

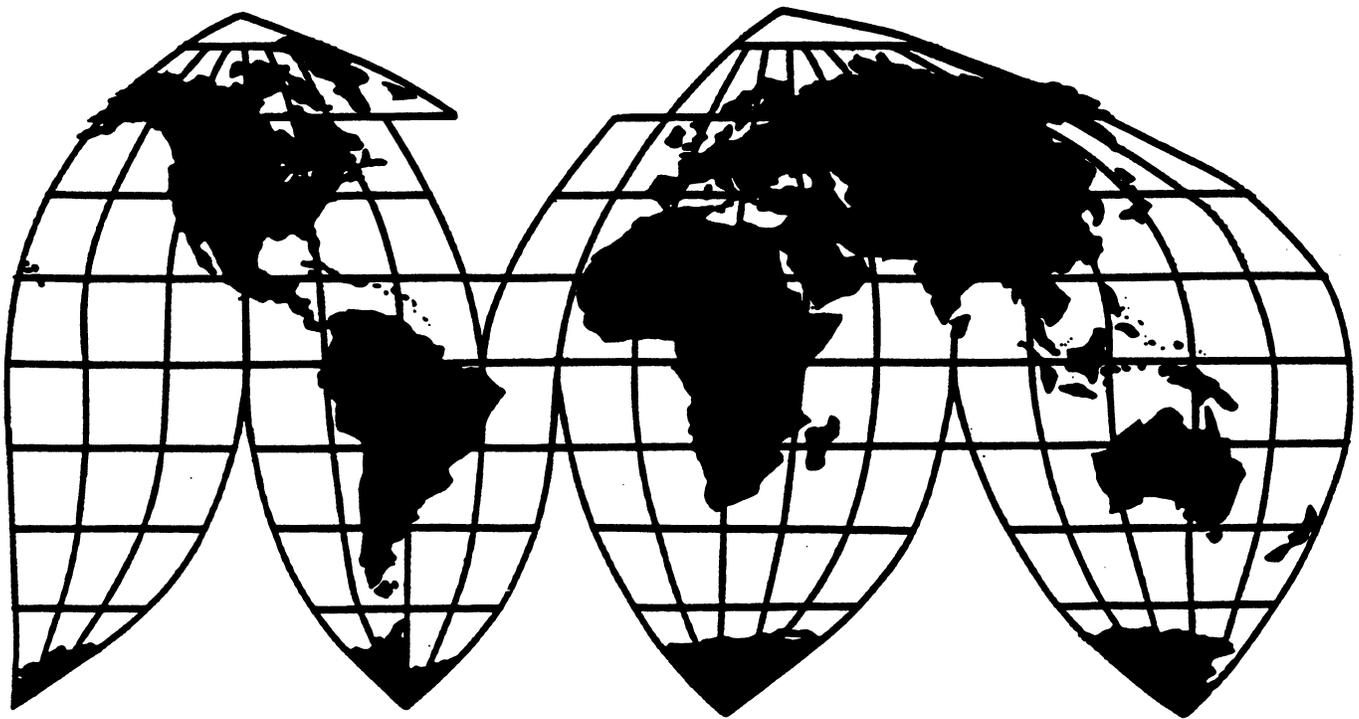
Steel Concrete Reinforcing Bars from Turkey

Investigation No. 731-TA-745 (Preliminary)

Publication 2955

April 1996

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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 No. 731-TA-745 (Preliminary)

STEEL CONCRETE REINFORCING BARS FROM TURKEY

Determination

On the basis of the record¹ developed in the subject investigation, the Commission determines,² pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that a regional industry in the United States is threatened with material injury by reason of imports from Turkey of steel concrete reinforcing bars, provided for in subheadings 7213.10.00 and 7214.20.00 of the Harmonized Tariff Schedule of the United States,³ that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On March 8, 1996, a petition was filed with the Commission and the Department of Commerce by Ameristeel Corporation,⁴ Tampa, FL, and New Jersey Steel Corporation, Sayreville, NJ, alleging that a regional industry in the United States is materially injured by reason of LTFV imports of rebar from Turkey. Accordingly, effective March 8, 1996, the Commission instituted antidumping investigation No. 731-TA-745 (Preliminary).

Notice of the institution of the Commission's investigation 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 March 18, 1996 (61 F.R. 11063). The conference was held in Washington, DC, on March 29, 1996, 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)).

² Chairman Peter S. Watson and Commissioner Carol T. Crawford dissenting.

³ For purposes of this investigation, steel concrete reinforcing bar (rebar) is all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes plain-round rebar, rebar that a processor has further worked or fabricated, and all coated rebar.

⁴ Formerly Florida Steel Corporation.

VIEWS OF THE COMMISSION

Based on the record in this preliminary investigation, we find that there is a reasonable indication that a regional industry in the United States is threatened with material injury by reason of imports of steel concrete reinforcing bars ("rebar") from Turkey that are allegedly sold in the United States at less than fair value ("LTFV").^{1 2}

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard in preliminary antidumping investigations 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, by reason of the allegedly LTFV imports.³ 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."⁴

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. In General

To determine 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 subject imports, the Commission first defines the "domestic like product" and the "industry."⁵ Section 771(4)(A) of the Tariff Act of 1930 ("Act") defines the relevant 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 proportion of the total domestic production of the product."⁶ In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar

¹ Chairman Watson and Commissioner Crawford find that there is no reasonable indication that the regional industry in the United States is materially injured or threatened with material injury by reason of the subject imports. They join in sections I - VI of this opinion. See Dissenting Views of Chairman Watson and Commissioner Crawford.

² Whether there is a reasonable indication that the establishment of an industry in the United States is materially retarded is not an issue in this investigation.

³ 19 U.S.C. § 1673b(a); see also American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986); Calabrian Corp. v. United States, 794 F.Supp. 377, 381 (Ct. Int'l Trade 1992).

⁴ American Lamb, 785 F.2d at 1001; see also Texas Crushed Stone Co. v. United States, 35 F.3rd 1535, 1543 (Fed. Cir. 1994)(Court affirmed Commission's preliminary negative determination involving regional industry investigation), quoting American Lamb, 785 F.2d at 1001. The statute calls for "a reasonable indication of injury, not a reasonable indication of need for further inquiry." In considering the likelihood that contrary evidence will arise in a final investigation, "[t]he Commission must analyze the 'best information available' contained in the record at the time of its determination and judge the likelihood that evidence contrary to that already gathered will arise in a final determination that would support an affirmative determination." Calabrian Corp. v. United States, 794 F. Supp. at 386.

⁵ 19 U.S.C. § 1677(4)(A).

⁶ 19 U.S.C. § 1677(4)(A).

in characteristics and uses with, the article subject to an investigation. . . ."⁷

Our decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and we apply the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.⁸ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.⁹ The Commission looks for clear dividing lines among possible like products, and disregards minor variations.¹⁰

In its notice of initiation, the Department of Commerce defined the imported article subject to this investigation as:

all stock deformed steel concrete reinforcing bars ("rebar") sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all coated rebar.¹¹

The subject merchandise is hot-rolled deformed rebar, designed specifically to enhance the tensile and shear-stress strength of concrete structures.¹² Rebar is sold to customers in various forms or stages of fabrication, but only stock rebar, which is not further processed, is subject to investigation.¹³

B. Analysis of Domestic Like Product Issues

We considered two domestic like product issues¹⁴ in this preliminary investigation: (1) whether the domestic like product should include plain round rebar; and (2) whether the domestic like product should include the downstream product, fabricated and coated rebar. For the reasons discussed below, we find a single domestic like product consisting of stock deformed rebar and do not include either plain round rebar, or fabricated or coated rebar.

⁷ 19 U.S.C. § 1677(10).

⁸ See, e.g., Nippon Steel Corp. v. United States, Slip Op. 95-57 at 11 (Ct. Int'l Trade, Apr. 3, 1995). In analyzing domestic like product issues, the Commission generally considers a number of factors including: (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 Id. at 11, n.4, 18; The Timken Co. v. United States, 20 CIT __, Slip Op. 96-8 at 9 (Jan. 3, 1996).

⁹ E.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁰ Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F. 2d 1278 (Fed. Cir. 1991).

¹¹ See Initiation of Antidumping Duty investigation: Certain Steel Concrete Reinforcing Bar from Turkey, 61 Fed. Reg. 15039 (April 4, 1996). Confidential Report ("CR") at A-4 and A-5; Public Report ("PR") at A-4 and A-5.

