0	23	0	0	1,446
Taiwan	468	253	0	0	526	0	123	83	206	0	0	0	1,659
Thailand	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	36	35	0	0	70	0	0	107	34	0	140	106	528
Total	25,526	16,781	32,885	34,843	58,947	41,542	54,863	23,618	31,136	37,471	19,485	20,607	397,703

Table continued on following page.

Table IV-5--Continued
PC strand: Monthly U.S. imports, by sources, January 2006-April 2009

Country	2008												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
<i>Quantity (1,000 pounds)</i>													
Argentina	0	0	0	0	0	0	0	0	0	0	0	0	0
Austria	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	577	0	0	0	0	0	577
Canada	759	989	895	1,018	1,193	830	1,055	1,001	1,017	1,244	292	1,019	11,312
China	30,644	23,502	37,123	31,574	41,874	50,736	38,649	49,660	23,818	39,644	9,583	4,844	381,652
Ecuador	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	0	0	0	0	0	6	0	0	0	0	0	6
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0
India	0	0	0	0	0	0	0	48	0	0	0	161	209
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	0	322	0	776	915	227	238	669	172	0	0	256	3,574
Japan	407	4	0	407	203	203	157	0	0	0	0	0	1,380
Korea	138	120	404	506	122	372	169	226	435	111	525	198	3,325
Malaysia	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	0	117	281	361	0	0	0	0	0	0	308	446	1,514
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	324	1,273	2,046	1,094	270	112	1,505	104	342	155	0	0	7,223
South Africa	0	0	0	0	0	0	479	0	0	0	0	479	957
Spain	0	0	0	0	0	0	0	0	193	0	155	0	348
Switzerland	0	0	42	0	40	0	0	40	42	18	0	81	262
Taiwan	0	0	0	0	0	0	0	0	0	0	0	0	0
Thailand	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	0	0	105	0	0	0	0	6	0	181	107	0	400
Total	32,271	26,326	40,896	35,736	44,616	52,480	42,836	51,753	26,019	41,353	10,971	7,484	412,741

8-VI

Table continued on following page.

Table IV-5--Continued

PC strand: Monthly U.S. imports, by sources, January 2006-April 2009

Country	2009												Total
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
<i>Quantity (1,000 pounds)</i>													
Argentina	0	0	0	0	(¹)	0							
Austria	0	0	0	0	(¹)	0							
Belgium	0	0	0	0	(¹)	0							
Canada	671	1,008	1,157	1,544	(¹)	4,380							
China	6,094	2,924	3,165	1,861	(¹)	14,045							
Ecuador	0	0	0	0	(¹)	0							
Germany	0	0	2	0	(¹)	2							
Hungary	0	0	0	0	(¹)	0							
India	0	0	0	0	(¹)	0							
Indonesia	0	0	0	0	(¹)	0							
Ireland	0	0	0	0	(¹)	0							
Italy	43	85	43	342	(¹)	513							
Japan	0	0	0	0	(¹)	0							
Korea	0	86	0	0	(¹)	86							
Malaysia	0	0	0	0	(¹)	0							
Mexico	0	158	534	156	(¹)	848							
Netherlands	35	252	0	302	(¹)	589							
Panama	0	0	0	0	(¹)	0							
Portugal	0	0	0	851	(¹)	851							
South Africa	0	0	0	0	(¹)	0							
Spain	0	0	0	294	(¹)	294							
Switzerland	39	0	41	72	(¹)	153							
Taiwan	0	0	0	0	(¹)	0							
Thailand	0	0	0	0	(¹)	0							
United Kingdom	0	0	1	0	(¹)	1							
Total	6,883	4,513	4,942	5,424	(¹)	21,761							

¹ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

CRITICAL CIRCUMSTANCES

No “critical circumstances” were alleged by the petitioners in these investigations.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁴ Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.⁵ The petition in these investigations was filed on May 27, 2009. For the most recent 12-month period for which data are available that precedes the filing of the petition (May 2008-April 2009), imports of PC strand from China accounted for 91.2 percent of total imports of PC strand by quantity.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of PC strand during the period for which information was requested in the preliminary phase of these investigations are shown in table IV-6 and figure IV-1. Apparent U.S. consumption of PC strand, as shown in the body of this report at table IV-6, is based on U.S. producers’ U.S. shipments of PC strand and subject imports as compiled from official U.S. import statistics of Commerce. Apparent U.S. consumption of PC strand, as calculated based on U.S. producers’ U.S. shipments of PC strand and subject importers’ U.S. shipments of PC strand from responses to Commission questionnaires are presented separately in appendix C, table C-2. U.S. importers and producers also provided data concerning their U.S. shipments of uncovered and bare PC strand for pre- and post-tensioned applications and U.S. shipments subject to “Buy America(n)” restrictions. These shipments and their shares of total reported shipments are presented separately in appendix C, table C-3.

The demand for PC strand is derived from demand for prestressed concrete which, in turn, is derived from demand in the construction industry. In terms of quantity, apparent U.S. consumption of PC strand fell by 15.2 percent from 2006 to 2008. Apparent U.S. consumption was lower on the basis of quantity and value during the first quarter of 2009 than in the comparable period of 2008. Conference testimony indicated that, in particular, slab-on-grade fabrication connected to residential construction has declined and the use and need for PC strand associated with it has likewise declined since 2006, which was the peak year for U.S. residential construction. The demand for other end uses of PC strand have reportedly remained relatively steady since 2006, but have been most recently affected by the downturn in the global economy.⁶

⁴ 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)).

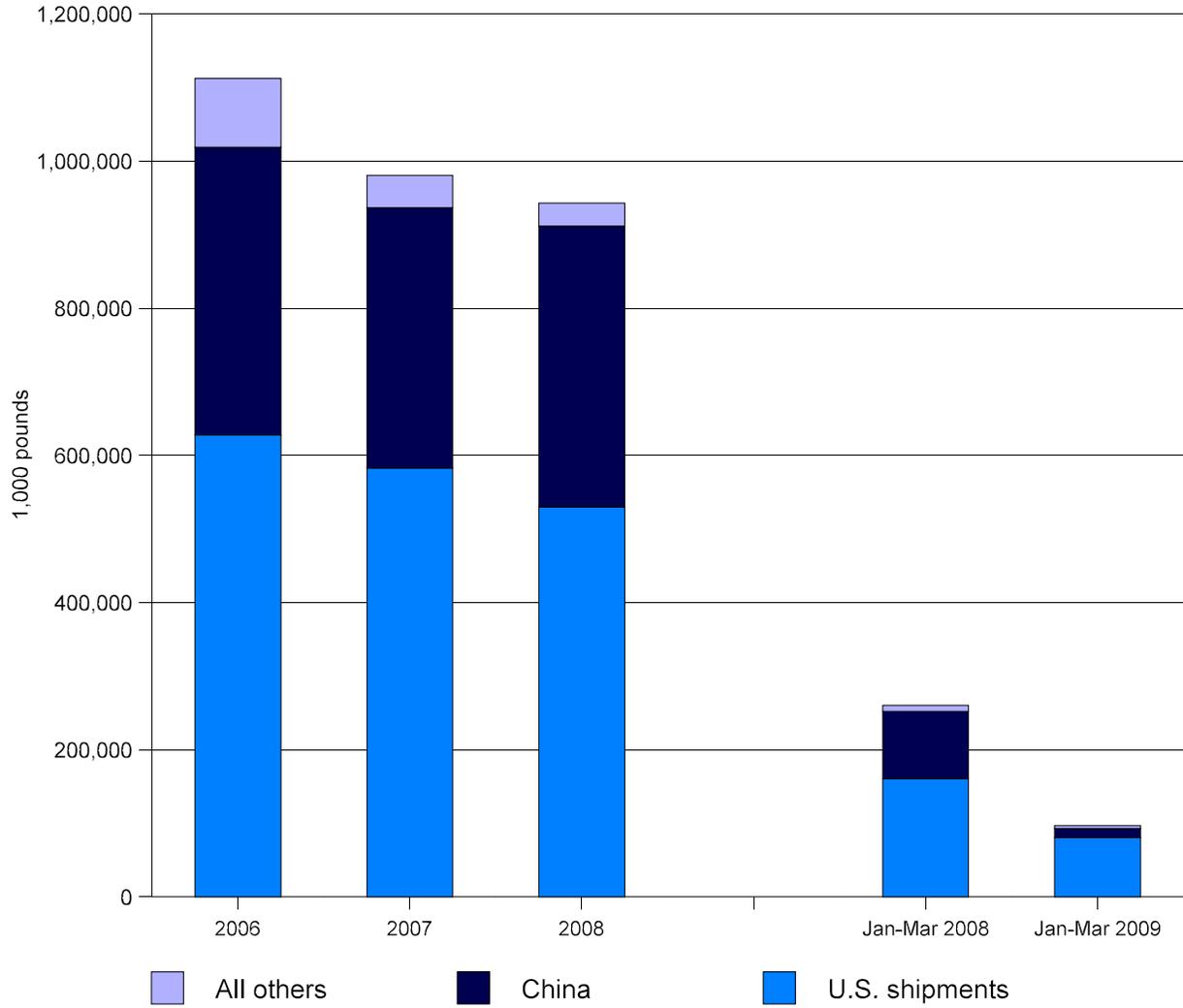
⁵ Section 771(24) of the Act (19 U.S.C. § 1677(24)).

⁶ Conference transcript, pp. 96-97 (Selhorst and Feitler).

Table IV-6
PC strand: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,
2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
U.S. producers' U.S. shipments	627,436	582,780	529,973	160,799	80,651
U.S. imports from-- China	391,367	353,937	381,652	91,269	12,183
Nonsubject countries ¹	93,412	43,766	31,089	8,225	4,154
Total U.S. imports	484,778	397,703	412,741	99,494	16,337
Apparent U.S. consumption	1,112,214	980,483	942,714	260,293	96,988
Value (1,000 dollars)					
U.S. producers' U.S. shipments	298,841	268,784	334,404	75,696	46,653
U.S. imports from-- China	127,617	115,843	194,276	36,157	5,251
Nonsubject countries ¹	40,085	22,982	21,771	4,675	2,924
Total U.S. imports	167,702	138,825	216,047	40,832	8,176
Apparent U.S. consumption	466,543	407,609	550,451	116,528	54,829
¹ Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, and Portugal. Note.--Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires and from official import statistics of the U.S. Department of Commerce.					

Figure IV-1
PC strand: Apparent U.S. consumption, by sources, 2006-08, January-March 2008, and January-
March 2009



Source: Table IV-6.

In terms of value, apparent U.S. consumption increased by 18.0 percent during 2006 to 2008, which reflects the increasing unit values of imported and domestically produced PC strand during the same time period. These increases are somewhat reflective of the increase in the cost of the primary raw material (wire rod), which accounts for the vast majority of the cost of producing the product. In fact, the cost of wire rod for the domestic producers of PC strand doubled from late 2007 to August 2008.⁷

U.S. MARKET SHARES

U.S. market share data are presented in table IV-7. The share of the U.S. market held by subject imports of PC strand from China increased from 35.2 percent in 2006 to 40.5 percent in 2008. However, the share of the U.S. market held by U.S. imports from China during the first quarter of 2009 (12.6 percent) was much lower than the 35.1-percent share held in the comparable period of 2008. The U.S. producers' share of the domestic market remained relatively steady from 2006 to 2008, increasing by 3.0 percentage points from 2006 to 2007 and falling by 3.2 percentage points in 2008. The share of the domestic market held by U.S. producers during the first quarter of 2009 (83.2 percent) was much higher than the 61.8 percent share held in the comparable period of 2008.

RATIO OF IMPORTS TO U.S. PRODUCTION

Information concerning the ratio of imports to U.S. production of PC strand is presented in table IV-8. Subject imports were equivalent to 58.1 percent of U.S. production during 2006. This level increased to 68.3 percent during 2008. However, U.S. imports of PC strand from China were equivalent to only 15.1 percent of production during January-March 2009 compared with 56.7 percent reported for the comparable period in 2008.

⁷ Conference transcript, pp. 69-70 (Selhorst).

Table IV-7
PC strand: U.S. consumption and market shares, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
Apparent U.S. consumption	1,112,214	980,483	942,714	260,293	96,988
Value (1,000 dollars)					
Apparent U.S. consumption	466,543	407,609	550,451	116,528	54,829
Share of quantity (percent)					
U.S. producers' U.S. shipments	56.4	59.4	56.2	61.8	83.2
U.S. imports from-- China	35.2	36.1	40.5	35.1	12.6
Nonsubject countries ¹	8.4	4.5	3.3	3.2	4.3
All countries	43.6	40.6	43.8	38.2	16.8
Share of value (percent)					
U.S. producers' U.S. shipments	64.1	65.9	60.8	65.0	85.1
U.S. imports from-- China	27.4	28.4	35.3	31.0	9.6
Nonsubject countries ¹	8.6	5.6	4.0	4.0	5.3
All countries	35.9	34.1	39.2	35.0	14.9
¹ Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, and Portugal. Note.—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires and from official import statistics of the U.S. Department of Commerce.					

Table IV-8
PC strand: U.S. production, U.S. imports, and ratios of imports to U.S. production, 2006-08,
January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
U.S. production	673,195	601,717	558,885	161,089	80,750
Imports from:					
China	391,367	353,937	381,652	91,269	12,183
Nonsubject countries ¹	93,412	43,766	31,089	8,225	4,154
Total imports	484,778	397,703	412,741	99,494	16,337
Ratio of U.S. imports to production (percent)					
Imports from:					
China	58.1	58.8	68.3	56.7	15.1
Nonsubject countries ¹	13.9	7.3	5.6	5.1	5.1
Total imports	72.0	66.1	73.9	61.8	20.2
¹ Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, and Portugal. Note.—Because of rounding, figures may not add to the totals shown. Source: Compiled from official statistics of the U.S. Department of Commerce and data submitted in response to Commission questionnaires.					