¹² CR at I-3; PR at I-2.

¹³ CR at I-3, PR at I-2.

¹⁴ Both petitioner and respondents agreed that there should be one domestic like product, consisting of all stock deformed steel concrete reinforcing bars ("rebar"), for purposes of this preliminary investigation. See Petition at 2-4; Respondents' Postconference Brief at 3 and 4; Transcript ("Tr.") at 10, 11 and 124.

1. Plain Round Rebar

The petitioner in this case argued for a domestic like product definition identical to the scope of Commerce's investigation. The Commission may, however, define the domestic like product to be broader than the subject merchandise identified by Commerce, if the facts so warrant.¹⁵ Accordingly, we examined whether the domestic like product should include plain round rebar. Notwithstanding similarities in chemical composition,¹⁶ production processes and facilities,¹⁷ and some shared channels of distribution,¹⁸ we determine that the differences in physical characteristics,¹⁹ end-uses,²⁰ and customer perceptions,²¹ as well as the limited and generally one-way interchangeability²² support not including plain round rebar in the domestic like product.

¹⁵ See, e.g., Certain Pasta from Italy and Turkey, Inv. Nos. 701-TA-365 and 366 and 731-TA-734 and 735 (Preliminary), USITC Pub. 2905 at I-7 - I-9 (July 1995).

¹⁶ Deformed stock rebar and plain round rebar have the same metallurgy because they are produced from the same scrap material. Tr. at 42.

¹⁷ The manufacturing processes for plain round and deformed rebar are the same until the rolling stage, where plain round rebar is rolled into smooth bar rather than into bar with deformations. Tr. at 42; see CR at I-7 and I-8, PR at I-5 and I-6. While production generally can be shifted from plain round rebar to deformed rebar, plain round rebar requires very close tolerances whereas the tolerances for deformed rebar are not as strict. Thus, some equipment used in producing deformed rebar may not be precise enough to hold the tolerances required for production of plain round rebar. Tr. at 44.

¹⁸ The channels of distribution for plain round and deformed rebar are similar for construction applications, but different for the non-construction applications for plain round rebar.

¹⁹ Deformed rebar and plain round rebar have different physical characteristics that govern their end uses. Tr. at 42. Deformed rebar is rolled with deformations on the bar which provide gripping power so that concrete adheres to the bar and provides reinforcing value. Tr. at 43; CR at I-3, n.10 and I-4, PR at I-2, n.10 and I-3. By contrast, there is no reinforcing value to plain round rebar because there are no deformations for the concrete to adhere to; concrete, thus, would slip off the smooth-surface, round rebar. Tr. at 43.

²⁰ Deformed rebar is used almost exclusively in the construction industry to provide (1) structural reinforcement to enhance the compressional and tensile strength of concrete structures, and (2) crack control as the concrete shrinks due to the curing process or due to temperature fluctuations. CR at I-5, PR at I-3. Plain round rebar is used for a number of applications not tied to the construction industry, such as for jail bars, window security bars, lawn furniture, ornamental railings, fasteners, and bolts. Tr. at 42.

²¹ Both producers and customers perceive plain round and deformed rebar to be different products with different markets. Tr. at 42-44.

²² While both deformed and plain round rebar meet the same American Society for Testing and Materials ("ASTM") standards for chemical composition, tensile strength, yield strength (grade), and elongation tolerances, building codes and the lack of gripping power prohibit the substitution of plain round rebar for deformed rebar in its principal application of reinforcing concrete. CR at I-6, PR at I-4. Rebar is governed by ASTM standards: ASTM A615, ASTM A616, ASTM A617, and ASTM A706; and by building construction codes: American Concrete Institute ("ACI") Code 318, and the American Association of State Highway and Transportation Officials ("AASHTO") Standard Specifications. CR at I-4 and I-5, PR at I-3.

There is some interchangeability between deformed and plain round rebar in non-concrete reinforcing applications. In the construction industry, plain round rebar is used as dowels to prevent lateral movement of concrete slabs, as spirals and structural ties for binding deformed rebar, and as supports. Deformed rebar generally could be used for these applications too. CR at I-6, PR at I-4. Petitioners indicated that both products are used in the underground coal mining industry in the form of a bolt to reinforce the roof of the coal mine. However, the surface layers or strata of the roof may govern which product is used. Tr. at 43.

2. Fabricated Rebar and Coated Rebar

Commerce specifically excluded fabricated rebar and coated rebar from the scope of investigation.²³ The Commission generally does not include downstream articles in the domestic like product or use a semifinished or vertical product line analysis when the downstream imported product (*i.e.*, fabricated rebar and coated rebar) corresponding to the downstream domestic product is not within the scope of investigation.²⁴ Therefore, we do not include fabricated rebar and coated rebar in the domestic like product.

Based on the definition of the domestic like product,²⁵ the industry consists of all domestic producers of rebar within the region defined below. The two domestic industry issues in this preliminary investigation concern whether there is a regional industry, and whether any of the producers of the domestic like product should be excluded from the industry as related parties.

III. REGIONAL INDUSTRY ANALYSIS

A. General Considerations

Petitioners proposed that the Commission undertake a regional industry analysis.²⁶ The proposed region ("Eastern Tier") was described in the petition to include 22 contiguous states from New England through the mid-Atlantic to the Gulf seaboard, plus the District of Columbia and Puerto Rico.²⁷

Section 771(4)(C) of the Tariff Act of 1930, as amended by the URAA,²⁸ provides that:

In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

²³ 61 Fed. Reg. 15039 (April 4, 1996).

²⁴ Foam Extruded PVC and Polystyrene Framing Stock from the United Kingdom, Inv. No. 731-TA-738 (Preliminary), USITC Pub. 2930 at 6 and 7 (October 1995); Tungsten Ore Concentrates from the People's Republic of China, Inv. No. 731-TA-497 (Preliminary), USITC Pub. 2367 at 9-10 (March 1991).

²⁵ Commissioner Bragg notes that the limited interchangeability of the smaller-sized rebar with the larger sizes used in fabrication and construction projects suggests that a basis may exist for finding two like products, delimited by size, in any final investigation. She intends to review this issue more closely in any final investigation.

²⁶ There are at least seven producers of rebar representing 12 mills within the region; four firms have production facilities only in the proposed region, and three have rebar facilities both in the region and outside the region. Three of the regional firms, including the two petitioning firms, accounted for about *** of the regional production in 1995. CR at III-1, III-2, III-8, and Table III-2 at III-9, PR at III-1, III-4, and Table III-2 at III-6. The firms in the region responding to the Commission questionnaire accounted for nearly all U.S. production of rebar in the region during 1995, with responding firms outside the region accounting for between 60 and 80 percent of production outside the region. *Id.* at I-2 and I-3. One firm did not provide separate production and shipments data for its mill in the region. *Id.* at III-5, n.8.

²⁷ Petition at 8. The 22 states proposed by Petitioners are Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Pennsylvania, Delaware, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, and Tennessee. *Id.* at 8, n.11.

²⁸ The Uruguay Round Agreements Act ("URAA") amendments to the Tariff Act of 1930 ("the Act"), P.L. 103-465, approved Dec. 8, 1994, 108 Stat. 4809. 19 U.S.C. § 1671 *et seq.*, as amended.

(i) the producers within such market sell all or almost all of their production of the domestic like product in question in that market, and

(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of dumped imports or imports of merchandise benefitting from a countervailable subsidy into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the dumped imports or imports of merchandise benefitting from a countervailable subsidy. The term "regional industry" means the domestic producers within a region who are treated as a separate industry under this subparagraph.²⁹

The statute sets up three prerequisites which must be satisfied before the Commission can reach an affirmative determination under a regional industry analysis.³⁰ The Commission must determine that there is: (1) a regional market satisfying the requirements of the statute, (2) a concentration of dumped imports into the regional market, and (3) material injury or threat thereof to producers of all or almost all of the regional production, or material retardation to the establishment of an industry due to the subsidized or dumped imports. The Commission will proceed to the subsequent step only if each preceding step is satisfied.

B. Analysis

1. Background and Proposed Alternative Regions

The Commission has found, in the past, that "appropriate circumstances" exist for the Commission to engage in a regional industry analysis for products with low value-to-weight ratios and where high transportation costs make the areas in which the product is produced necessarily isolated and insular.^{31 32} Transportation costs

²⁹ 19 U.S.C. § 1677(4)(C). The URAA changes to the regional industry provisions were not intended to affect substantive Commission practice. The definition of "regional industry" in the last sentence was added and technical language changes were made by the URAA. The URAA also amended the statute to require that Commerce "to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation." 19 U.S.C. § 1673e(d). Prior to the URAA, duties resulting from a regional industry determination were imposed on a national basis.

³⁰ Texas Crushed Stone, 822 F. Supp. at 777, aff'd, 35 F.3d 1535 (Fed. Cir. 1994) ("the ITC's case-by-case approach represents a legitimate policy choice [] made by the agency in interpreting and applying the statute." Id. at 1542), aff'g, Crushed Limestone from Mexico, Inv. No. 731-TA-562 (Preliminary), USITC Pub. 2533 (July 1992) ("Limestone"). See also Atlantic Sugar, Ltd. v. United States, 519 F. Supp. 916, 920 (Ct. Int'l Trade 1981) (court cautioned against "arbitrary or free handed sculpting of regional markets.")

³¹ See, e.g., Limestone, USITC Pub. 2533; Nepheline Syenite from Canada, Inv. No. 731-TA-525 (Final), USITC Pub. 2502 (April 1992), aff'd, Feldspar Corp v. United States, 825 F. Supp. 1095 (Ct. Int'l Trade 1993); Gray Portland Cement and Cement Clinker from Mexico ("Mexico Cement"), Inv. No. 731-TA-451 (Final), USITC Pub. 2305 (continued...)

for rebar vary from supplier to supplier, ranging between 4 and 8 percent of total delivered cost for U.S. inland transportation.³³ Based on official import data, transportation charges for imports from Turkey are estimated to be 11.3 percent of the value of imports on a c.i.f. basis compared to customs value.³⁴

While transportation costs are not a substantial part of the final delivered price to customers, the low value-to-weight ratio for rebar, estimated at less than \$0.15 per pound, appears to restrict the geographical area in which it can be competitively sold.³⁵ Moreover, the industry practice of "freight absorption" or "freight equalization"³⁶ makes transportation costs important as a component of rebar sales by the domestic producer. Shipments of rebar generally are concentrated within a 300-350 mile radius of the producing mill.³⁷

Respondents proposed the exclusion of Puerto Rico from the proposed region and questioned why states on the western border of the region were not included.³⁸ In considering alternative regions, the Commission has looked to whether there was competition among the imports and the domestic producers in the region and in the proposed alternatives to the region. The Commission has not required actual competition but only that there were

³¹ (...continued)

(August 1990), aff'd, Cemex, S.A. v. United States, 790 F. Supp. 290 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

Rebar is used in tandem with cement to make reinforced concrete, which dictates a close correlation in markets for both commodity products. Petitioners argued that this correlation supported treating rebar like cement for purposes of a regional industry analysis. Petitioners' Postconference Brief at 18.

³² Commissioner Crawford has indicated that:

... the characteristics of a product (e.g. a low value-to-weight ratio, fungibility, etc.) are not relevant. While a product's characteristics may determine sales and shipment patterns, it is the sales and shipment data - not the product's characteristics - that are relevant under the statute.

Gray Portland Cement and Cement Clinker from Japan, Inv. No. 731-TA-461 (Final-Remand), USITC Pub. 2657 at 36 (June 1993).

³³ CR at V-1, PR at V-1.

³⁴ CR at V-1, PR at V-1. One importer in Puerto Rico estimated that the transportation charges from the continental United States to Puerto Rico are 18 to 20 percent of total delivered cost of rebar due to the need for inland transportation from the mill to the port in the continental United States and subsequent ocean freight. CR at V-1 and V-2, PR at V-1.

³⁵ Petitioners' Postconference Brief at 17.

³⁶ Equalizing freight means that the customer pays only the cost of the freight from the nearest source, while the producer pays the difference in freight from the mill. CR at V-3, PR at V-2.

³⁷ Petitioners' Postconference Brief at 11 and 12.

³⁸ Respondents' Postconference Brief at 4-9. Respondents also proposed that Texas be included in the region at the conference but provided no further discussion of this issue in their postconference brief. Tr. at 82.

"no current or future limitations on sales by the petitioner in these states."^{39 40}

In one regional industry case, even though there was no production within Puerto Rico, the Commission included it in the region, because

(1) demand was not met to any substantial degree by shipments from domestic producers outside of the region and (2) shipments from regional producers competed with imports.⁴¹ Conversely, the Commission did not include Kentucky in that region because it did not meet the criteria for inclusion.⁴²

While there is no domestic producer of rebar in Puerto Rico, there have been shipments into Puerto Rico of both Turkish imports of rebar and rebar produced within the region.⁴³ Turkish imports of rebar into Puerto Rico accounted for almost 137,700 short tons, or 48.2 percent of all Turkish imports into the United States in 1995.^{44 45} Moreover, there is no evidence in this preliminary investigation that demand in Puerto Rico is supplied

³⁹ Nepheline Syenite from Canada, Inv. No. 731-TA-525 (Preliminary), USITC Pub. 2415 at 20 - 22 (August 1991)(Commission included states to which petitioner did not ship, noting that there was evidence of actual marketing by petitioner in those states). See, e.g., Fall-Harvested Round White Potatoes from Canada("Round White Potatoes"), Inv. No. 731-TA-124 (Preliminary), USITC Pub. 1364 (1983)(marketing of round white potatoes in the states of New Jersey, Delaware, and Maryland, even though there were no producers of the like product in those states, was enough to include those states in the region); Offshore Platform Jackets and Piles from the Republic of Korea and Japan, Inv. Nos. 731-TA-259 and 260 (Final), USITC 1848 at 8-10 (May 1986).

⁴⁰ In the past, the Commission has added states to make a region contiguous when there have been non-region states between the states in the proposed non-contiguous region. See, e.g., Mexico Cement, USITC Pub. 2235 (Commission included the Gulf states to make proposed separate Southwest and Florida regions contiguous). The Commission, however, has rejected adding to a proposed region the closest geographically located states (North Carolina, South Carolina, Georgia and Florida) for the sole purpose of making an island territory, Puerto Rico (included in the proposed region), contiguous to the region to be assessed. Nepheline Syenite, USITC Pub. 2415 at 21 and 22 (August 1991).

⁴¹ Nepheline Syenite, USITC Pub. 2415 at 21 and 22 (August 1991).

⁴² Nepheline Syenite, USITC Pub. 2415 at 22 (August 1991).

⁴³ Regional producers' shipments to Puerto Rico as a share of their total U.S. shipments in the region were 2.3 percent in 1993, 2.2 percent in 1994, and 2.6 percent in 1995. CR at III-14, PR at III-10. Regional producers that provided shipments by state shipped about *** short tons of rebar to Puerto Rico in 1995. Questionnaire responses of regional producers that provided shipments by state. Apparent consumption of rebar in Puerto Rico has been estimated by Florida Steel to be about 110,000-130,000 tons annually, and estimated by a Puerto Rican importer to be about 100,000-150,000 tons per year. Petitioner's Postconference Brief at 24, n.49 and Tr. at 90.

⁴⁴ CR at IV-4, and Table C-1 at C-3 (based on official import statistics), PR at IV-1, and Table C-1 at C-3. Respondents indicated that almost all Turkish imports into Puerto Rico remain in Puerto Rico. Tr. at 137.

⁴⁵ Neither of the market isolation criteria in the statute includes consideration of shipments of imports into the region in defining the regional market, and therefore Commissioner Crawford does not join the preceding discussion of shipments of subject imports. Commissioner Crawford has indicated that:

Texas Crushed Stone sets forth three distinct prerequisites to be met in a regional analysis. The first is that there be a regional market; the second is that there be a concentration of subject imports in the regional market. Accordingly, determining whether there is a concentration of imports is a separate test, not a factor in defining the regional market [footnote omitted].

Gray Portland Cement and Cement Clinker from Japan, Inv. No. 731-TA-461 (Final-Remand), USITC Pub. 2657 at 36 (June 1993).

by domestic producers outside of the Eastern Tier region to any substantial degree.⁴⁶ For the foregoing reasons, we include Puerto Rico in the Eastern Tier region, for purposes of this preliminary investigation.