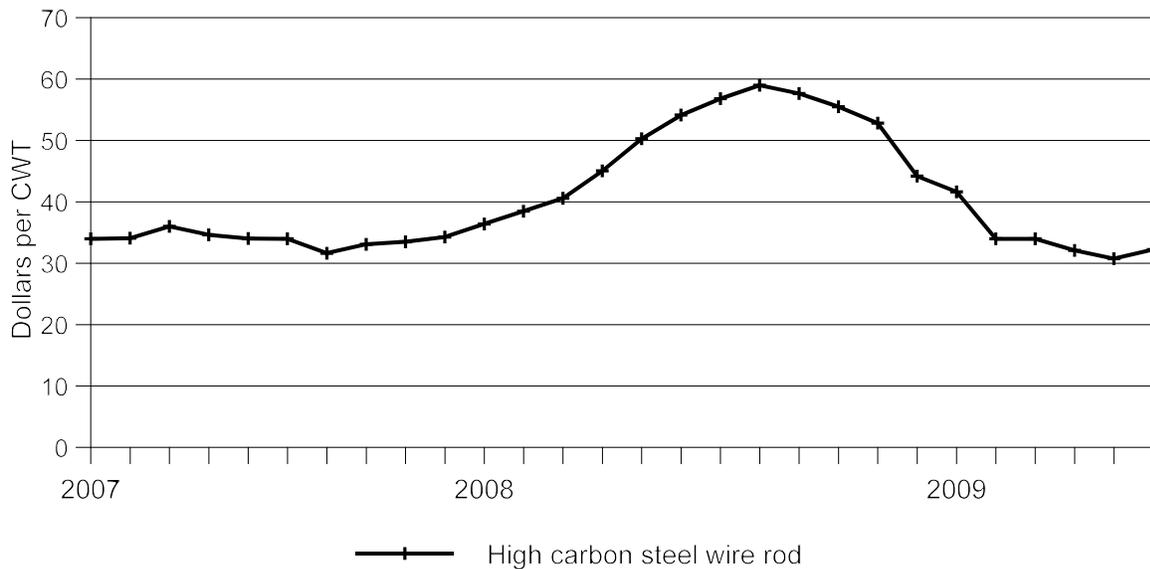
PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials costs accounted for between 77 and 81 percent of U.S. producers' costs of goods sold during 2006-08. The cost of steel wire rod in turn accounts for a substantial share of the total cost of producing PC strand.¹ U.S. producers reported in their questionnaires that steel wire rod prices have been volatile, and have impacted the price of PC strand in the U.S. market. As shown in figure V-1, high carbon steel wire rod prices nearly doubled from the latter part of 2007 through August 2008, then dropped to close to their 2007 levels in 2009.

Figure V-1
High carbon steel wire rod: Average wholesale spot price, by month, March 2007-June 2009



Source: American Metal Market, www.amm.com, retrieved June 8, 2009.

¹ Conference transcript, pp. 69 and 82 (Selhorst).

U.S. Inland Transportation Costs

U.S. producers reported that U.S. inland transportation costs ranged from 4.8 to 6.5 percent of the total delivered cost of PC strand, while importers reported that the average cost was 4.0 percent. All U.S. producers and 15 of 20 responding importers reported selling on a delivered basis, and all U.S. producers and most responding importers also reported arranging transportation to their customers' locations. Three U.S. producers reported that 90 to 95 percent of their sales were within 101 to 1,000 miles of their storage or production facilities; the other producer reported selling 30 percent within 100 miles and 65 percent within 101 to 1,000 miles. Nearly all imports are reportedly sold within 1,000 miles of the importers' storage facilities with 15 of 20 importers reporting that at least 50 percent of shipments were within 100 miles of their storage facilities. Firms reported selling to the following regions:

Regions	U.S. producers	Importers (China)
	<i>Number of firms</i>	
Northeast	4	6
Midwest	4	7
Southeast	4	11
Central Southwest	4	13
Mountains	3	9
Pacific Coast	2	12
Other	2	2

PRICING PRACTICES

Pricing Methods

While all U.S. producers reported selling on a transaction-by-transaction basis, two producers also use set price lists and two also use contracts. Three producers reported that most (85 to 100 percent) of their 2008 sales were on a short-term contract basis, while one reported that nearly all (92 percent) of its sales were on a spot basis. U.S. producers' short term contracts range from one to three months; three of the four producers reported that prices and quantities are fixed while one reported that prices can be renegotiated during the contract. One of the four responding U.S. producers reported that its short-term contracts have a meet-or-release provision.

Most importers (17 of 20) reported transaction-by-transaction sales, although 4 reported contract sales, and one reported another method.² Importers' contracts were generally reported to be for 3 months, although a few firms reported contracts up to 6 or even 12 months. Most firms reported that contracts fix both price and quantity and are not renegotiated.

² ***. Also, one firm reported both transaction-by-transaction and contract sales.

Sales Terms and Discounts

Two U.S. producers reported quantity discounts and annual total volume discounts while the other two U.S. producers reported no discount policy.³ Eighteen of 20 importers reported no discount policy. However, Suncoast Post-tensioners reported that, as the largest purchaser in the United States, it expects prices commensurate with its purchase volumes.⁴ Most firms sell net 30 days although a few offer a small discount such as one-half percent for early payment.

PRICE DATA

The Commission requested U.S. producers and importers of PC strand to provide quarterly data for the total quantity and value of PC strand shipped to unrelated customers in the U.S. market. Data were requested for the period January 2006-March 2009. The products for which pricing data were requested are as follows:

Product 1.--½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete stand sold for pre-tensioned applications.

Product 2.--½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete stand sold for post-tensioned applications.

Product 3.--½ inch, grade 270 (270,000 PSI), low relaxation, covered prestressed concrete stand that is greased and covered in a polyethylene wrap sold for post-tensioned applications.

Four U.S. producers and 18 importers of PC strand from China provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. One firm reported price data for Canada (appendix D). Pricing data reported by these firms accounted for approximately 47.4 percent of U.S. producers' shipments of PC strand and virtually all U.S. shipments of subject imports from China in 2008.

Price Trends

Price data for products 1 and 2 are shown in tables V-1 to V-2 and figure V-2.⁵ A summary of price trends is shown in table V-3. U.S.-produced and imported Chinese products 1 and 2 showed generally similar trends during the period for which data were collected, with prices relatively stable during 2006 and 2007, increasing substantially during the beginning of 2008, and falling at the end of 2008 and during the first quarter of 2009. Prices for U.S. product 1 tended to be more volatile than prices for imported Chinese product 1 during 2008, and price declines for U.S. product 2 in the fourth quarter of 2008 were followed by price declines by imported Chinese product 2 in the first quarter of 2009. The

³ ***.

⁴ At the Commission conference, Tim Johnson of Suncoast Post-tensioners testified that "...I would like pricing that's commensurate with my volume. You know, if I go to buy 10 cars instead of one car, I expect a better price. So me being the biggest purchaser in the market, I expect to have a price commensurate with that." Conference transcript, p. 44 (Johnson).

⁵ Data for product 3 were reported only for 2 quarters. In the third quarter of 2008, one U.S. producer reported sales of *** feet of PC strand priced at *** per 1,000 feet, and two importers reported sales of *** feet priced at ***; the margin of underselling was *** percent. In the fourth quarter of 2008, two importers reported sales of *** feet of PC strand priced at ***; no sales were reported by U.S. producers.

substantial price increases for U.S.-produced and imported Chinese products 1 and 2 in 2008 coincided with substantial increases in steel wire rod prices, as shown earlier in figure V-1.⁶

Table V-1

PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported product 1¹ and margins of underselling/(overselling), by quarters, January 2006-March 2009

	United States		China		
	Price (per lineal foot)	Quantity (1,000 lineal feet)	Price (per lineal foot)	Quantity (1,000 lineal feet)	Margin (percent)
2006:					
Jan.-Mar.	\$263	117,031	***	***	***
Apr.-June	259	121,556	\$202	16,686	21.9
July-Sept.	265	103,956	212	18,934	20.1
Oct.-Dec.	260	96,080	193	15,044	25.8
2007:					
Jan.-Mar.	254	94,410	199	15,914	21.7
Apr.-June	251	105,364	195	25,366	22.3
July-Sept.	246	98,136	***	***	***
Oct.-Dec.	240	103,096	207	13,676	13.9
2008:					
Jan.-Mar.	250	116,938	***	***	***
Apr.-June	348	121,686	306	23,330	12.0
July-Sept.	418	100,688	***	***	***
Oct.-Dec.	382	54,374	326	6,741	14.7
2009:					
Jan.-Mar.	304	61,813	255	6,528	16.3
¹ Product 1: ½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete strand sold for pre-tensioned applications.					
Source: Compiled from data submitted in response to Commission questionnaires.					

⁶ The price trend for aggregated product 1 and product 2 price data was similar to price trends for the separate product 1 and product 2 price series (appendix D). Prices for aggregated U.S. products 1 and 2 were higher than prices for aggregated imported Chinese products 1 and 2 in all 13 quarters, by margins ranging from less than 0.1 percent to 23.6 percent.

Table V-2

PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported product 2¹ and margins of underselling/(overselling), by quarters, January 2006-March 2009

	United States		China		
	Price (per lineal foot)	Quantity (1,000 lineal feet)	Price (per lineal foot)	Quantity (1,000 lineal feet)	Margin (percent)
2006:					
Jan.-Mar.	\$190	71,479	\$196	103,575	(2.9)
Apr.-June	181	73,845	191	147,292	(5.9)
July-Sept.	***	***	192	144,044	***
Oct.-Dec.	190	40,918	190	114,738	(0.4)
2007:					
Jan.-Mar.	181	47,632	186	111,658	(2.8)
Apr.-June	180	61,028	187	155,465	(3.8)
July-Sept.	182	51,890	186	144,615	(2.2)
Oct.-Dec.	187	39,243	195	74,539	(4.2)
2008:					
Jan.-Mar.	226	52,327	239	160,094	(5.9)
Apr.-June	302	25,304	276	176,163	8.7
July-Sept.	317	10,431	311	137,946	1.9
Oct.-Dec.	238	5,243	317	52,702	(33.4)
2009:					
Jan.-Mar.	***	***	242	19,088	***

¹ Product 2: ½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete stand sold for post-tensioned applications.

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

Figure V-2

PC strand: Weighted-average prices and quantities of domestic and imported products 1 and 2, by quarters, January 2006-March 2009

* * * * *

Table V-3
PC strand: Summary of weighted-average f.o.b. prices for products 1-2 from the United States and China

Item	Number of quarters	Low price (per 1,000 ft)	High price (per 1,000 ft)	Change in price ¹ (percent)
Product 1				
United States	13	\$240	\$418	15.7
China	13	193	326	***
Product 2				
United States	13	180	317	***
China	13	186	317	23.6
¹ Percentage change from the first quarter in which price data were available to the last quarter in which price data were available, based on unrounded data.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Price Comparisons

Margins of underselling and overselling for the period are presented in table V-4. As can be seen from the table, prices for imported Chinese product 1 were below those for U.S. product 1 in 12 of 13 instances, and margins of underselling ranged from 12.0 to 25.8 percent. Alternatively, prices for imported Chinese product 2 were priced below those for U.S. product 2 in only 2 of 13 instances, with margins of underselling ranging from 1.9 to 8.7 percent. In the remaining 11 instances, prices for imported Chinese product 2 were between 0.4 and 33.4 percent above prices for U.S. product 2.⁷ Overall, prices for PC strand imported from China were below those for U.S.-produced PC strand in 15 of 27 instances and margins of underselling ranged from 1.9 to 27.6 percent. In the remaining 12 instances, prices for PC strand from China were between 0.4 and 33.4 percent above prices for the domestic product.⁸

Table V-4
PC strand: Instances of underselling/overselling and the range and average of margins, January 2006-March 2009

	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Product 1	12	12.0 to 25.8	18.9	1	-	***
Product 2	2	1.9 to 8.7	5.3	11	0.4 to 33.4	6.1
Product 3	1	-	27.6	0	-	
Total	15	1.9 to 27.6	17.7	12	0.4 to 33.4	6.5
Source: Compiled from data submitted in response to Commission questionnaires.						

⁷ ***.

⁸ ***.

LOST SALES AND LOST REVENUES

The Commission requested U.S. producers of PC strand to report any instances of lost sales or revenues they experienced due to competition from imports of PC strand from China during January 2006-March 2009. In the petition, the three petitioning firms provided 99 lost sales allegations totaling \$135.4 million and involving 35.7 million lineal feet of PC strand and 20 lost revenues allegations totaling \$684,480 and involving 49.6 million lineal feet of PC strand.⁹ Staff contacted all 37 purchasers listed in the allegations.¹⁰ A summary of the information obtained follows (tables V-5 and V-6).

Table V-5
PC strand: U.S. producers' lost sales allegations

* * * * * * *

Table V-6
PC strand: U.S. producers' lost revenue allegations

* * * * * * *

In addition to questions regarding the specific allegations, these purchasers were also asked if their firm had switched from U.S. produced to Chinese PC strand since January 2006, and if so, if price was the reason. Seven of 18 responding firms reported that they had switched from U.S.-produced PC strand to Chinese PC strand because of price, one reported that it switched for reasons other than price, and 11 reported that they had not switched to Chinese PC strand. When asked if, since January 2006, U.S. producers had reduced their prices of PC strand to compete with prices of PC strand imported from China, 8 responded “yes” and 7 responded “no.”

* * * * * * *

⁹ ***.

¹⁰ A number of the allegations involved multiple locations for a given purchaser.

PART VI: FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

Background

Six U.S. firms provided usable financial data on their operations on PC strand.¹ These data are believed to account for the vast majority of U.S. operations on PC strand since 2006. No firms reported internal consumption or transfers to related firms. MMI and Rettco reported a tolling arrangement in which MMI is the tollee and Rettco is the toller for all of MMI's sales of PC strand.² All firms reported a fiscal year end of December 31 except American, which reported a fiscal year end of September 30, and Insteel, which reported a fiscal year end of the last Saturday closest to the end of September.