Texas also is a nominal candidate for inclusion in the Eastern Tier region. While Houston, Texas is the second largest port of entry for Turkish imports into the United States, these imports reportedly remain in Texas.⁴⁷ In addition, the Texas market appears to be separate and isolated from the proposed region, with only limited shipments into Texas by Eastern Tier region producers and only very minimal shipments into the Eastern Tier region by Texas producers.⁴⁸ For these reasons, we do not include Texas in the Eastern Tier region, for purposes of this preliminary investigation.

Respondents questioned the exclusion of the states of Ohio, Indiana, and Illinois from the Eastern Tier region since there are domestic mills that produce rebar in those states. However, only a small share of regional producers' total U.S. shipments is shipped to these states.⁴⁹ Moreover, there is evidence that *** of U.S. shipments of Turkish rebar reported by U.S. importers in 1995 entered these states.^{50 51} In addition, there is no evidence in this preliminary investigation regarding production in these states or shipments by producers in these states into the Eastern Tier region.⁵² Thus, we do not include the states of Ohio, Indiana, or Illinois in the Eastern Tier region for purposes of this preliminary investigation, but will reconsider this issue in any final investigation.

2. Market Isolation Criteria

a. Sales of "all or almost all" within the region

Producers in the Eastern Tier region shipped about *** of their rebar within the region throughout the period of investigation.⁵³ We find this satisfies the statutory market isolation criterion of Section 771(4)(C)(i) of the Act that "producers within such market sell all or almost all of their production of the domestic like product

⁴⁶ Questionnaire responses from domestic producers outside region that provided shipments by state.

⁴⁷ Tr. at 137. Turkish imports of rebar into Houston/Galveston, Texas accounted for 16.7 percent of total Turkish imports, or about 33,700 short tons, in 1994 and 22.3 percent, or about 63,700 short tons, in 1995. CR at IV-4, and Table C-1 at C-3 (based on official import statistics), PR at IV-1, and Table C-1 at C-3.

⁴⁸ Eastern Tier regional producers shipped about *** short tons of rebar into Texas in 1995. CR at III-14, PR at III-10 and questionnaire responses of regional producers that provided shipments by state. Regional producers shipments into Texas as a share of their reported total U.S. shipments by state ranged from 0.2 to 0.4 percent during the period of investigation. Id. Reported shipments from Texas producers into the Eastern Tier region as a share of apparent consumption in the region was ***. Tables III-4 and IV-3, CR at III-16 and IV-6, PR at III-11 and IV-5.

⁴⁹ Eastern Tier regional producers' shipments into these three states as a share of their reported total U.S. shipments by state ranged from *** during the period of investigation. Eastern regional producers' shipments as a share of total U.S. shipments by state was *** for Ohio in 1995. Questionnaire responses of regional producers that provided shipments by state.

⁵⁰ U.S. shipments by importers by state, as reported in questionnaire responses.

⁵¹ Neither of the market isolation criteria in the statute includes consideration of shipments of imports into the region in defining the regional market, and therefore Commissioner Crawford does not join the preceding discussion of shipments of subject imports. See note 45, supra.

⁵² Producers in these states did not respond to Commission questionnaires.

⁵³ CR at I-2, PR at I-2. Regional producers' shipments in the region as a share of their total shipments were *** in 1993, *** in 1994, *** in 1995. Id.

in that market."⁵⁴

b. Demand in region supplied by U.S. producers outside region

The percentage of consumption in the Eastern Tier region that was supplied by U.S. producers outside the region was very low during the period of investigation.⁵⁵ The percentages in this investigation fall into the range⁵⁶ that the Commission previously has found satisfy the second market isolation criterion of Section 771(C)(4)(ii) that "demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States."⁵⁷

Having found that the two market isolation criteria have been satisfied, we determine that a regional industry exists.

3. Concentration of Imports

In the second step of the regional industry analysis, we determine whether the statutory requirement of concentration of imports within the pertinent region is satisfied. The statute does not define concentration. The legislative history to the URAA indicates that "no precise mathematical formula is reliable in determining the minimum percentage which constitutes sufficient concentration."⁵⁸ The SAA provides that concentration of imports will be found to exist "if the ratio of the subject imports to consumption is clearly higher in the regional market than in the rest of the U.S. market,"⁵⁹ and if such imports into the region account for a substantial

⁵⁴ 19 U.S.C. § 1677(4)(C)(i). This is within the range the Commission previously has considered sufficient to satisfy this criterion. See Texas Crushed Stone, 822 F. Supp. 773, aff'd, 35 F.3rd 1535 (Fed. Cir. 1994); Cemex, S.A. v. United States, 790 F. Supp. at 292-294, aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

⁵⁵ CR at I-2, PR at I-2. The share of regional consumption supplied by U.S. producers outside the region was *** in 1993, *** in 1994, and *** in 1995. Id.

⁵⁶ The Court of International Trade has suggested that a level of 12 percent of total supply from outside of the region may be too high to be considered insubstantial "in the abstract," but nonetheless affirmed a Commission determination holding that the market isolation criteria were satisfied when 12 percent of regional consumption was supplied by producers outside the region. Atlantic Sugar, Ltd. v. United States, 519 F. Supp. 916, 919-920 (Ct. Int'l Trade 1981). The Commission has found that an average of 10.5 percent was acceptable and on several occasions that percentages of outside supply of less than 10 percent were acceptable. See, e.g., Gray Portland Cement and Cement Clinker from Venezuela ("Venezuela Cement"), Inv. No. 731-TA-519 (Preliminary), USITC Pub. 2400 at 8-10 (July 1991); Mexico Cement, USITC Pub. 2305 at 15 (between 8 and 8.5 percent acceptable); Sugars and Sirups from Canada, Inv. No. 731-TA-3 (Final), USITC Pub. 1047 at 4, 14 (March 1980)(5.5 percent acceptable); Portland Hydraulic Cement from Australia and Japan, Inv. Nos. 731-TA-108 and 109, USITC Pub. 1310 at 9 (November 1982)(less than 10 percent acceptable). It determined in one case that 30 percent was too large, and in a second that percentages that ranged between 25 and 50 percent were too large. See Frozen French Fried Potatoes from Canada, Inv. No. 731-TA-93 (Preliminary), USITC Pub. 1259 at 7 (June 1982); 12-Volt Lead-Acid Type Automotive Storage Batteries from the Republic of Korea, Inv. No. 731-TA-261 (Preliminary), USITC Pub. 1710 at 8 (June 1985).

⁵⁷ 19 U.S.C. § 1677(4)(C)(ii).

⁵⁸ SAA at 190.

⁵⁹ In the past, the Commission only considered the import penetration ratio in particular circumstances where imports outside the region were widely dispersed or the regional industry was a significant portion of the national industry. This Commission practice was affirmed by Texas Crushed Stone, 35 F.3rd 1535 (Fed. Cir. 1994). See also Gray Portland Cement and Cement Clinker from Japan ("Japan Cement"), Inv. 731-TA-461 (Final), USITC Pub. 2376 at 21, n. 47 (April 1991)(the Commission "would not consider it of much weight if Southern California represented but a very small share of overall U.S. consumption").

proportion of total subject imports entering the United States."⁶⁰ The SAA cautions that there is no "benchmark" for determining what constitutes a concentration; rather it should be decided on a case-by-case basis.⁶¹ The courts have affirmed the Commission's case-by-case approach to applying the statute.⁶²

The Commission historically has found percentages higher than 80 percent of total imports subject to investigation to be sufficient,⁶³ but the requisite concentration has also been found at levels as low as 68 percent.⁶⁴ The percentage of total Turkish imports of rebar to the United States entering the Eastern Tier region was 98.7 percent in 1993, 83.0 percent in 1994, and 77.7 percent in 1995.⁶⁵ The ratio of Turkish imports to consumption within the Eastern Tier region was 3.0 percent in 1993, 7.3 percent in 1994, and 9.7 percent in 1995.⁶⁶ The ratio of Turkish imports to consumption outside the Eastern Tier region was 0.0 percent in 1993, 1.8 percent in 1994, and 3.0 percent in 1995.⁶⁷

Based on a comparison of the market share of subject imports in the region to the market share of subject imports outside of the region, as well as consideration of the proportion of total subject imports that enter the region, we find that imports of Turkish rebar are concentrated in the region. Therefore we proceed to the issue of whether there is a reasonable indication of material injury or threat thereof by subject imports on a regional industry basis.