Operations on PC Strand

Income-and-loss data for U.S. firms on their operations on PC strand are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The domestic industry experienced decreasing operating income from 2006 to 2008, followed by an operating loss in January-March 2009. Total net sales quantity declined from 2006 to 2008, while total net sales value increased irregularly during this time. In January-March 2009, both net sales quantity and value were lower than in January-March 2008, although the reduction in net sales quantity was greater than the reduction in net sales value. Thus, the per-unit net sales value increased from 2006 to 2008, and was higher in January-March 2009 as compared to January-March 2008 (although lower than in full year 2008). The per-unit cost of goods sold ("COGS") increased from 2006 to 2008 due to increased raw material costs, rising at a somewhat greater rate than per-unit revenue during this time. In January-March 2009, reported per-unit raw material costs declined slightly from the full year 2008 level, but were still higher than raw material costs for the comparable interim period in 2008. Other factory costs showed a marked increase in January-March 2009, and was the primary contributor to the reported operating loss in that period.

While the overall industry reported consistently lower operating margins from 2006 to 2008 and an operating loss in January-March 2009, several firms had a relatively larger impact on the aggregate results presented in table VI-1. Insteel, which represented approximately *** percent of aggregate net sales quantities and values in 2008 and January-March 2009, reported inventory adjustments ***. While such adjustments ***, the *** adjustment in January-March 2009 represented *** percent of the firm's reported COGS in that period and was ***.³

* * * * *

¹ The U.S. firms are American, Insteel, MMI, RettCo, Strand-Tech, and Sumiden.

² MMI's financial data are included in this section of the report to present industry profitability for the PC strand produced and sold through the Rettco/MMI tolling arrangement. MMI's net sales quantities and values align with the shipment data reported in table III-4 and in appendix C, and MMI's reported operating costs include all costs associated with the reported sales, including raw material costs and selling expenses, as well as Rettco's production costs which are captured in MMI's reported tolling fees. Consolidated operating income margins are presented as a companion calculation in the statistical note of table VI-1.

³ ***. E-mail correspondence from ***, June 19, 2009. Such inventory adjustments correspond to information on Insteel's overall operations. In the firm's most recent 10-Q filing, Insteel reported a pre-tax charge for inventory write-downs "to reduce the carrying value of inventory to the lower of cost or market resulting from the decline in selling prices for certain products during the quarter relative to higher raw material costs under the first-in, first-out ("FIFO") method of accounting." See Insteel's Form 10-Q, May 5, 2009, p.18.

⁴ E-mail correspondence from ***, July 1, 2009.

Table VI-1

PC strand: Results of operations of U.S. producers, 2006-08, January-March 2008, and January-March 2009

Item	Fiscal year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 pounds)					
Total net sales	661,469	613,704	589,793	167,186	82,775
Value (\$1,000)					
Total net sales	312,046	283,088	354,083	78,761	47,764
COGS	248,545	230,394	302,334	65,434	52,054
Gross profit/(loss)	63,501	52,694	51,749	13,327	(4,290)
SG&A expenses	14,648	13,317	13,795	3,449	3,430
Operating income/(loss)	48,853	39,377	37,954	9,878	(7,720)
Interest expense	2,037	3,193	1,820	575	463
Other income/(expense)	1,322	821	1,389	310	16
Net income/(loss)	48,138	37,005	37,523	9,613	(8,167)
Depreciation	6,612	7,602	8,550	2,193	2,141
Cash flow	54,750	44,607	46,073	11,806	(6,026)
Ratio to net sales (percent)					
COGS:					
Raw materials	60.9	62.1	70.9	66.3	71.1
Direct labor	4.4	4.5	3.5	4.1	4.6
Other factory costs	14.4	14.7	10.9	12.6	33.2
Total COGS	79.7	81.4	85.4	83.1	109.0
Gross profit/(loss)	20.4	18.6	14.6	16.9	(9.0)
SG&A expenses	4.7	4.7	3.9	4.4	7.2
Operating income/(loss)	15.7	13.9	10.7	12.5	(16.2)
Net income/(loss)	15.4	13.1	10.6	12.2	(17.1)
Unit value (per 1,000 pounds)					
Total net sales	\$472	\$461	\$600	\$471	\$577
COGS:					
Raw materials	287	287	426	312	410
Direct labor	21	21	21	19	27
Other factory costs	68	68	65	60	192
Total COGS	376	375	513	391	629
Gross profit/(loss)	96	86	88	80	(52)
SG&A expenses	22	22	23	21	41
Operating income/(loss)	74	64	64	59	(93)
Net income/(loss)	73	60	64	57	(99)
Number of firms reporting					
Operating losses	1	0	1	0	3
Data	5	5	5	5	5

Table continued on next page.

Table VI-1-- Continued

PC strand: Results of operations of U.S. producers, 2006-08, January-March 2008, and January-March 2009

Note.-- MMI's financial data are included in this section of the report to present industry profitability for the PC strand produced and sold through the Rettco/MMI tolling arrangement. MMI's net sales quantities and values align with the shipment data reported in table III-4 and appendix C, and MMI's reported operating costs include all costs associated with the reported sales, including raw material costs and selling expenses, as well as Rettco's production costs which are captured in MMI's reported tolling fees. If COGS are adjusted by the amount of operating income reported for Rettco's toller operations, operating income margins for 2006-08 would be ***, ***, and *** percent, respectively, and operating income margins for January-March 2008 and January-March 2009 would be *** and negative *** percent, respectively. This adjustment removes reported toller profitability from the overall operations on PC strand and presents industry profitability on a consolidated basis.

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

Table VI-2

PC strand: Results of operations of U.S. producers, by firm, 2006-08, January-March 2008, and January-March 2009

* * * * *

Variance Analysis

A variance analysis for PC strand is presented in table VI-3. The information for the variance analysis is derived from table VI-1. The analysis shows that the decline in operating income from 2006 to 2008, as well as between the comparable interim periods, is primarily attributable to the higher unfavorable net cost/expense variance despite a favorable price variance (that is, costs/expenses rose to a greater extent than prices).⁵

Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table VI-4. Four firms provided capital expenditure data, while only two firms provided data on R&D expenses.

⁵ A variance analysis is calculated in three parts, sales variance, cost of sales variance, and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost variance (in the case of the cost of sales and SG&A expense variance) and a volume variance. The sales or cost variance is calculated as the change in unit price times the new volume, while the volume variance is calculated as the change in volume times the old unit price. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively; and the volume variance is the sum of the volume variance lines under price and cost/expense variance. The net volume component is generally smaller than the price variance and the net cost/expense variance. In this case, the volume variance is relatively low despite the large decrease in sales volume during the period for which data were collected because the negative volume variance for sales is moderated by the positive volume variance for costs and expenses (in other words, a decline in volume leads to overall lower costs and expenses, and thus a positive volume variance for costs and expenses).

Table VI-3

PC strand: Variance analysis on operations of U.S. producers, 2006-08, and January-March 2008-09

Item	Between fiscal years			Jan.-March
	2006-08	2006-07	2007-08	2008-09
Value (\$1,000)				
Total net sales:				
Price variance	75,850	(6,425)	82,025	8,769
Volume variance	(33,813)	(22,533)	(11,030)	(39,766)
Total net sales variance	42,037	(28,958)	70,995	(30,997)
Cost of sales:				
Cost variance	(80,721)	203	(80,917)	(19,657)
Volume variance	26,932	17,948	8,977	33,037
Total cost variance	(53,789)	18,151	(71,940)	13,380
Gross profit variance	(11,752)	(10,807)	(945)	(17,617)
SG&A expenses:				
Expense variance	(734)	273	(997)	(1,722)
Volume variance	1,587	1,058	519	1,741
Total SG&A variance	853	1,331	(478)	19
Operating income variance	(10,899)	(9,476)	(1,423)	(17,598)
Summarized as:				
Price variance	75,850	(6,425)	82,025	8,769
Net cost/expense variance	(81,455)	477	(81,913)	(21,380)
Net volume variance	(5,294)	(3,528)	(1,534)	(4,987)
Note.-- Unfavorable variances are shown in parentheses; all others are favorable.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table VI-4

PC strand: Capital expenditures and research and development expenses of U.S. producers, 2006-08, January-March 2008, and January-March 2009

* * * * *

Capital expenditures for PC strand irregularly declined from 2006 to 2008, and was lower in January-March 2009 than in January-March 2008. Insteel accounted for over *** percent of total capital expenditures ***, and Sumiden accounted for over *** percent of total reported R&D expenses ***. According to Insteel, capital expenditures primarily reflect ***.⁶ According to Sumiden, R&D expenses primarily reflect ***.⁷

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of PC strand to compute return on investment ("ROI"). Data on the U.S. producers' total assets and their ROI are presented in table VI-5. From 2006 to 2008, the total assets for PC strand irregularly increased from \$175.2 million in 2006 to \$204.4 million in 2008, and the ROI declined from 27.9 percent in 2006 to 18.6 percent in 2008. Much of the increase in current assets relates to increases in the selling prices and inventory values for PC strand.

⁶ E-mail correspondence from ***, June 22 and 23, 2009. *See also* conference transcript, p. 84 (Woltz). In the firm's most recent annual report, Insteel reported the completion of a capital investment program in 2008 and stated the following. "During 2008, we completed extensive upgrades at our Florida PC strand facility, including the installation of new wire drawing and stranding equipment together with the reconfiguration of the operation. This project represents the last component of our three-year, \$45.4 million capital investment program under which we have added two new engineered structural mesh ("ESM") production lines, reconfigured and expanded our PC strand facilities, and upgraded and expanded our standard welded wire reinforcing capabilities. We anticipate that these projects will generate dual benefits in the form of reducing operating costs and additional capacity to satisfy future growth in demand. Although the weakening market environment has precluded us from ramping up our expanded PC strand capacity, we are beginning to realize a portion of the expected returns on these investments through their favorable impact on labor productivity and increased sales of ESM. With the completion of the program behind us, we expect a significant drop-off in capital expenditures, with maintenance-related outlays expected to total less than \$5.0 million in 2009." Insteel's 2008 annual report, p. 2.

⁷ E-mail correspondence from ***, June 22 and 23, 2009.

Table VI-5

PC strand: Asset values and return on investment of U.S. producers, 2006-08

Item	Fiscal year		
	2006	2007	2008
Value of assets:	Value (\$1,000)		
Current assets:			
Cash and equivalents	12,135	8,154	15,262
Accounts receivable, net	35,693	35,722	44,876
Inventories	60,209	41,047	69,538
Other	1,466	2,166	1,729
Total current assets	109,503	87,089	131,406
Property, plant and equipment:			
Original cost	122,719	133,761	144,790
Less: accumulated depreciation	60,783	64,151	74,102
Equals: book value	61,935	69,611	70,687
Other non-current assets	3,725	2,526	2,287
Total assets	175,163	159,226	204,380
Operating income or (loss)	48,853	39,377	37,954
Share (percent)			
Return on investment	27.9	24.7	18.6
Source: Compiled from data submitted in response to Commission questionnaires.			

CAPITAL AND INVESTMENT

The Commission requested U.S. producers of PC strand to describe any actual or potential negative effects of imports of PC strand from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Their responses are shown in appendix E.

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). Information on the alleged dumping margins and the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

OVERVIEW

According to *Global Trade Atlas*, the United States was the world's largest importer of stranded wire, ropes, cables, and cordage, of iron or steel, during 2006-08, attracting about one-fifth of total global exports (table VII-1).¹ In contrast, China was the world's leading exporter during that same time period. China's exports increased by over 70 percent from 2006 to 2008, exceeding 2.3 billion pounds in 2008. China's exports accounted for more than one-third of the world's exports by 2008 and its net trade surplus increased by over 80 percent to nearly 2.2 billion pounds in 2008.

There are five producers of PC strand in the United States and dozens of producers of PC strand in China.² Other sizeable producers of PC strand in other countries include the following: Austria (Voestalpine Austria Draht GMBH); Brazil (ArcelorMittal Belgo); Canada (Bekaert and Stelwire Ltd.); Germany (DWK Drahtwerk Koln GmbH); India (Tata Steel, Usha Martin Industries, Indore Wire Co., and Ramsarup Lohh Udyog Ltd.); Italy (CB Trafilati Accial, Far SPA, Italcables SPA, Redaelli Tecnasud, Siderurgica Latina Martin, and Trafilati SPA); Japan (Shinko Wire Co., Suzuki Metal Co., Tokyo Rope Mfg. Co., and Tesac Corp.); Korea (Dong-Il Steel Mfg. Co., Kiswire, Manho Rope and Wire, and Youngheung Iron and Steel Co.); Mexico (Camesa and Deacero); Netherlands (Nedri Spanstaal, BV); Portugal (Fapricela Industria de Trefilaria SA and Tycsa-Trenzas y Cables de Acero PSC SL); Russia (Severstal Metiz); Spain (Emesa Trefileria and Tycsa); Thailand (Bangkok Steel Wire Co., Siam Wire Industry Co., Thai Wire Products Public Co., The Siam Industrial Wire Co., and Thai Special Wire Co.); Turkey (Celik Halat ve Tel Sanayii AS); and the United Kingdom (Carrington Wire Ltd.).³

¹ The global trade balance data presented are derived from *Global Trade Atlas*, HTS 7312.10. The products covered under this six-digit HTS classification include all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated. The subject PC strand is included in the data presented, as are many other products. Other products included in the data are stranded wire, ropes, cables, and cordage (including tire cord), of stainless steel or which have been brass plated or galvanized. The *Global Trade Atlas* data presented exclude the data for Malaysia because these data are not consistent with other data reported.

² In the petition, the petitioners provided the names and contact information for 22 producers of PC strand in China. Petition, exh. General-4.

³ There are currently antidumping and/or countervailing duty orders in place in the United States concerning PC strand producers in six of the countries listed (Brazil, India, Japan, Korea, Mexico, and Thailand). These countries currently ship little or no PC strand to the United States. According to official import statistics, there were no imports of PC strand into the United States from Brazil and Thailand during 2008 and U.S. imports of PC strand from India, Japan, Korea, and Mexico combined during 2008 accounted for only 1.6 percent of total U.S. imports of PC strand.

Table VII-1
PC strand and related products: World exports, imports, and trade balance of stranded wire, ropes, cables, and cordage, of iron or steel, by country, 2006-08

Country	Calendar year		
	2006	2007	2008
Quantity (1,000 pounds)			
Exports from:			
China	1,363,994	1,823,793	2,323,358
South Korea	625,690	657,297	638,859
Spain	262,720	425,508	430,554
Italy	346,129	349,605	366,028
Germany	243,117	245,491	256,000
Thailand	172,279	200,227	211,702
United States	138,765	156,586	180,970
Japan	190,774	195,795	168,022
France	201,518	202,561	165,894
Hungary	160,513	141,696	138,299
All other countries	1,597,172	1,587,548	1,594,780
Total	5,302,670	5,986,107	6,474,466
Imports into:			
China	148,970	131,359	130,610
South Korea	149,474	258,201	285,735
Spain	242,993	225,938	226,091
Italy	146,421	133,850	143,010
Germany	316,301	367,707	381,352
Thailand	35,593	36,451	53,347
United States	1,115,881	1,045,989	1,064,161
Japan	153,119	160,082	166,403
France	205,742	222,925	222,083
Hungary	38,338	19,083	17,985
All other countries	2,357,881	2,636,410	2,691,231
Total	4,910,713	5,237,997	5,382,007
Trade balance:			
China	1,215,023	1,692,433	2,192,747
South Korea	476,216	399,095	353,124
Spain	19,727	199,569	204,463
Italy	199,708	215,755	223,017
Germany	(73,184)	(122,216)	(125,351)
Thailand	136,686	163,777	158,355
United States	(977,115)	(889,403)	(883,191)
Japan	37,655	35,713	1,620
France	(4,224)	(20,364)	(56,189)
Hungary	122,175	122,613	120,314
All other countries	(760,709)	(1,048,862)	(1,096,451)
<p>Note.--Positive numbers presented for "trade balance" show net exports and numbers in parentheses presented for "trade balance" show net imports. Countries presented separately are based on the top ten exporting countries to the world in 2008.</p> <p>Source: Global Trade Atlas, HTS 7312.10 (all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated), excluding data for Malaysia, retrieved June 25, 2009.</p>			

There is no comprehensive source for capacity and/or production data for all countries producing PC strand throughout the world; however, such data for China and several nonsubject sources have been submitted into the record of these investigations and are presented, as follows. There are at least 22 producers of PC strand in China.⁴ According to estimates provided in the questionnaire responses of Chinese PC strand producers, total 2008 production of PC strand in China is believed to be approximately 5.1 billion pounds. To compare, there are a total of at least 22 producers of PC strand in the countries that comprise the European Union. Overall European Union production was reported to be 2.1 billion pounds in 2007. With aggregate reported capacity for European Union PC strand producers at approximately 2.7 billion pounds, these facilities were reported to be operating at 79 percent capacity utilization.⁵ In addition, available data for Korea and Mexico reveal that PC strand production in these two countries is substantially smaller than by the production of PC strand in China. The total 2007 production of the four firms in Korea that manufacture PC strand was estimated to be 182.1 million pounds⁶ and the total 2007 production of the two firms in Mexico that manufacture PC strand was estimated to be markedly smaller than the Korea production.⁷

THE INDUSTRY IN CHINA

The petitioners indicated that there are at least 22 producers of PC strand in China.⁸ The Commission sent foreign producer questionnaires to all firms identified by petitioners as possible producers/exporters of PC strand in China.⁹ Four PC strand producers in China provided responses to the Commission's request for information. The names of these firms, along with their shares of reported production and subject exports to the United States (by quantity), are presented in table VII-2. According to estimates provided in the questionnaire responses, the responding Chinese producers believe that total production of PC strand in China amounted to about 5.1 billion pounds during 2008, of which they accounted for about 17 percent in the aggregate. The four responding Chinese producers also reported that together they exported 72.2 million pounds of PC strand to the United States, which accounted for 19.1 percent of official Commerce import statistics (381.7 million pounds) in 2008.

Table VII-2
PC strand: Reporting manufacturers/exporters in China, and quantities and shares of reported production and exports to the United States, 2008

* * * * *

⁴ Petition, exh. General-4.

⁵ Commission Regulation (EC) No 1129/2008 of 14 November 2008, *Official Journal of the European Union*, November 15, 2008, L 306/5.

⁶ *Supplemental Response to Commission's Notice of Institution of Dong-II Steel Mfg. Co., Ltd., Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand* (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), February 5, 2009.

⁷ See, e.g., *Response to Commission's Notice of Institution of Camesa and Deacero, Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand* (Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)), January 21, 2009.

⁸ Petition, exh. General-4.

⁹ A second effort to elicit questionnaire responses from an unspecified number of producers of PC strand in China was made after the conference with the assistance of respondent importing firm Global Steel Sales. Transcript, pp. 129-130 (Hendricks and Levinson).

The Commission asked the Chinese producers to indicate whether they or any related firm producers, have the capability to produce, or have any plans to produce PC strand in the United States or other countries. ***.

The Commission also asked the Chinese firms to estimate the shares of their total sales that were represented by sales of PC strand; firms' estimates ranged from *** percent to *** percent of total company sales in their most recent fiscal year. *** of the firms reported production of other products in addition to PC strand on the same equipment and machinery used in the production of PC strand in China.

In response to a question concerning changes in the character of operations concerning the production of PC strand since January 1, 2006, *** of the responding producers in China reported *** plant openings or closings, relocations, acquisitions, changes in ownership, consolidations, prolonged shutdowns, importation curtailments, or revised labor agreements. *** of the responding Chinese producers reported plant expansions in relation to their production of PC strand. Company responses concerning the changes in the character of their PC strand operations in China are presented in table VII-3.

Table VII-3
PC strand: Chinese producers' comments concerning changes in the character of operations

* * * * *

Data provided by the four Chinese PC strand producers responding to the Commission's questionnaire concerning capacity, production, inventories, and shipments are presented in table VII-4. The reported aggregate capacity of these four firms to produce PC strand in China increased throughout the period for which data were requested in these investigations. During 2006-08, the Chinese producers reportedly ran their PC strand operations at levels close to or at full capacity. However, during the first quarter of 2009, capacity utilization reported at 84.5 percent was substantially lower than calendar year 2008 but higher than the first quarter of that same year.

Producers of PC strand in China reported no internal consumption of the product throughout the period for which data were requested in these investigations. The Chinese producers' largest commercial market for PC strand was the home market, accounting for almost three-fourths of total shipments during 2006 and slightly more than two-thirds of total shipments during 2007-08. Such shipments were noticeably higher during the first quarter of 2009 than in the first quarter of 2008. PC strand exports to the United States, which was the largest export market for the Chinese PC strand during 2006, fell throughout the entire period for which actual data were collected in these investigations. Exports to the United States accounted for 17.5 percent of total shipments during 2006, 12.8 percent during 2007, and 8.6 percent during 2008. During the first quarter of 2009, the Chinese producers' exports to the United States were only 0.9 percent of their total company shipments.

Three of the four responding Chinese producers provided projected capacity data for calendar years 2009 and 2010. Two of those producers (***) reported no capacity changes and one (***) reported a ***-percent *** in capacity of *** pounds from 2008 to 2010. One of the four responding Chinese producers (***) also provided projected home market shipment data and export shipment data for exports to countries other than the United States and the European Union for calendar year 2009. This company projected an increase in sales to the home market and a decline in exports to these other markets. Another of the four responding Chinese producers (***) provided complete projections for calendar years 2009-10. *** projected a ***-percent decline in production of *** pounds from 2008 to 2009 and a ***percent increase of *** pounds in 2010. The company's projected home market shipments are expected to increase overall by *** percent from *** pounds in 2008 to *** pounds in 2010 and exports to the United States are expected to fall by *** percent from *** pounds in 2008 to *** pounds in 2009 but climb by *** percent to *** pounds in 2010. The company, which reported shipments of *** pounds of PC strand

Table VII-4

PC strand: China production capacity, production, shipments, and inventories, 2006-08, January-March 2008, and January-March 2009

	2006	2007	2008	January-March	
				2008	2009
Quantity (1,000 pounds)					
Capacity ¹	630,219	768,246	908,336	218,816	240,863
Production	614,377	769,354	878,650	162,011	203,628
End of period inventories	31,504	27,974	57,857	31,278	63,538
Shipments:					
Internal consumption	0	0	0	0	0
Home market	441,801	524,502	577,378	104,427	173,091
Exports to--					
The United States	106,839	99,032	72,735	23,998	1,714
European Union ²	14,646	20,712	21,121	5,321	2,000
All other markets ³	48,567	128,639	177,532	24,959	21,141
Total exports	170,052	248,383	271,388	54,279	24,855
Total shipments	611,853	772,884	848,766	158,706	197,947
Ratios and shares (percent)					
Capacity utilization	97.5	100.1	96.7	74.0	84.5
Inventories to production	5.1	3.6	6.6	4.8	7.8
Inventories to total shipments	5.1	3.6	6.8	4.9	8.0
Share of total quantity of shipments:					
Internal consumption	0.0	0.0	0.0	0.0	0.0
Home market	72.2	67.9	68.0	65.8	87.4
Exports to--					
The United States ²	17.5	12.8	8.6	15.1	0.9
European Union ³	2.4	2.7	2.5	3.4	1.0
All other markets	7.9	16.6	20.9	15.7	10.7
All export markets	27.8	32.1	32.0	34.2	12.6
<p>¹ Reported capacity is based on operating from 156 to 168 hours per week, 49 to 50 weeks per year.</p> <p>² Principal European Union export markets include Austria, Czech Republic, Estonia, Finland, Hungary, Italy, Lithuania, Portugal, Spain, Sweden, and the United Kingdom.</p> <p>³ Principal other export markets include Africa, Australia, Brazil, Canada, Chile, Cuba, Hong Kong, Israel, Korea, Japan, Malaysia, Middle East, Central and South America, New Zealand, Norway, Panama, Singapore, Southeast Asia, Thailand, United Arab Emirates, and Vietnam.</p> <p>Note.--Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

to the European Union in 2008, reported that it *** PC strand to the European Union during 2009-10. Inventories held by *** are expected to increase by *** percent from *** pounds in 2008 to *** pounds in 2010.

The producers in China provided explanations for their reported projections. Their explanations are presented in table VII-5.

Table VII-5
PC strand: Chinese producers' explanations for reported projections

* * * * *

U.S. INVENTORIES OF PC STRAND FROM CHINA

Data collected in these investigations on U.S. importers' end-of-period inventories of PC strand are presented in table VII-6.¹⁰ Eleven U.S. importers reported holding inventories of PC strand imported from China during the period for which data were collected in these investigations. U.S. importers' inventories of Chinese PC strand (based on quantity and as a share of imports and U.S. shipments of imports) fell from 2006 to 2007, but increased in 2008 to a level lower than that reported in 2006. The quantity of inventories of the imported Chinese product were more than five times higher during the first quarter of 2009 compared with the comparable period in 2008. The inventories of PC strand imports from nonsubject sources followed the same general trend as the imports from China but were much smaller in magnitude. The domestic producers contended that there was a large build up of inventories of the Chinese product in the United States in 2008. They argued that this excess inventory, coupled with the downturn in demand, led to a decline in U.S. imports from China during the first quarter of 2009. The petitioners further argued that the decline in U.S. imports from China was nonetheless temporary and suggested that PC strand imports from China are again on the rise.¹¹

U.S. IMPORTERS' CURRENT ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of PC strand from China for delivery after March 31, 2009. The following seven U.S. importers reported that they had placed orders for PC strand from China for delivery into the United States after September 30, 2008: ***. Six of the seven U.S. importers reported such imports for delivery during the second quarter of 2009 and four of the seven reported imports for delivery during the third quarter of 2009. No U.S. importer reported imports for delivery after the third quarter of 2009. Aggregate data reported by these U.S. importers concerning their orders of PC strand are presented in table VII-7.

¹⁰ *** of the four responding PC strand producers in China reported maintaining inventories of PC strand in the United States.

¹¹ Conference transcript, p. 23 (Woltz and Cornelius).

Table VII-6

PC strand: U.S. importers' end-of-period inventories of imports, by source, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			Jan.-Mar.	
	2006	2007	2008	2008	2009
China:					
Inventories (1,000 pounds)	62,149	31,037	52,426	8,989	50,097
Ratio of inventories to imports (percent)	18.2	10.1	15.8	2.9	109.2
Ratio to U.S. shipments of imports (percent)	20.0	9.2	16.9	2.3	95.4
Other sources:					
Inventories (1,000 pounds)	***	***	***	***	***
Ratio of inventories to imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
All sources:					
Inventories (1,000 pounds)	***	***	***	***	***
Ratio of inventories to imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***

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

Table VII-7

PC strand: U.S. importers' orders for PC strand imports from China after March 31, 2009

Firm	2009		
	April-June	July-September	October-December
Quantity (1,000 pounds)			
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total	19,804	9,181	0

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

ANTIDUMPING INVESTIGATIONS IN THIRD-COUNTRY MARKETS

PC strand produced in China is currently subject to antidumping duties in the European Union. On May 5, 2009, the Council of the European Union imposed definitive antidumping duties on imports of pre- and post-stressing wires and wire strands of non-alloy steel from China.¹² The weighted average dumping margins are presented in table VII-8.

Table VII-8
PC strand: European Union antidumping duties on PC strand from China

Company	Dumping margin (<i>in percent</i>)	Injury elimination margin (<i>in percent</i>)	Definitive anti-dumping duties rate (<i>in percent</i>)
Kiswire Qingdao. Ltd. (Qingdao)	26.8	0.0	0.0
Ossen MaanShan Steel Wire and Cable Co. Ltd (Maanshan) and Ossen Liujiang Steel Wire Cable Co. Ltd. (Liujiang)	49.8	31.1	31.1
Country-wide level	50.0	46.2	46.2
Source: Council Regulation (EC) No 383/2009 of 5 May 2009, <i>Official Journal of the European Union</i> , May 13, 2009, L 118/1.			

The petitioners argued that the imposition of the European Union antidumping duty order will essentially encourage the Chinese producers of PC strand to redirect the exports of their product from the European Union to the United States. They further argued that this redirection to the U.S. market “would have a large and devastating impact on the domestic industry.”¹³

¹² Council Regulation (EC) No 383/2009 of 5 May 2009, *Official Journal of the European Union*, May 13, 2009, L 118/1.

¹³ Petition, p. 32.

APPENDIX A
***FEDERAL REGISTER* NOTICES**

Dated: February 11, 2009.