IV. DOMESTIC INDUSTRY AND RELATED PARTIES

Based on our finding that a regional industry exists, we define the domestic industry as producers of rebar within the region. If the Commission determines that a domestic regional producer satisfies the definition of a

⁶⁰ SAA at 190.

⁶¹ SAA at 190. See also Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 614-615 (Ct. Int'l Trade 1993).

⁶² Texas Crushed Stone, 35 F.3d 1535 (Fed. Cir. 1994); Cemex, 790 F. Supp. at 292-294 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

⁶³ See, e.g., Portland Hydraulic Cement, USITC Pub. 1310 at 10 (99 percent); Offshore Platform Jacket, USITC Pub. 1848 at 10 (100 percent); Sugars and Sirups, USITC Pub. 1047 (March 1980) (96 percent).

⁶⁴ See Round White Potatoes, USITC Pub. 1463 at 7; see also SAA at 190. In the final investigation of cement from Japan, a majority of the Commission found an import concentration level between 61.2 percent and 73.7 percent to be sufficient. Japan Cement, USITC Pub. 2376 at 20 and 21, 48-50, aff'd, although remanded on other grounds, Mitsubishi Materials, 820 F. Supp. at 615 (Ct. Int'l Trade 1993). See also Venezuela Cement, USITC Pub. 2400 at 10 and 11 (63.5 percent to 100 percent found to be sufficient). Still other Commission determinations have questioned whether the concentration was sufficient when the percentages of imports ranged from 66.3 percent to 79.2 percent and found insufficient concentration when the imports into the region ranged from 69.2 percent to 80.1 percent. Compare Certain Welded Carbon Steel Pipes and Tubes from Taiwan, Inv. No. 731-TA-349 (Final), USITC Pub. 1994 (July 1987) and Certain Welded Carbon Steel Pipes and Tubes from the Philippines and Singapore, Inv. Nos. 731-TA-293, 294, 296 (Final), USITC Pub. 1907 at 6 and 7, n. 19 (November 1986).

⁶⁵ CR at I-2, PR at I-2. These percentages are based on official Commerce import statistics. The percentages of total U.S. shipments of Turkish rebar entering the Eastern Tier region, based on questionnaire responses from U.S. importers by state, was 100 percent in 1993, 79.5 percent in 1994, and 74.9 percent in 1995. Id. at IV-5.

⁶⁶ Table IV-4, CR at IV-4, PR at IV-7 (based on U.S. importers questionnaire responses). Based on official import statistics, the ratio of Turkish imports to consumption within the Eastern Tier region was 2.9 percent in 1993, 9.6 percent in 1994, and 12.4 percent in 1995. CR at I-2, PR at I-2.

⁶⁷ Calculated from Tables IV-3, IV-4, and IV-5, CR at IV-6 - IV-9, PR at IV-5 - IV-8. Based on official import statistics, the ratio of Turkish imports to consumption outside the Eastern Tier region was less than 0.05 percent in 1993, 2.1 percent in 1994, and 3.8 percent in 1995. CR at I-2, PR at I-2.

related party,⁶⁸ the Commission may exclude such producer from the domestic regional industry if "appropriate circumstances" exist.⁶⁹ Exclusion of a related party is within the Commission's discretion based upon the facts presented in each case.⁷⁰

In this investigation, two domestic regional producers, ***⁷¹ and Nucor,⁷² may be related parties. Neither producer indicated that it was an importer of record of the subject merchandise. However, both producers, or firms affiliated with the regional producers, reported purchasing, or were alleged to have purchased, imports of rebar from Turkey during the period of investigation.

The limited information available in this preliminary investigation regarding these purchases of Turkish imported rebar makes it unclear whether there is a relationship between either of these producers and the importer or foreign producer sufficient to warrant a conclusion that there is "control" of one over the other within the meaning of the statute.⁷³ We therefore do not exclude either producer from the industry at this stage, but will examine further this issue in any final investigation.

⁶⁸ A domestic producer is a related party if it is either related to the exporters or importers of subject merchandise, or is itself an importer of the subject merchandise. Parties are considered to be related if one party directly or indirectly controls another party, or if both are controlled by a third party. Direct or indirect control exists when "the party is legally or operationally in a position to exercise restraint or direction over the other party." 19 U.S.C. § 1677(4)(B).

⁶⁹ 19 U.S.C. § 1677(4)(B). See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). See, e.g., Certain Carbon Steel Butt-Weld Pipe Fittings from France, India, Israel, Malaysia, the Republic of Korea, Thailand, the United Kingdom, and Venezuela, Inv. Nos. 701-TA-360 and 361, 731-TA-688-695 (Final), USITC Pub. 2870 at I-18 (April 1995).

⁷⁰ Torrington v. United States, 790 F. Supp. at 1168 (Ct. Int'l Trade 1992); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352-54 (Ct. Int'l Trade 1987); see also S. Rep. No. 249, 96th Cong. 1st Sess. at 83 (1979).

⁷¹ *** reported purchases from U.S. importers of rebar imported from Turkey and other countries in 1994 and 1995. CR at III-21, PR at III-16. *** purchases of Turkish imports as a share of total U.S. imports reported in U.S. importers' questionnaires were *** in 1995. *** questionnaire response and Table IV-1, CR at IV-2, PR at IV-2. *** indicated that it purchased Turkish imports of rebar to supplement its inventories. CR at III-21, PR at III-16. *** is the parent firm to ***, which does business as *** and has rebar facilities outside of the region in ***. CR at III-4 and n.6, PR at III-3 and n.6. While separate mill production and shipment data were not provided by *** for its regional facility, ***, it is estimated that this regional facility's production accounts for about *** of regional production of rebar in 1995. Table III-2, n.2, CR at III-9, PR at III-6. Whether the Turkish imports were purchased by *** for regional supply is not known.

⁷² *** during the period of investigation, an importer of Turkish rebar alleged at the Commission conference that Nucor's Texas mill purchased Number 3 and Number 4 rebar from that importer in 1994. Tr. at 101 and 134 - 135. In any final investigation, we will consider the relationship between Nucor's Texas mill and its regional mill, whether Nucor's purchases were for shipments in the region, and whether Nucor should be considered a related party within the meaning of the statute.

⁷³ Compare Certain Carbon Steel Butt-Weld Pipe Fittings from China and Thailand, Inv. Nos. 731-TA-520 and 521 (Final), USITC Pub. 2528 at 12 (June 1992).

V. CONDITION OF THE REGIONAL INDUSTRY⁷⁴

In assessing whether there is a reasonable indication that the regional industry is materially injured or threatened with material injury by reason of allegedly LTFV imports, we consider all relevant economic factors that bear on the state of the industry.⁷⁵ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. 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."⁷⁶

In a regional industry analysis, in contrast to a national industry analysis, the Commission must determine whether producers of "all or almost all" of the production within the region are being materially injured, or threatened with material injury, by reason of the subject imports.⁷⁷ The Court of International Trade has held, for purposes of determining what percentage of production is sufficient to satisfy the "all or almost all" criterion, that "a numerical analysis would not be appropriate under the regional injury provision . . . [because] numerous factors must be considered and a quantitative analysis is inappropriate."⁷⁸ The CIT, nevertheless, has recognized that "[u]se of either a straight aggregate or pure plant-by-plant method in determining injury in a regional analysis is not mandated by statute or case law. . . . [but that] examination of individual plant information can highlight anomalies that an aggregate analysis would disguise."⁷⁹

There are several conditions of competition pertinent to our analysis of the regional rebar industry. First, several regional producers, accounting for over *** of regional shipments in 1995, internally transferred about *** of their regional shipments of rebar for the production of the downstream article, fabricated rebar, within the region in 1995.⁸⁰ Accordingly, we considered the captive production provision of the statute, but determine that

⁷⁴ In analyzing the condition of the regional industry, Commissioner Rohr applied his percentage of production analysis to determine whether there was a reasonable indication that producers of all or almost all of regional production are experiencing material injury. See Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 626 (Ct. Int'l Trade 1993), aff'g, Gray Portland Cement and Cement Clinker from Japan, Inv. No. 731-TA-461 (Final), USITC Pub. 2376 at 50-65 (April 1991). In this analysis he determines the percentage of production accounted for by each regional production facility ("producer") and associates that percentage with the performance of the producer under each of the Commission's statutory indicators of injury. By totaling the percentages associated with performance that he considers above or below a level reflective of injury, he is able to determine whether the "all or almost all" criteria has been satisfied. In this preliminary investigation, he used the indicators for each regional production facility. In any final investigation, he will seek briefing from the parties on this methodology and, in particular, whether it is more appropriate to combine the results of individual facilities to the firm level for purposes of the analysis.