George J. Turnbull,

Acting Regional Director, Pacific West Region.

Editorial Note: This document was received in the Office of the Federal Register on May 28, 2009.

[FR Doc. E9-12726 Filed 6-2-09; 8:45 am]

BILLING CODE 4312-FY-M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[LLIDB00000 L11500000.CB0000
LXSS024D0000: 4500007706]

Notice of Public Meeting: Resource Advisory Council to the Boise District, Bureau of Land Management, U.S. Department of the Interior

AGENCY: Bureau of Land Management, U.S. Department of the Interior.

ACTION: Notice of public meeting.

SUMMARY: In accordance with the Federal Land Policy and Management Act (FLPMA) and the Federal Advisory Committee Act of 1972 (FACA), the U.S. Department of the Interior, Bureau of Land Management (BLM) Boise District Resource Advisory Council (RAC), will hold a meeting as indicated below.

DATES: The meeting will be held July 8, 2009, at the Boise District Offices beginning at 9 a.m. and adjourning at 4 p.m. Members of the public are invited to attend, and comment periods will be held during the course of the day.

FOR FURTHER INFORMATION CONTACT: MJ Byrne, Public Affairs Officer and RAC Coordinator, BLM Boise District, 3948 Development Ave., Boise, ID 83705, Telephone (208) 384-3393.

SUPPLEMENTARY INFORMATION: The 15-member Council advises the Secretary of the Interior, through the BLM, on a variety of planning and management issues associated with public land management in southwestern Idaho. Items on the agenda will include update on development of the Gateway West Electrical Transmission Lines, and accompanying Environmental Impact Statement (EIS); an update on the status of Economic Recovery and Reinvestment Act of 2009 (ARRA) projects in the Boise District; discussions with RAC Members about how they could be involved in implementation of the Owyhee Public Lands Management Act of 2009, and in review of Alternatives for the EIS for the Four Rivers Field Office Resource Management Plan (RMP). Discussions will also be held about existing subgroups and the charters. Hot Topics will be discussed by the District

Manager. Field Office managers will provide highlights for discussion on activities in their offices. Agenda items and location may change due to changing circumstances. All RAC meetings are open to the public. The public may present written or oral comments to members of the Council. At each full RAC meeting time is provided in the agenda for hearing public comments. Depending on the number of persons wishing to comment and time available, the time for individual oral comments may be limited. Individuals who plan to attend and need special assistance, such as sign language interpretation, or other reasonable accommodations, should contact the BLM Coordinator as provided above.

Dated: May 26, 2009.

Aden L. Seidlitz,

District Manager.

[FR Doc. E9-12899 Filed 6-2-09; 8:45 am]

BILLING CODE 4310-GG-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-464 and 731-TA-1160 (Preliminary)]

Prestressed Concrete Steel Wire Strand From China

AGENCY: United States International Trade Commission.

ACTION: Institution of antidumping and countervailing duty investigations and scheduling of preliminary phase investigations.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase countervailing duty investigation No. 701-TA-464 (Preliminary) and antidumping duty investigation No. 731-TA-1160 (Preliminary) under sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)) (the Act) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from China of prestressed concrete steel wire strand ("PC strand"), provided for in subheading 7312.10.30 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and that are alleged to be subsidized by the Government of China. Unless the Department of Commerce extends the time for initiation pursuant

to sections 702(c)(1)(B) and 732(c)(1)(B) of the Act (19 U.S.C. 1671a(c)(1)(B) and 1673a(c)(1)(B)), the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by July 13, 2009. The Commission's views are due at Commerce within five business days thereafter, or by July 20, 2009.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

DATES: *Effective Date:* May 27, 2009.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. These investigations are being instituted in response to a petition filed on May 27, 2009, by American Spring Wire Corp. (Bedford Heights, OH); Insteel Wire Products Co. (Mt. Airy, NC); and Sumiden Wire Products Corp. (Dickson, TN).

Participation in the investigations and public service list. Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register**. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference. The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on June 17, 2009, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Mary Messer (202-205-3193) not later than June 12, 2009, to arrange for their appearance. Parties in support of the imposition of antidumping and countervailing duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written submissions. As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before June 22, 2009, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference no later than three days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document

filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

Issued: May 28, 2009.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9-12835 Filed 6-2-09; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-662]

In the Matter of Certain Tunable Laser Chips, Assemblies, and Products Containing Same; Notice of a Commission Determination To Terminate the Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has terminated the above-captioned investigation under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337).

FOR FURTHER INFORMATION CONTACT:

Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone (202) 708-2310. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation

on December 19, 2008 based on a complaint filed on November 7, 2008, by JDS Uniphase Corporation ("JDSU") of Milpitas, California. 73 FR 77839-40 (December 19, 2008). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain tunable laser chips, assemblies, and products containing same by reason of infringement of certain claims of U.S. Patent Nos. 6,658,035 and 6,687,278. The complainant named numerous respondents and further alleged that an industry in the United States exists as required by subsection (a)(2) of section 337.

On May 19, 2009, the Commission issued notice of its determination not to review an initial determination (Order No. 15) terminating the last remaining respondent on the basis of a settlement agreement. Accordingly, the Commission has determined to terminate the investigation.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in section 210.21(b)(2) of the Commission's Rules of Practice and Procedure, 19 CFR 210.21(b)(2).

Issued: May 29, 2009.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9-12932 Filed 6-2-09; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Under the Comprehensive Environmental Response, Compensation, and Liability Act

Notice is hereby given that on May 18, 2009, a proposed Consent Decree in *United States of America v. Georgia Pacific LLC*, Civil Action No. 1:09-cv-429, was lodged with the United States District Court for the Western District of Michigan.

In this action the United States sought to recover from Georgia Pacific environmental response costs in connection with a disposal area (known as "OU2") at the Allied Paper/Portage Creek/Kalamazoo River Superfund Site in Kalamazoo and Portage Counties, Michigan (the "Site"). In addition, the United States sought a judgment declaring that the Defendant is liable for any further response costs that the

Average Yarn Number: 38/IMC–40/IMC; 61/IMC
 Thread Count: 77 warp ends x 20 filling picks per square centimeter
 Weave Type: Stretch Dobby
 Weight: 208.17–254.43 grams/m²
 Width: 124.46 to 132.08 centimeters
 Finish: Piece Dyed
 Variance allowance of up to three percent for content, ten percent for yarn size, ten percent for thread count, ten percent for fabric weight, and ten percent for fabric width.

Kim-Bang Nguyen,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. E9–14754 Filed 6–22–09; 8:45 am]

BILLING CODE 3510–DS

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–945]

Prestressed Concrete Steel Wire Strand From the People's Republic of China: Initiation of Antidumping Duty Investigation

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* June 23, 2009.

FOR FURTHER INFORMATION CONTACT: Alex Villanueva, AD/CVD Operations, Office 9, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482–3208.

SUPPLEMENTARY INFORMATION:

The Petition

On May 27, 2009, the Department of Commerce (“the Department”) received an antidumping duty (“AD”) petition concerning imports of prestressed concrete steel wire strand (“PC strand”) from the People’s Republic of China (“PRC”) filed in proper form by American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp., (collectively, “Petitioners”).¹ On June 1, 2009, the Department issued a request for additional information and clarification of certain areas of the Petition. Based on the Department’s request, Petitioners filed supplements to the Petition on June 4, 2009 (“Supplement to the AD Petition” and “Supplement to the AD/CVD Petitions”). On June 8, 2009, the Department requested further clarifications of industry support and producers/exporters identified in the

¹ See Petitions for the Imposition of Antidumping and Countervailing Duties: Prestressed Concrete Steel Wire Strand From the People’s Republic of China, dated May 27, 2009 (the Petition).

Petitions. Based on the Department’s request, Petitioners filed supplements to the Petition on June 9, 2009 (“Second Supplement to the AD/CVD Petitions”). On June 12, 2009 the Department again asked for clarification regarding the scope. Based on the Department’s request, Petitioners filed an additional supplement to the Petition on June 15, 2009 (“Third Supplement to the AD/CVD Petitions”).

In accordance with section 732(b) of the Tariff Act of 1930, as amended (“the Act”), Petitioners allege that imports of PC strand from the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) of the Act, and that they have demonstrated sufficient industry support with respect to the investigation that they are requesting the Department to initiate (see “Determination of Industry Support for the Petition” below).

Scope of Investigation

The products covered by this investigation are PC strand from the PRC. For a full description of the scope of the investigation, please see the “Scope of Investigation” in Appendix I of this notice.

Comments on Scope of Investigation

During our review of the Petition, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323* (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by July 6, 2009, twenty calendar days from the signature date of this notice. Comments should be addressed to Import Administration’s APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of PC strand to be reported in response to the Department’s antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as (1) general product characteristics and (2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe PC strand, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by July 6, 2009. Additionally, rebuttal comments must be received by July 13, 2009.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the

petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (“ITC”), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (See section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.²

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation,” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that PC strand constitutes a single domestic like product and we have analyzed industry

support in terms of that domestic like product.³

In determining whether Petitioners have standing under section 732(c)(4)(A), we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of Investigation” section above. To establish industry support, Petitioners provided their production of the domestic like product for the year 2008, and compared this to total production of the domestic like product for the entire domestic industry.⁴ Petitioners calculated total domestic production based on their own production plus information provided by the two other non-petitioning companies that produce the domestic like product in the United States, who are supporters of the Petition.⁵

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).⁶ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.⁷ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to,

³ For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: PC Strand from the PRC (“Initiation Checklist”) at Attachment II (“Industry Support”), dated concurrently with this notice and on file in the Central Records Unit (“CRU”), Room 1117 of the main Department of Commerce building.

⁴ See Volume I of the Petition, at 4, and Exhibit General-1.

⁵ See Volume I of the Petition, at Exhibit General-1, and Supplement to the AD/CVD Petitions, at 5–6, and Attachment 3, and Second Supplement to the AD/CVD Petitions, at 5, and Attachment 1; see also Initiation Checklist as Attachment II, Industry Support.

⁶ See Section 732(c)(4)(D) of the Act, and Initiation Checklist at Attachment 2.

⁷ See Initiation Checklist at Attachment II.

the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.⁸

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigation that they are requesting the Department initiate.⁹

Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (“NV”). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

Petitioners contend that the industry’s injured condition is illustrated by reduced market share, increased import penetration, underselling and price depressing and suppressing effects, lost sales and revenue, reduced production, capacity, and capacity utilization, reduced employment, and an overall decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.¹⁰

Period of Investigation

In accordance with 19 CFR 351.204(b)(1), because this Petition was filed on May 27, 2009, the anticipated period of investigation (“POI”) is October 1, 2008, through March 31, 2009.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department has based its decision to initiate an investigation with respect to the PRC. The sources of data for the deductions and adjustments relating to U.S. price and normal value (“NV”) are discussed in the Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act, we may

⁸ See *id.*

⁹ See *id.*

¹⁰ See Initiation Checklist at Attachment 3.

² See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

reexamine the information and revise the margin calculations, if appropriate.

Export Price

Petitioners calculated export prices ("EPs") for PC strand of various diameters: 3/8" diameter, 1/2" diameter and 0.6" diameter. These were based on price quotes obtained through offers of sale. Petitioner presented affidavits for the offers for sale attesting that the offers were made during the POI.¹¹

To calculate the net U.S. EP, Petitioners deducted from the starting U.S. prices ocean freight and insurance charges, U.S. port fees, foreign brokerage and, as appropriate, a re-seller mark-up. U.S. inland freight costs were also deducted when such information was available. We have not made any additional deductions.

Petitioners calculated per-unit ocean freight and insurance using import statistics reported by the U.S. International Trade Commission Dataweb. As for U.S. port fees, Petitioners included the 0.21 percent ad valorem harbor maintenance fee as well as the 0.125 percent merchandise processing fee. Foreign brokerage was calculated using the Department's methodology in *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China* and then converted to the appropriate unit.¹² Petitioners calculated re-seller mark-ups based on industry knowledge, choosing a lower value in order to produce a conservative estimate. Lastly, U.S. inland freight was calculated based on Petitioners' experience delivering PC strand inside the United States and the number of miles from the closest U.S. port to the location of the U.S. customer.¹³

Normal Value

Petitioners state that in every previous less-than-fair value investigation involving merchandise from the PRC, the Department has concluded that the PRC is a non-market economy country ("NME") and, as the Department has not revoked this determination, its NME status remains in effect today.¹⁴ The Department has previously examined the PRC's market status and determined that NME status should continue for the PRC.¹⁵ In addition, in recent

antidumping duty investigations, the Department has continued to determine that the PRC is an NME country.¹⁶

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners argue that India is the appropriate surrogate country for the PRC because it is at a comparable level of economic development and it has two major producers of PC strand.¹⁷ Petitioners state that the Department has determined in previous antidumping duty investigations and administrative reviews that India is at a level of development comparable to the PRC.¹⁸ Petitioners also assert that there are two major producers of the subject merchandise in India, the Tata Steel Group and the Usha Martin Group.¹⁹

Based on the information provided by Petitioners, the Department believes that the use of India as a surrogate country is appropriate for purposes of initiation. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

Administration, regarding *The People's Republic of China Status as a Non-Market Economy*, dated May 15, 2006. This document is available online at <http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf>.

¹⁶ See *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 14514 (March 31, 2009); *Frontseating Service Valves from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 74 FR 10886 (March 13, 2009); *1-Hydroxyethylidene-1, 1-Diphosphonic Acid From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 10545 (March 11, 2009).

¹⁷ See Volume II-A of the Petition, at 47-49.

¹⁸ See *id.*

¹⁹ See *id.*

Petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Petitioners calculated three NVs for PC strand, including diameters of 3/8", 1/2", and 0.6".