⁷⁵ 19 U.S.C. § 1677(7)(C)(iii).

⁷⁶ 19 U.S.C. § 1677(7)(C)(iii).

⁷⁷ 19 U.S.C. § 1677(4)(C).

⁷⁸ Mitsubishi Materials Corp. v. United States, 820 F. Supp. 608, 616 and 617 (Ct. Int'l Trade 1993); Cemex, S.A. v. United States, 790 F. Supp. 290, 294 (Ct. Int'l Trade 1992), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

⁷⁹ Mitsubishi Materials, 820 F. Supp. at 617 and 618 (Ct. Int'l Trade 1993), accord, Mitsubishi Materials Corp. v. United States, Slip. Op. 96-44 at 13 (Ct. Int'l Trade, Feb. 29, 1996)(aggregate analysis of regional producers sufficient to satisfy the "all or almost all" standard where industry conditions were common to each regional producer); Cemex, 790 F. Supp. at 294 and 295 (Ct. Int'l Trade 1992)("to the extent that some safeguard is required to assure that the 'all or almost all' standard is met, it was satisfied by examination of data regarding individual plants." Id. at 296), aff'd, 989 F.2d 1202 (Fed. Cir. 1993).

⁸⁰ CR at III-13 and Table III-3 at III-10, PR at III-7 and III-10. Two U.S. regional producers, AmeriSteel and New Jersey Steel, accounted for *** of the captive consumption of rebar in the production of fabricated rebar within the region during the period of investigation. Id. at III-12. AmeriSteel, which accounted for about *** of regional shipments
(continued...)

the requirements that mandate a captive production analysis are not satisfied.⁸¹

The domestic regional rebar industry both internally consumes significant shipments of the domestic like product and sells significant shipments of the domestic like product in the merchant market.⁸² The third statutory factor, however, which requires that "production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article," is not satisfied here.⁸³ A significant percentage of the domestic like product, whether captively consumed or sold in the merchant market, is used in the production of the same downstream article, fabricated rebar.⁸⁴ Since one of the three required statutory factors is not satisfied, we need not consider the other factors.⁸⁵

Second, the diameter size and length of rebar generally determine its use and the portion of the market to which it can be sold. While rebar is produced within the region in sizes 3 to 18 and in lengths of up to 60 feet, Turkish rebar is imported only in the smaller diameter sizes, primarily 3-5, and in the shorter lengths, 20-40 feet.⁸⁶ Demand for the smaller sizes is estimated to account for about 55 percent of the total market for rebar

⁸⁰ (...continued)

in 1995, internally transferred between *** of its regional shipments of rebar for the production of fabricated rebar within the region during the period of investigation; New Jersey Steel, which accounted for almost *** of regional shipments in 1995, internally transferred between *** of its regional shipments of rebar in the same period. *** also reported company transfer shipments within the region. CR at III-13 and Table III-3 at III-10, PR at III-7 and III-10.

⁸¹ 19 U.S.C. § 1677(7)(C)(iv) sets forth the conditions under which the Commission shall "focus primarily on the merchant market for the domestic like product" in examining market share and the domestic industry's financial condition. In its analysis, the Commission must find that three statutory factors exist; the third of these factors is that:

(III) the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article

19 U.S.C. § 1677(7)(C)(iv).

⁸² Over the period of investigation, the regional industry captively consumed for the production of fabricated rebar *** of regional shipments of rebar in 1993, *** in 1994, and *** in 1995. CR at III-13, PR at III-10. Similarly, about *** of regional shipments were sold to the merchant market over the period of investigation. *Id.* The regional industry captively consumed for the production of fabricated rebar *** of regional production of rebar in 1993, *** in 1994, and *** in 1995. Calculated from CR at III-13 and Table III-2 at III-9, PR at III-7 and III-10.

⁸³ Commissioner Crawford concurs with her colleagues that the third statutory factor is not satisfied. However, she does not make a finding on whether domestic producers captively consume significant production or sell significant production to the merchant market.

⁸⁴ Approximately *** of shipments of rebar by U.S. producers within the Eastern Tier region are sold directly to fabricators. This estimate does not include rebar that is sold to other customers, such as steel service centers, which may then sell to fabricators. CR at II-1, n.4, PR at II-1, n.4.

⁸⁵ While the captive production provision is not applicable here, nothing in the statute or the legislative history of the URAA precludes the Commission from considering a significant degree of captive production as a condition of competition. We have regularly recognized that subject imports may affect the merchant market operations of the industry differently than those operations involving captive production. See generally, e.g., Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Inv. Nos. 701-TA-319-332, 334, 446-342, 344, and 347-353 (Final) and Inv. Nos. 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 at 15, 17, 22 and 23 (August 1993), aff'd, U.S. Steel Group v. United States, 873 F. Supp 673 (Ct. Int'l Trade 1994). See also, PVC and Polystyrene Framing Stock, Inv. No. 731-TA-738 (Preliminary), USITC Pub. 2930 at 9-15 (October 1995).

⁸⁶ CR at I-4 and II-1, PR at I-3 and II-1.

within the region.^{87 88} The pool and patio and residential market is the primary consumer of the smaller sizes.⁸⁹ There is a substantial demand for these smaller sizes in Puerto Rico, where the building codes require concrete and cement to be used in residential construction, and in the southern United States, where pools and patios are most prevalent.⁹⁰ Subject imports have largely been imported into Puerto Rico throughout the period of investigation; the volume of subject imports into Puerto Rico increased over the period of investigation, although imports to Puerto Rico as a share of total Turkish rebar imports into the region declined.⁹¹

Rebar in the longer lengths, 60 feet, is preferred by fabricators to enable efficient cutting of the product into the necessary lengths with the least waste, thereby limiting the use of subject imports by these customers.⁹² Public works projects, which account for almost 64 percent of total sales of rebar, also may be governed by "Buy America" provisions, which restrict the purchase of imports for these projects. In any event, however, these projects typically use the larger sizes and longer lengths not supplied by the Turkish importers.⁹³

Third, demand for rebar is tied to demand for concrete structures such as bridges, roads, patios, and pools; there are few substitutes for rebar in most applications.⁹⁴ Rebar accounts for a small portion of the total cost of the end products and is primarily produced from scrap raw material.⁹⁵ As noted previously, rebar has a low value to weight ratio, and the industry has a practice of equalizing freight, which makes transportation costs important to the regional producers.⁹⁶

⁸⁷ Tr. at 61. Smaller size rebar is more expensive to produce than larger size rebar since its lighter weight per unit length results in fewer tons produced per hour. Thus, U.S. producers generally add a premium to the standard price per ton for rebar in the smaller sizes. Turkish importers of rebar, however, charge a standard price with no differential for size. CR at V-3, PR at V-3.

⁸⁸ Commissioner Crawford gives very little weight to the assertion that the smaller sizes account for such a large portion of demand. In her view, the following discussion of evidence that fabricators (which account for *** percent of purchases) prefer longer lengths, that public works projects accounting for almost 64 percent of total sales use larger sizes and longer lengths not supplied by subject imports, and petitioners' acknowledgment that the smaller sized subject imports are basically limited to the residential and pool and patio segment of the market indicate that the smaller sized products account for a substantially smaller portion of the total demand for rebar.

⁸⁹ CR at II-1, PR at II-1; Tr. at 27.

⁹⁰ Tr. at 27, 89 and 90. It is estimated that the smaller rebar sizes (3 and 4) account for approximately two-thirds of the Puerto Rican rebar market. Tr. at 90.

⁹¹ The volume of Turkish imports of rebar to the Eastern Tier region that entered Puerto Rico based on questionnaire responses from U.S. importers by state was: *** in 1993, *** in 1994, and *** in 1995. The percentage of Turkish imports of rebar to the Eastern Tier region that entered Puerto Rico was: *** in 1993, *** in 1994, and *** in 1995. Questionnaire responses.

⁹² Tr. at 33.

⁹³ Tr. at 59 and 150; CR at II-1, PR at II-1.

⁹⁴ CR at II-3 and II-4, PR at II-2 and II-3.

⁹⁵ CR at II-4, PR at II-3; Tr. at 22, 68-72. Petitioners contend that all of the mini-mills in the region, which produce rebar and numerous other products, and Turkish rebar producers compete for the same raw material sources. Id.

⁹⁶ The practice of freight absorption or equalization is not applied to regional sales to Puerto Rico; transportation costs to Puerto Rico from the Eastern Tier were estimated at 18-20 percent of the total delivered cost of rebar. Tr. at 129.

Fourth, the evidence indicates that a number of regional rebar producers have had financial problems during the period of investigation. For instance, two regional producers filed for bankruptcy,⁹⁷ and at least one mill within the region was closed during the period of investigation.⁹⁸

The quantity and value of apparent U.S. regional consumption of rebar increased from 1993 to 1995, with the largest year-to-year increase occurring from 1993 to 1994.⁹⁹ The increase in value exceeded the increase in volume over the period of investigation.¹⁰⁰

The regional industry's U.S. shipments of rebar within the region increased during the period of investigation, but at a lower rate than regional consumption.¹⁰¹ The value of the regional industry's U.S. shipments within the region followed the same pattern, and, similar to regional consumption, the increase in value outpaced the increase in volume during the period of investigation.¹⁰² Moreover, we note the disparity among regional shipments of individual regional producers. Regional shipments by one regional producer, ***, ***, by quantity from 1993 to 1995, while regional shipments by the other regional producers either *** than regional consumption.¹⁰³ Similar disparities among producers were evident for regional shipments by value, with two regional producers reporting *** in regional shipments by value at a rate *** than regional consumption, while

⁹⁷ Franklin Steel filed for bankruptcy in 1994; Commercial Steel filed for bankruptcy in March 1996. CR at III-4, PR at III-3. Petitioners contend that Commercial Steel, which could only produce the smaller diameter products, "was among the first to institute a 'foreign fighter' response to combat Turkish imports . . . [which] ultimately proved futile as the company declared bankruptcy on March 27, 1996." Petitioners' Postconference Brief at 5.

⁹⁸ Tr. at 20 and 32-33. AmeriSteel was on the fringe of bankruptcy in 1992 when it was purchased by a Japanese firm, has consolidated operations of three mills into the Jacksonville mill after closing two other mills in Florida in the past several years -- including the Tampa plant, which was closed in 1995 -- and has temporarily shut down other facilities, such as its Jacksonville mill, to cope with inventory increases. AmeriSteel points to "high-cost power rates, mistaken equipment decisions or cheap subsidized steel imports" as the reasons for its mill closures. *Id.*

⁹⁹ Table IV-4, CR at IV-8, PR at IV-7. Based on shipment data provided by U.S. importers in response to Commission questionnaires, apparent U.S. regional consumption by quantity increased by 7.4 percent from 1993 to 1994, and by 2.8 percent from 1994 to 1995, for an overall increase of 10.4 percent during the period of investigation. The value of apparent U.S. regional consumption increased by *** from 1993 to 1994, and by *** from 1994 to 1995, for an overall increase of *** during the period of investigation. *Id.*

Official import statistics followed similar trends but are higher than U.S. importer shipments reported in Commission questionnaire responses. Compare Table IV-4 to Table C-3, CR at IV-8 to C-6, PR at IV-7 to C-6. There is a reporting difference of about 25 percent between the two reporting series, which we intend to examine further in any final investigation. We have used the more conservative numbers based on U.S. importer shipments reported in Commission responses rather than official import statistics for apparent U.S. regional consumption, market share, and volume of imports.

¹⁰⁰ Table IV-4, CR at IV-8, PR at IV-7.

¹⁰¹ Table III-4, CR at III-16, PR at III-11. Regional producers' U.S. shipments within the region by quantity *** from 1993 to 1994, and by *** from 1994 to 1995, for an overall increase of *** during the period of investigation.

¹⁰² Table III-4, CR at III-16, PR at III-11. The value of the regional producers' U.S. shipments within the region *** from 1993 to 1994, by *** from 1994 to 1995, and had an overall increase of *** during the period of investigation.

¹⁰³ Table III-4, CR at III-16, PR at III-11. Excluding ***, regional producers' shipments within the region by quantity *** from 1993 to 1995. *Id.*

the remaining regional producers reported *** regional shipments by value over the period of investigation.¹⁰⁴
¹⁰⁵ The regional industry's share of the regional market for rebar by both quantity and value *** during the period of investigation.¹⁰⁶

Production capacity numbers may be overstated and capacity utilization numbers are not meaningful because all regional producers provided production capacity data on the basis of their total capacity to produce all products, including products not part of the domestic like product, at their regional mills.¹⁰⁷ Production by regional producers increased during the period of investigation.¹⁰⁸ Among individual regional producers, production changes over the period of investigation varied widely, with *** reported by two producers, and *** reported by the other four regional producers.^{109 110} The year-end inventories held by regional producers by quantity, and as a percentage of shipments, increased dramatically from 1993 to 1995.¹¹¹ *** inventory data reported by individual regional producers followed similar trends.^{112 113}

¹⁰⁴ Table III-4, CR at III-16, PR at III-11.

¹⁰⁵ Commissioner Rohr notes that from 1993 to 1994 three producers, accounting for 51 percent of regional production, increased their shipments by more than 11 percent; from 1994 to 1995, four producers, accounting for 43 percent of regional production, increased shipments by more than 12 percent; and over the period of investigation, four producers, accounting for 53 percent of regional production, increased shipments by more than 16 percent. Looking at the unit value of shipments, Commissioner Rohr finds that five producers, accounting for 27 percent of regional production, increased the unit value of their shipments by more than 18 percent between 1993 and 1994; between 1994 and 1995, six producers, accounting for 77 percent of regional production, increased the unit value of their shipments by at least 13 percent; and, over the period of investigation, nine producers, accounting for 76 percent of regional production, increased the unit value of their shipments by at least 19 percent. He concludes that the shipment indicators do not support a finding that there is a reasonable indication that producers of all or almost all of regional production are experiencing material injury.

¹⁰⁶ Table IV-4, CR at IV-8, PR at IV-7. The regional industry's share of regional apparent consumption by quantity was *** in 1993, *** in 1994, and *** in 1995, and by value was *** in 1993, *** in 1994, and *** in 1995. Id.

¹⁰⁷ CR at III-5 and III-6, PR at III-3 and III-4. Regional producers' production capacity to produce all products at mills wherein rebar is produced *** from 1993 to 1995. Three of the regional producers reported increases in capacity and three reported no change during the period of investigation. Table III-1, CR at III-7, PR at III-5.

¹⁰⁸ Table III-2, CR at III-9, PR at III-6. Production volumes increased by 1.8 percent from 1993 to 1994, by 5.3 percent from 1994 to 1995, and had an overall increase of 7.2 percent during the period of investigation. Id.

¹⁰⁹ Table III-2, CR at III-9, PR at III-6.

¹¹⁰ Commissioner Rohr notes that between 1993 and 1994 and between 1994 and 1995, four producers, accounting for 43 percent of regional production, increased production by at least 12 percent; over the period of investigation five producers, accounting for 63 percent of regional production, increased production by at least 9 percent. He concludes that the production indicator does not support a finding that there is a reasonable indication that producers of all or almost all of regional production are experiencing material injury.

¹¹¹ Tables III-4 and III-5, CR at III-16 and III-22, PR at III-11 and III-17. Year-end inventories held by regional producers declined by 4.8 percent from 1993 to 1994, but increased by 72.0 percent from 1994 to 1995, for an overall increase of 63.8 percent during the period of investigation. Regional producers' inventories as a percentage of their regional shipments *** in 1995. Id.

¹¹² Tables III-4 and III-5, CR at III-16 and III-22, PR at III-11 and III-17. *** reported a *** in year-end inventories by quantity of *** from 1993 to 1995; in contrast, *** reported *** in year-end inventories for the same period. As a percentage of regional shipments, *** year-end inventories *** in 1995. Id.

¹¹³ Commissioner Rohr notes that between 1993 and 1994, the year end inventories of four producers, accounting for 49 percent of regional production, actually declined substantially, while between 1994 and 1995,

(continued...)