Petitioners valued the factors of production using reasonably available, public surrogate country data, including India import data from the Monthly Statistics of the Foreign Trade of India ("MSFTI") as compiled by the World Trade Atlas (WTA) from the period May 2008 through October 2008, the most current data available, information regarding labor costs on the Department's Web site, the *International Energy Agency Statistics*, and information from the 2007/2008 unconsolidated financial reports of the Tata Steel Group and the Usha Martin Group.²⁰ To calculate the consumption rates, the Petitioners used the consumption rates for U.S. producers during the POI.²¹

Petitioners state that they valued hot-rolled, high-carbon steel wire rod using the WTA data, which was then converted to the appropriate unit.²² Petitioners valued electricity using Indian electricity rates disseminated by the *International Energy Agency*.²³ Petitioners valued labor using the wage rate data published on the Department's Web site, at <http://ia.ita.doc.gov>.²⁴ Petitioners valued natural gas according to Indian import data compiled by the WTA.²⁵

Where Petitioners were unable to find input prices contemporaneous with the POI, Petitioners adjusted for inflation using the wholesale price index for India, as published by the International Monetary Fund.²⁶ Petitioners used exchange rates, as reported by the Federal Reserve, to convert Indian Rupees to U.S. Dollars.²⁷

Petitioners based factory overhead, selling, general and administrative expenses ("SG&A"), and profit, on the financial ratios of the Tata Steel Group and the Usha Martin Group as both companies are significant producers of

²⁰ See Volume II-A of the Petition, at 51-54.

²¹ See Volume II-A of the Petition, at 49-50, and Exhibit AD-6.

²² See Volume II-A of the Petition, at 52, and Supplement to the AD Petition, at 5.

²³ See Volume II-A of the Petition, at 53, and Exhibit AD-7.

²⁴ See Volume II-A of the Petition, at 52, and Exhibits AD-6 and AD-7.

²⁵ See Volume II-A of the Petition, at 53, and Exhibit AD-7.

²⁶ See Volume II-A of the Petition, at 51, and Exhibit AD-7.

²⁷ See *id.*

¹¹ See Initiation Checklist for further discussion.

¹² See Memorandum from Katie Marksberry to The File, regarding Investigation of Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Surrogate Value Determination, dated February 26, 2009, at 17.

¹³ See Initiation Checklist for further discussion.

¹⁴ See Volume II-A of the Petition, at 47.

¹⁵ See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import

PC strand.²⁸ The ratios were obtained from each respective company's 2007/2008 unconsolidated financial reports and then averaged together.²⁹

Fair-Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of PC strand from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV as revised above, the estimated dumping margins for the PRC range from 140.16 percent to 314.59 percent.³⁰

Initiation of Antidumping Investigation

Based upon the examination of the Petition concerning PC strand from the PRC and other information reasonably available to the Department, the Department finds that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of PC strand from the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Targeted-Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted-dumping analysis in antidumping duty investigations, and the corresponding regulation governing the deadline for targeted-dumping allegations, 19 CFR 351.301(d)(5).³¹ The Department stated that "{w}ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area."³²

In order to accomplish this objective, if any interested party wishes to make a targeted-dumping allegation in this investigation pursuant to section 777A(d)(1)(B) of the Act, such allegation is due no later than 45 days before the

scheduled date of the preliminary determination.

Respondent Selection

The Department will request quantity and value information from the exporters and producers identified in the Petition with complete contact information. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status.³³ Appendix II of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than July 7, 2009. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Department's Web site, at <http://ia.ita.doc.gov/ia-highlights-and-news.html>.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate status application.³⁴ The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due sixty (60) days from the date of publication of this initiation notice in the **Federal Register**.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates/Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all

separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of combination rates because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.³⁵

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the representatives of the Government of the PRC. Because of the particularly large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by the delivery of the public version to the Government of the PRC, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the International Trade Commission

The ITC will preliminarily determine, no later than July 13, 2009,³⁶ whether there is a reasonable indication that imports of PC strand from the PRC materially injure, or threaten material injury to, a U.S. industry. A negative ITC determination covering all classes or kinds of merchandise covered by the Petition would result in the investigation being terminated. Otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

²⁸ See Volume II-A of the Petition, at 48-49; see also Supplement to the AD Petition, dated June 4, 2009, at 2-5.

²⁹ See Volume II-A of the Petition, at 53-54, and Exhibit AD-8; see also Supplement to the AD Petition, dated June 4, 2009, at 6.

³⁰ See Supplement to the AD Petition, at Exhibit Supp. AD-1.

³¹ See *Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations*, 73 FR 74930 (December 10, 2008).

³² *Id.* at 74931.

³³ See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008); and *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005).

³⁴ See *Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 73 FR 23188, 23193 (April 29, 2008). ("Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC").

³⁵ See Import Administration Policy Bulletin, Number: 05.1, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," dated April 5, 2005, available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>; See also *Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC*, 73 FR 23188, 23193.

³⁶ Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

Dated: June 16, 2009.

Ronald K. Lorentzen,
Acting Assistant Secretary for Import Administration.

Appendix I

Scope of the Investigation

For purposes of this investigation, prestressed concrete steel wire strand (PC strand) is steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, prestressed concrete (both pretensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the

American Society for Testing and Materials (ASTM) A-416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft²; standard set forth in ASTM-A-475.

The PC strand subject to this investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

Where it is not practicable to examine all known exporters/producers of subject

merchandise, section 777A(c)(2) of the Tariff Act of 1930, as amended, permits us to investigate (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (see "Scope of Investigation" section of this notice), produced in the PRC, and exported/shipped to the United States during the period October 1, 2008, through March 31, 2009.

Market	Total quantity in kilograms	Terms of sale	Total value in U.S. dollars
United States:			
1. Export Price Sales			
2. a. Exporter Name			
b. Address			
c. Contact			
d. Phone No.			
e. Fax No.			
3. Constructed Export Price Sales			
4. Further Manufactured			
Total Sales			

Total Quantity:

- Please report quantity on a kilograms basis. If any conversions were used, please provide the conversion formula and source.

Terms of Sales:

- Please report all sales on the same terms (e.g., free on board at port of export).

Total Value:

- All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective dates and sources.

Export Price Sales:

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer occurs before importation into the United States.

- Please include any sales exported by your company directly to the United States.

- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Constructed Export Price Sales:

- Generally, a U.S. sale is classified as a constructed export price sale when the first

sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.

- Please include any sales exported by your company directly to the United States.

- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

- Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Further Manufactured:

- Sales of further manufactured or assembled (including re-packaged) merchandise is merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.

- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in

moving the product from the U.S. port of entry to the further manufacturer.

[FR Doc. E9-14721 Filed 6-22-09; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-822]

Certain Helical Spring Lock Washers from the People's Republic of China: Extension of Time Limit for the Preliminary Results of the 2007-2008 Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

EFFECTIVE DATE: June 23, 2009.

FOR FURTHER INFORMATION CONTACT: Shelly Atkinson or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-0116 or (202)482-0182, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 24, 2008, the Department of Commerce (“the Department”) published a notice of initiation of an administrative review of the antidumping duty order on certain helical spring lock washers from the People’s Republic of China covering the period October 1, 2007, through September 30, 2008. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 73 FR 70964 (November 24, 2008). The preliminary results for this administrative review are currently due no later than July 3, 2009.

Extension of Time Limits for Preliminary Results

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“the Act”), requires the Department to issue the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an antidumping duty order for which a review is requested and issue the final results within 120 days after the date on which the preliminary results are published. However, if it is not practicable to complete the review within the time period, section 751(a)(3)(A) of the Act allows the Department to extend these deadlines to a maximum of 365 days and 180 days, respectively.

Because the Department is analyzing the questionnaire response and will issue a supplemental questionnaire shortly, it is not practicable to complete the preliminary results of this review within the original time limit (*i.e.*, July 3, 2009). Therefore, the Department is extending the time limit for completion of the preliminary results to no later than November 2, 2009,¹ in accordance with section 751(a)(3)(A) of the Act.

We are issuing and publishing this notice in accordance with sections 751(a)(3)(A) and 777(i)(1) of the Act.

Dated: June 12, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. E9–14730 Filed 6–22–09; 8:45 am]

BILLING CODE 3510–DS–S

¹ 120 days from July 3, 2009, is October 31, 2009. However, Department practice dictates that where a deadline falls on a weekend, the appropriate deadline is the next business day. *See Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–946]

Prestressed Concrete Steel Wire Strand From the People’s Republic of China: Initiation of Countervailing Duty Investigation

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* June 16, 2009.

FOR FURTHER INFORMATION CONTACT: Robert Copyak, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Room 4014, Washington, DC 20230; telephone: (202) 482–2209.

SUPPLEMENTARY INFORMATION:

The Petition

On May 27, 2009, the Department of Commerce (“Department”) received a petition filed in proper form by American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp (collectively, “Petitioners”), domestic producers of prestressed concrete steel wire strand (“PC Strand”). On June 1, 2009, the Department issued a request for additional information and clarification of certain areas of the Petition. Based on the Department’s request, Petitioners filed supplements to the Petition on June 4, 2009 (“Supplement to the AD Petition” and “Supplement to the AD/CVD Petitions”). On June 4, 2009, the Department requested further clarification of Petitioners’ subsidy allegations. Based on the Department’s request, Petitioners filed supplements to the countervailing duty (“CVD”) petition on June 11, 2009 (“Supplement to the CVD Petition”). On June 8, 2009, the Department requested further clarifications of industry support and producers/exporters identified in the Petitions. Based on the Department’s request, Petitioners filed supplements to the Petition on June 9, 2009 (“Second Supplement to the AD/CVD Petitions”). On June 12, 2009 the Department again asked for clarification regarding the scope. Based on the Department’s request, Petitioners filed an additional supplement to the Petition on June 15, 2009 (“Third Supplement to the AD/CVD Petitions”).

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (“the Act”), Petitioners allege that manufacturers, producers, or exporters of PC Strand in the People’s Republic of

China (“PRC”) receive countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act, and Petitioners have demonstrated sufficient industry support with respect to the CVD investigation (*see* “Determination of Industry Support for the Petition” section below).

Period of Investigation

The period of investigation is January 1, 2008, through December 31, 2008.

Scope of Investigation

The products covered by this investigation are PC Strand from the PRC. For a full description of the scope of the investigation, please see the “Scope of the Investigation” in Appendix I of this notice.

Comments on Scope of Investigation

During our review of the Petition, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by July 6, 2009, twenty calendar days from the signature date of this notice. Comments should be addressed to Import Administration’s APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Consultations

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the Government of the PRC for consultations with respect to the CVD Petition. The Department held these consultations in Washington, DC, on June 1, 2009. *See* the Memorandum from Dana S. Mermelstein to the Files, entitled, “Countervailing Duty Petitions on Pre-Stressed Concrete Steel Wire

Strand and Certain Grating from the People's Republic of China:

Consultations with the Government of the People's Republic of China," (June 3, 2009), which is on file in the Central Records Unit ("CRU") of the main Department of Commerce building, Room 1117.

Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission ("ITC"), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865

F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that PC strand constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, see Countervailing Duty Investigation Initiation Checklist: PC Strand from the PRC ("Initiation Checklist") at Attachment II ("Industry Support"), dated concurrently with this notice and on file in the Central Records Unit ("CRU"), Room 1117 of the main Department of Commerce building.

In determining whether Petitioners have standing, under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the "Scope of Investigation" section above. To establish industry support, Petitioners provided their production of the domestic like product for the year 2008, and compared this to total production of the domestic like product for the entire domestic industry. See Volume I of the Petition, at 4, and Exhibit General-1. Petitioners calculated total domestic production based on their own production plus information provided by the two other non-petitioning companies that produce the domestic like product in the United States, who are supporters of the Petition. See Volume I of the Petition, at Exhibit General-1, and Supplement to the AD/CVD Petitions, at 5-6, and Attachment 3, and Second Supplement to the AD/CVD Petitions, dated June 9, 2009, at 5, and Attachment 1; see also Initiation Checklist as Attachment II, Industry Support.

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petition established

support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). See section 702(c)(4)(D) of the Act and Initiation Checklist at Attachment II. Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. See Initiation Checklist at Attachment II. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act. See *id.*

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigation that they are requesting the Department initiate. See *id.*

Allegations and Evidence of Material Injury and Causation

Petitioners allege that imports of PC strand from the PRC are benefitting from countervailable subsidies and that such imports are causing or threaten to cause, material injury to the domestic industries producing PC strand. In addition, Petitioners allege that subsidized imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

Petitioners contend that the industry's injured condition is illustrated by reduced market share, increased import penetration, underselling and price depressing and suppressing effects, lost sales and revenue, reduced production, capacity, and capacity utilization, reduced employment, and an overall decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the

statutory requirements for initiation. See Initiation Checklist at Attachment III (Analysis of Allegations and Evidence of Material Injury and Causation for the Petition).

Initiation of Countervailing Duty Investigation

Section 702(b) of the Act requires the Department to initiate a CVD proceeding whenever an interested party files a petition on behalf of an industry that: (1) Alleges the elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to the petitioner(s) supporting the allegations.

The Department has examined the CVD Petition on PC Strand from the PRC and finds that it complies with the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(b) of the Act, we are initiating a CVD investigation to determine whether manufacturers, producers, or exporters of PC Strand in the PRC receive countervailable subsidies. For a discussion of evidence supporting our initiation determination, see Initiation Checklist.

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in the PRC:

A. Loan Programs

1. Policy Lending at the Federal Level to PC Strand Industry.
2. Policy Lending at the Provincial and Municipal Level.
3. Preferential Loans for State-Owned Enterprises.
4. Treasury Bond Loans.
5. Honorable Enterprises Program.
6. Preferential Loans for Key Projects and Technologies.

B. Government Provision of Goods and Services for Less Than Adequate Remuneration (LTAR)

1. Government Provision of Wire Rod for LTAR.
2. Provision of Land Use Rights for LTAR to Foreign Invested Enterprises ("FIEs") in Jiangxi and the City of Xinyu.
3. Federal Provision of Electricity for LTAR.
4. Provision of Electricity and Water at LTAR for FIEs and "Technologically Advanced" Enterprises by Jiangsu Province.

C. Income and Other Direct Taxes

1. Income Tax Credits for Domestically Owned Companies

Purchasing Domestically Produced Equipment.

2. Income Tax Exemption for Investment in Domestic Technological Renovation.

3. Reduction in or exemption from Fixed Assets Investment Orientation Regulatory Tax.

D. Indirect Tax and Tariff Exemption Programs

1. Stamp Exemption on Share Transfers Under Non-Tradable Share Reform.

2. Deed Tax Exemption for State Owned Enterprises (SOEs) Undergoing Mergers or Restructurings.

3. Export Incentive Payments Characterized as "VAT Rebates."

4. Import Tariff and VAT Exemptions for FIEs and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries.

5. Import Tariff and VAT Refunds to Promote the Development of Equipment Manufacturing in China.

E. Grant Programs

1. The State Key Technology Project Fund.

2. Subsidies for Development of Famous Export Brands and China World Top Brands.

3. Sub-Central Government Programs to Promote Famous Export Brands and China World Top Brands.

4. Exemptions for SOEs from Distributing Dividends to the State.

5. Grants to Loss-Making SOEs.
6. Program to Rebate Antidumping Fees.

F. Preferential Income Tax Subsidies for Foreign Invested Entities (FIEs)

1. Two Free, Three Half Program.

2. Income Tax Exemption Program for Export-Oriented FIEs.

3. Local Income Tax Exemption and Reduction Programs for "Productive" Foreign-Invested Enterprises.

4. Preferential Tax Programs for Foreign-Invested Enterprises Recognized as High or New Technology Enterprises.

5. Income Tax Subsidies for FIE's Based on Geographic Location.

6. VAT Refunds for FIE's Purchasing Domestically-Produced Equipment.

For further information explaining why the Department is investigating these programs, see the Initiation Checklist.

We are not including in our investigation the following programs alleged to benefit producers and exporters of the subject merchandise in the PRC:

A. Export Loans

Petitioners allege that in *Line Pipe from the PRC*, the Department found that a number of companies benefitted from export-contingent loans from SOCBs and that Chinese PC strand producers would be eligible for such loans. See *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 70961 (Nov. 24, 2008) ("*Line Pipe from the PRC*"), and accompanying Issues and Decision Memorandum (Line Pipe from PRC Decision Memorandum) at "Export Loans" section. According to Petitioners, this program has not been eliminated by any reforms to the Chinese banking system. Petitioners support their allegation by citing to *Line Pipe from the PRC*. However, in a subsequent initiation of a CVD investigation, the Department made clear the producers identified in that petition were the same as those investigated in *Line Pipe from the PRC*. See *Certain Oil Country Tubular Goods from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 74 FR 20678 (May 5, 2009) ("*OCTG Initiation*"), and accompanying Initiation Checklist (OCTG Initiation Checklist) at "Export Loans" section. The producers investigated in *Line Pipe from the PRC* and identified in the *OCTG Initiation* are not identified in the petition filed on the record of this proceeding. Therefore, we find that the support relied on in the OCTG Initiation to initiate an investigation of export loans does not apply to the facts of this proceeding. The petitioners have provided insufficient evidence indicating that PC strand producers can benefit from this alleged program.

B. Stamp Tax Exemption and Waiver of Administrative Charges for SOEs Undergoing Mergers or Restructurings

Petitioners allege that the GOC imposes charges on companies that undergo a restructuring or reorganization in China for various administrative items that include a business registration change, trademark registration change, tax registration, property rights, and land registration. Petitioners allege that, pursuant to Cai Shui (2003) No. 184 and Ji Jia Fei (1998) No. 1077, SOEs are exempted from certain fees associated with land registration, such as land registration fees, survey fees, and measurement registration fees. The legislation cited by petitioners refers to stamp tax exemptions provided by the

municipality of Shenzhen. The petitioners did not provide copies of Cai Shui (2003) No. 184 and Ji Jia Fei (1998) No. 1077. The only documentation provided by petitioners refers to stamp tax exemptions provided by the municipality of Shenzhen. However, petitioners have not identified a producer of PC strand that is located in the municipality of Shenzhen.

C. Export Assistance Grants

Petitioners allege that the Department found this program conferred countervailable benefits on Chinese pipe producers in the *CWP from the PRC* investigation.¹ Petitioners contend that there is no reason to believe this program has been terminated, and the Department should investigate it accordingly. Aside from citing to *CWP from the PRC*, petitioners have not identified the administering authority that is allegedly providing the export assistance grants. Therefore, Petitioners have not provided any indication whether the program is administered at the municipal, provincial, or Federal level. Nor have the petitioners shown that PC strand producers are located within the area or regions in which these assistance grants are made available.

D. Provision of Land to SOEs for Less Than Adequate Remuneration

According to petitioners, the Department initiated an investigation of the provision of land to SOEs for LTAR in *OTR Tires from the PRC*.² Petitioners contend that, to the extent that it does not consider this program a subset of the provision of land for LTAR generally, the Department should investigate this as a separate program. Petitioners' sole support for this allegation is the Department's initiation in the *OTR from the PRC Initiation*, which we find does not constitute sufficient evidence that PC strand producers can benefit from this alleged program. We note that the information reviewed by the Department in the *OTR from the PRC Initiation*, included company-specific

¹ See *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances*, 73 FR 31966 (June 5, 2008) ("*CWP from the PRC*"), and accompanying Issues and Decision Memorandum (CWP from the PRC Decision Memorandum) at "Export Assistance Grants."

² *Citation to Certain New Pneumatic Off-the-Road Tires From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 72 FR 44122, 44124 (August 7, 2007) ("*OTR from the PRC Initiation*"), and accompanying Initiation Checklist (OTR from the PRC Initiation Checklist) at "Provision of Land and Utilities to SOEs for Less than Adequate Remuneration."

information pertaining to OTR producers as well as other documentation that is not on the record of the current proceeding.

E. Government Provision of Land at Less Than Adequate Remuneration to Companies Located in Development Zones

Petitioners allege that local and provincial governments sell land for LTAR to firms located in designated geographical areas. We have recommended initiating an investigation into the Province of Jiangxi and the City of Xinyu's provision of land to FIEs for less than adequate remuneration in the context of the "Provision of Land Use Rights for Less Than Adequate Remuneration" program. Further, petitioner has provided no additional information to support its allegation of the provision of land for LTAR to companies located in other geographical regions outside the Province of Jiangxi and the City of Xinyu.

F. Government Restraints on Exports of Wire Rod

Petitioners allege that the GOC imposes export restrictions, such as export quotas, related export licensing and bidding requirements, minimum export prices and export duties, on the raw materials used for producing PC strand. Petitioners contend that these restrictions have resulted in artificially suppressing raw material prices of wire rod within the PRC. Petitioners have not adequately shown how these particular export taxes and licenses constitute entrapment or direction of private entities by the GOC to provide a financial contribution to producers of subject merchandise. Moreover, petitioners have not provided sufficient data regarding historic price and export trends demonstrating, *e.g.*, price decreases or decreased exports (as a whole, from China) correlated with the imposition of the alleged export restraints.

G. Tax Reduction for Enterprises Making Little Profit

According to China's WTO subsidies notification, enterprises with annual taxable incomes between RMB 30,000 and 100,000 are eligible for a 3 percent reduction in their annual income tax rate. Petitioners have not established with reasonably available information that "enterprises making little profit" are a *de jure* specific group because petitioners have provided no explanation of why companies with access to this program comprise an enterprise or industry, or group of enterprises or industries. *See, e.g.*,

Preamble to Countervailing Duty Regulations, 63 FR 65348, 65357 (November 25, 1998) "'* * * because the user represented numerous and diverse industries, the program was found not to be specific.'"

H. China's Enforced Undervaluation of Its Currency

Petitioners allege that the GOC-maintained exchange rate effectively prevents the appreciation of the Chinese currency ("RMB") against the U.S. dollar. In addition, petitioners allege that the GOC requires that foreign exchange earned from export activities be converted to RMB at the government prescribed rate. Therefore, when producers in the PRC sell their dollars at official foreign exchange banks, as required by law, the producers receive more RMB than they otherwise would if the value of the RMB were set by market mechanisms. Petitioners have not sufficiently alleged the elements necessary for the imposition of a countervailing duty and did not support the allegation with reasonably available information.

Respondent Selection

For this investigation, the Department expects to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of investigation. We intend to make our decision regarding respondent selection within 20 days of publication of this **Federal Register** notice. The Department invites comments regarding the CBP data and respondent selection within seven calendar days of publication of this **Federal Register** notice.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act, a copy of the public version of the petition has been provided to the Government of the PRC. As soon as and to the extent practicable, we will attempt to provide a copy of the public version of the petition to each exporter named in the petition, consistent with section 351.203(c)(2) of the Department's regulations.

ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of the initiation, whether there is a reasonable indication that imports of subsidized PC Strand from the PRC are causing material

injury, or threatening to cause material injury, to a U.S. industry. See section 703(a)(2) of the Act. A negative ITC determination will result in the investigation being terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: June 16, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

Appendix I

Scope of the Investigation

For purposes of this investigation, prestressed concrete steel wire strand (PC strand) is steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, prestressed concrete (both pretensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A-416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft² standard set forth in ASTM-A-475.

The PC strand subject to this investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

[FR Doc. E9-14743 Filed 6-22-09; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XP88

Magnuson-Stevens Act Provisions; General Provisions for Domestic Fisheries; Application for Exempted Fishing Permit

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; request for comments.

SUMMARY: The Assistant Regional Administrator for Sustainable Fisheries, Northeast Region, NMFS, has made a preliminary determination that the

subject exempted fishing permit (EFP) application contains all the required information and warrants further consideration. Therefore, NMFS announces that the Assistant Regional Administrator proposes to recommend that an EFP be issued that would allow four commercial fishing vessel to conduct fishing operations that are otherwise restricted by the regulations governing the fisheries of the Northeastern United States. The EFP, which would enable the applicants to land more than one standard tote of female red crabs and to conduct at-sea sampling and tagging, would allow for exemptions for up to four vessels from the Atlantic Deep-sea Red Crab Fishery Management Plan (FMP).

Regulations under the Magnuson-Stevens Fishery Conservation and Management Act require publication of this notification to provide interested parties the opportunity to comment on applications for proposed EFPs.

DATES: Comments must be received on or before July 8, 2009.

ADDRESSES: Comments on this notice may be submitted by e-mail to RedCrabEFP@noaa.gov. Include in the subject line of the e-mail comment the following document identifier: "Comments on Red Crab EFP." Written comments should be sent to Patricia A. Kurkul, Regional Administrator, NMFS, Northeast Regional Office, 55 Great Republic Drive, Gloucester, MA 01930. Mark the outside of the envelope "Comments on Red Crab EFP." Comments may also be sent via facsimile (fax) to (978) 281-9135.

FOR FURTHER INFORMATION CONTACT: Moira Kelly, Fishery Policy Analyst, phone: 978-281-9218, fax: 978-281-9135.

SUPPLEMENTARY INFORMATION: An application for an EFP was submitted on November 19, 2008, by Dr. Richard Wahle of the Bigelow Laboratory for Ocean Sciences; Dr. Yong Chen of the School of Marine Sciences, University of Maine; and Mr. Jon Williams of the New England Red Crab Harvesters' Association. A supplementary proposal was received on February 10, 2009, that provided greater detail on the harvest of female red crabs (*Chaceon quinquidens*).

This project is fully funded by the New England Red Crab Harvesters' Association. The primary goal of the experimental fishery is to begin harvesting non-egg bearing females to expand the red crab market and increase efficiency in the harvesting process. In addition, an experimental fishery that includes non-egg bearing females would provide an opportunity to

conduct at-sea sampling, renewed tagging, and model development to better evaluate the growth and reproductive performance of the population, as well as the impact of current and proposed harvesting on yields and egg production. This aspect of the project would be conducted by an onboard researcher under the direction of Dr. Wahle. The objectives of this project are as follows:

1. Characterize regional variability in the reproductive characteristics of the red crab population along the geographic range of the fishery on the New England and mid-Atlantic shelf break;

2. Conduct tagging to evaluate growth rates that will facilitate the development of growth and yield and egg production models for the fishery; and

3. Develop yield and egg per recruit models to identify potential biological reference points for red crab stock assessment and to evaluate impacts of fishing on the female red crab resource.

The experimental design calls for normal commercial fishing operations, with the addition of retaining females. The research and experimental fishing would occur within the constraints of the current management measures, including possession limits and days-at-sea limits. The research would occur during normal fishing operations by sampling the catch to evaluate the size and sex composition of the catch, including the number of egg-bearing females. Further, the applicants propose to tag up to 20,000 crabs over 2 years to analyze growth. In order to allow for sufficient numbers of crabs for the tagging project, a small number of traps would be fitted with small mesh to trap smaller crabs. All crabs would be sorted and weighed, and crabs of marketable size would be retained for sale. All discards would be released as quickly as practicable to reduce incidental mortality. All at-sea research would be conducted from one of the four active red crab fishing vessels, fishing under that vessel's DAS.

The applicant may make requests to NMFS for minor modifications and extensions to the EFP throughout the year. EFP modifications and extensions may be granted by NMFS without further notice if they are deemed essential to facilitate completion of the proposed research and result in only a minimal change in the scope or impact of the initially approved EFP request. In accordance with NOAA Administrative Order 216-6, a Categorical Exclusion or other appropriate NEPA document would be completed prior to the issuance of the EFP. Further review and consultation may be necessary before a

APPENDIX B
CONFERENCE WITNESSES

CALENDAR OF PUBLIC CONFERENCE

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

Subject: Prestressed Concrete Steel Wire Strand from China
Inv. No.: 701-TA-464 and 731-TA-1160 (Preliminary)
Date and Time: June 17, 2009 - 9:30 a.m.

The conference in connection with these investigations was held in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

OPENING REMARKS:

Petitioners (Kathleen W. Cannon, Esq., Kelley Drye & Warren, LLP)
Respondents (Ronald M. Wisla, Esq., Garvey Schubert Barer)

In Support of the Imposition of Antidumping and Countervailing Duties:

Kelley Drye & Warren, LLP
Washington, D.C.
on behalf of

American Spring Wire Corp., Insteel Wire Products Co.,
and Sumiden Wire Products Corp.

Howard Woltz, III, President & CEO
Insteel Wire Products Co.

Timothy Selhorst, President & CEO
American Spring Wire Corp.

Jon Cornelius, General Manager, PC Strand Division
Sumiden Wire Products Corp.

Timothy Johnson, Chief Operating Officer
Suncoast Post-Tension Ltd.

**In Support of the Imposition of
Antidumping Duties (continued):**

Richard Wagner, Vice President & General Manager
Insteel Wire Products Co.

Joseph Napoli, Product Sales Manager
American Spring Wire Corp.

Jeffrey Feitler, Vice President of Sales and Marketing
Sumiden Wire Products Corp.

Gina Beck, Economic Consultant
Georgetown Economic Services

Kathleen W. Cannon, Esq.)
Paul C. Rosenthal, Esq.)- OF COUNSEL

**In Opposition to the Imposition of
Antidumping and Countervailing Duties:**

Garvey Schubert Barer
Washington, D.C.
on behalf of

Global Steel Sales Corp.

Robert Hendricks, President
Global Steel Sales Corp.

Ronald M. Wisla, Esq.)
Lizbeth R. Levinson, Esq.)- OF COUNSEL

REBUTTAL/CLOSING REMARKS:

Petitioners (Paul C. Rosenthal, Esq., Kelley Drye & Warren, LLP)
Respondents (Lizbeth R. Levinson, Esq., Garvey Schubert Barer)

APPENDIX C
SUMMARY DATA

APPENDIX C

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PC strand: Summary data concerning the U.S. market (U.S. imports based on official U.S. import statistics), 2006-08, January-March 2008, and January-March 2009	C-5

The apparent U.S. consumption data presented in table C-1 are calculated based on the U.S. producers' U.S. shipments compiled from Commission questionnaire responses and U.S. imports compiled from the official U.S. import statistics of the U.S. Department of Commerce. These data are presented in the body of the staff report.

Table C-2	
PC strand: Summary data concerning the U.S. market (U.S. shipments of imports based on questionnaire responses), 2006-08, January-March 2008, and January-March 2009	C-6

The apparent U.S. consumption data presented in table C-2 are calculated based on the U.S. producers' and U.S. importers' U.S. shipments compiled from Commission questionnaire responses. Although somewhat less complete than official import statistics, questionnaire-based data on U.S. shipments of imports capture changes in importers' inventories over the period for which data were collected.

Table C-3	
PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and market shares, by sources and by applications, 2006-08, January-March 2008, and January-March 2009	C-7

The consumption data presented in table C-3 are calculated based on the U.S. producers' and U.S. importers' U.S. shipments compiled from Commission questionnaire responses. These data, however, do not equal total apparent U.S. consumption data presented in table C-2 in this report due to inconsistent reporting by firms within individual questionnaires. The primary purpose of this table is not for the analysis of total apparent U.S. consumption but to show relative market shares of the different applications (pre-tensioned and post-tensioned) and the prevalence of sales to "Buy America(n)" applications.

Table C-1

PC strand: Summary data concerning the U.S. market (U.S. imports based on official Commerce statistics), 2006-08, January-March 2008, and January-March 2009

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

Item	Reported data					Period changes			
	2006	2007	2008	January-March		2006-08	2006-07	2007-08	Jan.-Mar. 2008-09
				2008	2009				
U.S. consumption quantity:									
Amount	1,112,214	980,483	942,714	260,293	96,988	-15.2	-11.8	-3.9	-62.7
Producers' share (1)	56.4	59.4	56.2	61.8	83.2	-0.2	3.0	-3.2	21.4
Importers' share (1):									
China	35.2	36.1	40.5	35.1	12.6	5.3	0.9	4.4	-22.5
All other countries	8.4	4.5	3.3	3.2	4.3	-5.1	-3.9	-1.2	1.1
Total imports	43.6	40.6	43.8	38.2	16.8	0.2	-3.0	3.2	-21.4
U.S. consumption value:									
Amount	466,543	407,609	550,451	116,528	54,829	18.0	-12.6	35.0	-52.9
Producers' share (1)	64.1	65.9	60.8	65.0	85.1	-3.3	1.9	-5.2	20.1
Importers' share (1):									
China	27.4	28.4	35.3	31.0	9.6	7.9	1.1	6.9	-21.5
All other countries	8.6	5.6	4.0	4.0	5.3	-4.6	-3.0	-1.7	1.3
Total imports	35.9	34.1	39.2	35.0	14.9	3.3	-1.9	5.2	-20.1
U.S. imports (2) from:									
China:									
Quantity	391,367	353,937	381,652	91,269	12,183	-2.5	-9.6	7.8	-86.7
Value	127,617	115,843	194,276	36,157	5,251	52.2	-9.2	67.7	-85.5
Unit value	\$326	\$327	\$509	\$396	\$431	56.1	0.4	55.5	8.8
Ending inventory quantity	62,149	31,037	52,426	8,989	50,097	-15.6	-50.1	68.9	457.3
All other countries:									
Quantity	93,412	43,766	31,089	8,225	4,154	-66.7	-53.1	-29.0	-49.5
Value	40,085	22,982	21,771	4,675	2,924	-45.7	-42.7	-5.3	-37.4
Unit value	\$429	\$525	\$700	\$568	\$704	63.2	22.4	33.4	23.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	484,778	397,703	412,741	99,494	16,337	-14.9	-18.0	3.8	-83.6
Value	167,702	138,825	216,047	40,832	8,176	28.8	-17.2	55.6	-80.0
Unit value	\$346	\$349	\$523	\$410	\$500	51.3	0.9	50.0	21.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity	810,653	902,782	903,795	226,334	226,334	11.5	11.4	0.1	0.0
Production quantity	673,195	601,717	558,885	161,089	80,750	-17.0	-10.6	-7.1	-49.9
Capacity utilization (1)	83.0	66.7	61.8	71.2	35.7	-21.2	-16.4	-4.8	-35.5
U.S. shipments:									
Quantity	627,436	582,780	529,973	160,799	80,651	-15.5	-7.1	-9.1	-49.8
Value	298,841	268,784	334,404	75,696	46,653	11.9	-10.1	24.4	-38.4
Unit value	\$476	\$461	\$631	\$471	\$578	32.5	-3.2	36.8	22.9
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	68,014	61,262	67,081	54,954	65,324	-1.4	-9.9	9.5	18.9
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	385	357	331	333	258	-14.0	-7.3	-7.3	-22.5
Hours worked (1,000s)	856	771	694	183	120	-18.9	-9.9	-10.0	-34.5
Wages paid (\$1,000s)	16,963	14,145	13,264	3,366	2,184	-21.8	-16.6	-6.2	-35.1
Hourly wages	\$19.82	\$18.34	\$19.11	\$18.41	\$18.25	-3.6	-7.5	4.2	-0.9
Productivity (pounds per hour)	786.7	780.0	805.0	881.2	674.7	2.3	-0.9	3.2	-23.4
Unit labor costs	\$25.20	\$23.51	\$23.73	\$20.90	\$27.05	-5.8	-6.7	1.0	29.4
Net sales:									
Quantity	661,469	613,704	589,793	167,186	82,775	-10.8	-7.2	-3.9	-50.5
Value	312,046	283,088	354,083	78,761	47,764	13.5	-9.3	25.1	-39.4
Unit value	\$472	\$461	\$600	\$471	\$577	27.3	-2.2	30.1	22.5
Cost of goods sold (COGS)	248,545	230,394	302,334	65,434	52,054	21.6	-7.3	31.2	-20.4
Gross profit or (loss)	63,501	52,694	51,749	13,327	(4,290)	-18.5	-17.0	-1.8	(3)
SG&A expenses	14,648	13,317	13,795	3,449	3,430	-5.8	-9.1	3.6	-0.6
Operating income or (loss)	48,853	39,377	37,954	9,878	(7,720)	-22.3	-19.4	-3.6	(3)
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	\$376	\$375	\$513	\$391	\$629	36.4	-0.1	36.5	60.7
Unit SG&A expenses	\$22	\$22	\$23	\$21	\$41	5.6	-2.0	7.8	100.9
Unit operating income or (loss)	\$74	\$64	\$64	\$59	(\$93)	-12.9	-13.1	0.3	(3)
COGS/sales (1)	79.7	81.4	85.4	83.1	109.0	5.7	1.7	4.0	25.9
Operating income or (loss)/ sales (1)	15.7	13.9	10.7	12.5	(16.2)	-4.9	-1.7	-3.2	-28.7

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

(2) Import quantities and values compiled from official Commerce statistics.

(3) Undefined.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2

PC strand: Summary data concerning the U.S. market (U.S. shipments of imports based on questionnaire responses), 2006-08, January-March 2008, and January-March 20

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

Item	Reported data					Period changes			
	2006	2007	2008	January-March		2006-08	2006-07	2007-08	Jan.-Mar. 2008-09
				2008	2009				
U.S. consumption quantity:									
Amount	997,674	944,077	856,757	263,354	96,146	-14.1	-5.4	-9.2	-63.5
Producers' share (1)	62.9	61.7	61.9	61.1	83.9	-1.0	-1.2	0.1	22.8
Importers' share (1):									
China	31.2	35.9	36.1	37.4	13.7	4.9	4.7	0.2	-23.7
All other countries	5.9	2.4	2.0	1.6	2.5	-3.9	-3.5	-0.4	0.9
Total imports	37.1	38.3	38.1	38.9	16.1	1.0	1.2	-0.1	-22.8
U.S. consumption value:									
Amount	439,303	400,749	514,377	123,591	54,583	17.1	-8.8	28.4	-55.8
Producers' share (1)	68.0	67.1	65.0	61.2	85.5	-3.0	-1.0	-2.1	24.2
Importers' share (1):									
China	26.5	30.3	32.8	37.0	11.5	6.3	3.9	2.4	-25.5
All other countries	5.5	2.6	2.2	1.8	3.0	-3.3	-2.9	-0.4	1.2
Total imports	32.0	32.9	35.0	38.8	14.5	3.0	1.0	2.1	-24.2
U.S. shipments of imports from:									
China:									
Quantity	311,202	338,625	309,384	98,410	13,131	-0.6	8.8	-8.6	-86.7
Value	116,262	121,625	168,596	45,691	6,279	45.0	4.6	38.6	-86.3
Unit value	\$374	\$359	\$545	\$464	\$478	45.9	-3.9	51.7	3.0
Ending inventory quantity	62,149	31,037	52,426	8,989	50,097	-15.6	-50.1	68.9	457.3
All other countries:									
Quantity	59,036	22,672	17,400	4,145	2,363	-70.5	-61.6	-23.3	-43.0
Value	24,200	10,340	11,377	2,204	1,651	-53.0	-57.3	10.0	-25.1
Unit value	\$410	\$456	\$654	\$532	\$699	59.5	11.2	43.4	31.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	370,238	361,297	326,784	102,555	15,495	-11.7	-2.4	-9.6	-84.9
Value	140,462	131,965	179,973	47,895	7,930	28.1	-6.0	36.4	-83.4
Unit value	\$379	\$365	\$551	\$467	\$512	45.2	-3.7	50.8	9.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers:									
U.S. shipments:									
Quantity	627,436	582,780	529,973	160,799	80,651	-15.5	-7.1	-9.1	-49.8
Value	298,841	268,784	334,404	75,696	46,653	11.9	-10.1	24.4	-38.4
Unit value	\$476	\$461	\$631	\$471	\$578	32.5	-3.2	36.8	22.9

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

Table C-3

PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Pre-tensioned applications					
Quantity (1,000 pounds)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	***	***	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments:					
China	***	***	***	***	***
Nonsubject countries	***	***	***	***	***
All countries	***	***	***	***	***
Total	***	***	***	***	***
Share of quantity (percent)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	53.3	48.9	52.7	48.8	55.6
Not subject to "Buy America(n)" restrictions	37.1	40.2	37.8	41.0	33.9
Total, U.S. producers' U.S. shipments	90.4	89.0	90.5	89.8	89.5
U.S. importers' U.S. shipments:					
China	6.8	10.1	8.7	9.6	9.4
Nonsubject countries	2.8	0.8	0.8	0.6	1.1
All countries	9.6	11.0	9.5	10.2	10.5
Total	100.0	100.0	100.0	100.0	100.0

Table continued on following page.

Table C-3--Continued

PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Post-tensioned applications					
Quantity (1,000 pounds)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	***	***	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments:					
China	***	***	***	***	***
Nonsubject countries	***	***	***	***	***
All countries	***	***	***	***	***
Total	***	***	***	***	***
Share of quantity (percent)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	8.4	4.5	9.6	6.9	28.8
Not subject to "Buy America(n)" restrictions	28.6	25.1	17.3	21.4	35.4
Total, U.S. producers' U.S. shipments	37.0	29.6	26.9	28.2	64.2
U.S. importers' U.S. shipments:					
China	55.3	67.3	70.4	70.2	35.4
Nonsubject countries	7.6	3.1	2.7	1.6	0.5
All countries	63.0	70.4	73.1	71.8	35.8
Total	100.0	100.0	100.0	100.0	100.0

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Table C-3--Continued

PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Total					
Quantity (1,000 pounds)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	***	***	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments:					
China	***	***	***	***	***
Nonsubject countries	***	***	***	***	***
All countries	***	***	***	***	***
Total	***	***	***	***	***
Share of quantity (percent)					
U.S. producers' U.S. shipments:					
Subject to "Buy America(n)" restrictions	30.7	28.2	33.7	28.3	51.1
Not subject to "Buy America(n)" restrictions	32.8	33.1	28.7	31.4	34.1
Total, U.S. producers' U.S. shipments	63.5	61.3	62.4	59.8	85.3
U.S. importers' U.S. shipments:					
China	31.3	36.8	35.9	39.2	13.7
Nonsubject countries	5.3	1.9	1.6	1.1	1.0
All countries	36.5	38.7	37.6	40.2	14.7
Total	100.0	100.0	100.0	100.0	100.0
<p>Note.--Total consumption data presented in this table do not equal total apparent U.S. consumption data presented elsewhere in this report due to inconsistencies reported by firms within individual questionnaires.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

APPENDIX D

NONSUBJECT COUNTRY AND AGGREGATED PRICE DATA

Table D-1

PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2006-March 2009

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Table D-2

PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported products 1 and 2 (combined) and margins of underselling/(overselling), by quarters, January 2006-March 2009

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APPENDIX E

**ALLEGED EFFECTS OF SUBJECT IMPORTS ON U.S. PRODUCERS'
EXISTING DEVELOPMENT AND PRODUCTION EFFORTS,
GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL**

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