The number of production workers, hours worked, and wages paid in the regional industry decreased from 1993 to 1995; hourly wages paid and productivity increased in the regional industry during the same period.¹¹⁴ Data for individual regional producers generally followed similar trends, with some minor differences reported regarding wages paid and productivity.^{115 116}

Most of the financial performance indicators for the regional rebar industry indicated improving performance throughout the period of investigation.¹¹⁷ The regional industry's sales increased over the period of investigation at a rate similar to that of regional consumption by value.^{118 119} However, the trends for

¹¹³ (...continued)

inventories of six producers, accounting for 64 percent of regional production, increased substantially. Over the period of investigation, inventories for two producers, accounting for 25 percent of regional production, declined, while those of six producers, accounting for 55 percent of regional production, increased substantially. He concludes that the picture provided by this indicator is somewhat mixed. It does provide support for a finding that the industry weakened in 1995 and thus was becoming more vulnerable to the impact of imports.

¹¹⁴ Table III-6, CR at III-27, PR at III-21. The number of production workers *** from 1993 to 1995. Hours worked *** from 1993 to 1995. Wages paid fluctuated between years, but had an overall *** from 1993 to 1995. Hourly wages paid *** from 1993 to 1995. Productivity *** from 1993 to 1995. Id.

¹¹⁵ Table III-6, CR at III-27, PR at III-21. *** reported *** in wages paid for the 1993-1995 period, whereas the other regional producers and the industry trend reported a ***. *** reported a *** in productivity during the period of investigation, whereas the other regional producers and the regional industry as a whole reported ***. Id.

¹¹⁶ Commissioner Rohr notes that the percentage of production analysis reveals that with respect to the number of workers, between 1993 and 1994 five producers, accounting for 56 percent of regional production showed decreases in the number of workers, while one producer, accounting for only six percent, showed an increase; between 1994 and 1995 and over the period of investigation six producers, accounting for 71 percent of production, showed a decrease, while one producer, accounting for nine percent of regional production, showed an increase. The data for hours worked was roughly similar. The data for total wages and hourly wages were somewhat better but also roughly similar in that there was a slight deterioration from 1994 to 1995. For productivity, two producers, accounting for 25 percent of production, showed declines, while five producers, accounting for 47 percent of production, improved from 1993 to 1994; from 1994 to 1995, one producer, accounting for 4 percent of regional production, showed a decline while six producers, accounting for 76 percent of production, showed increases; and over the period of investigation, two producers, accounting for 28 percent of regional production, had declining productivity, while five producers, accounting for 52 percent of regional production, increased their productivity. With respect to unit labor costs, between 1993 and 1994, five producers, accounting for 41 percent of regional production, showed declines in unit cost, while two producers, accounting for 31 percent of regional production, reveal increasing costs; from 1994 to 1995, five producers, accounting for 74 percent of regional production, had declining costs while the unit cost of only one producer, accounting for two percent of production, increased; over the period of investigation, five producers, accounting for 52 percent of production, had declining unit costs, while one, accounting for 24 percent of regional production, had increasing unit costs.

Interpreting this data, Commissioner Rohr finds that it shows an industry whose labor situation is not good, but with significant anomalies in the performance of some producers. It does not provide significant support for a finding that producers of all or almost all of regional production are currently experiencing material injury. In many cases, however, performance for 1995 appears somewhat worse than for 1994, thus lending support to a finding that the vulnerability of the industry is increasing.

¹¹⁷ We do not have financial data for a number of regional producers, including one firm, ***, that accounted for almost *** of regional production in 1995. In any final investigation, we will actively seek this information from all regional producers.

¹¹⁸ The regional industry's net sales by value increased by *** from 1993 to 1995, while apparent U.S. regional consumption by value increased by *** in the same period. Tables VI-7 and IV-4, CR at VI-8 and IV-8, PR at (continued...)

individual regional producers' sales over the period of investigation varied widely, with *** sales trends consistent in direction and degree with those of the regional industry overall.¹²⁰ Gross profits and operating income of the regional rebar industry improved from 1993 to 1995.¹²¹ The industry, moreover, experienced gross profits in each year of the period, but experienced operating losses for the first two years.¹²² However, we note the extreme disparity in financial performance among individual regional producers in 1995. *** financial performance, particularly operating income, *** 1994 financial performance, and *** regional producers throughout the period of investigation.^{123 124}

Sales in 1993 and 1994 were not sufficient to cover production costs, which increased from 1993 to 1995

¹¹⁸ (...continued)

VI-5 and IV-7.

¹¹⁹ Commissioner Rohr notes that between 1993 and 1994, the net sales of two producers, accounting for 14 percent of regional production, declined, while the net sales of three producers, accounting for 34 percent of regional production, increased by more than 10 percent; between 1994 and 1995, net sales of four producers, accounting for 36 percent of regional production, declined, while the net sales of three producers, accounting for 30 percent of regional production, increased substantially; and over the period of investigation, net sales of two producers, accounting for two percent of regional production, declined substantially while those of four producers, accounting for 31 percent of regional production, increased substantially. He concludes that this indicator does not support an affirmative finding, but again notes that data for 1995 appears to indicate some weakening of the industry.

¹²⁰ *** from 1993 to 1995; *** over the period of investigation; and *** over the same period. Table VI-7, CR at VI-8, PR at VI-5.

¹²¹ Table VI-1, CR at VI-2, PR at VI-1. The regional industry's gross profits increased by *** from 1993 to 1994 and by *** from 1994 to 1995. The regional industry's operating losses decreased by *** from 1993 to 1994, and the industry's operating performance went from operating losses in 1994 to operating income in 1995.

¹²² Gross profits for the regional rebar industry as a share of net sales were *** in 1993, *** in 1994, and *** in 1995. Moreover, operating income for this industry as a share of net sales increased from operating losses of *** in 1993 and *** in 1994, to operating income of *** in 1995. Table VI-1, CR at VI-2, PR at VI-1.

¹²³ Table VI-7, CR at VI-8, PR at VI-5. ***

¹²⁴ Commissioner Rohr notes that he looked at the profitability of the regional industry in the percentage of production analysis both in terms of overall operating income and the operating income margins (OIM). He examined the OIM both absolutely and in terms of its year to year changes. With respect to operating income itself, from 1993 to 1994, the operating income of four producers, accounting for 36 percent of regional production, declined, while that of two producers, accounting for 14 percent of regional production, showed significant increases; from 1994 to 1995, five producers, accounting for 36 percent of regional production, had serious declines in operating income, while two others, accounting for 41 percent of regional production, had significant increases in their operating incomes.

With respect to the OIMs of the regional producers, in 1993, five producers had negative OIMs and none of the eight regional producers reporting financial data to us, accounting for 73 percent of regional production, had an OIM over ***. In 1994, ***. In 1995, three producers, accounting for 36 percent of regional production, had negative OIMs, but three other producers, accounting for 31 percent of regional production, had OIMs in excess of 10 percent.

With respect to changes in the OIM between 1993 and 1994, four producers, accounting for 45 percent of regional production, had declines in their OIMs, while two other producers, accounting for 18 percent of regional production, increased their OIMs by over 10 percentage points; between 1994 and 1995, no producers reported declines in their OIMs, while four producers, accounting for 65 percent of production, showed increases in their OIMs of more than 10 percentage points; and, over the period of investigation, one producer, accounting for 24 percent of regional production, reported a decline in its OIM, while four producers, accounting for 42 percent of regional production, increased their OIMs by 10 percentage points or more. I cannot conclude from this data that the profitability indicators provide a reasonable indication that producers of all or almost all of regional production are experiencing material injury.

(due mainly to an increase in the price of scrap), resulting in a *** increase in the unit COGS over this period.¹²⁵ Selling costs also rose by about *** over the period of investigation.¹²⁶ The increase in the average selling price exceeded the cost increases over the period of investigation, however, resulting in aggregate profitability in 1995.¹²⁷ Finally, capital expenditures by the regional rebar industry declined from 1993 to 1995, and *** research and development expenditures were reported for the same period.^{128 129 130}

VI. NO REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS¹³¹

In preliminary antidumping duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured by reason of the imports under investigation.¹³² In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on regional producers of the domestic like product, but only in the context of U.S. production operations.¹³³ Moreover, as previously noted in a regional industry analysis, the Commission must determine whether producers of "all or almost all" of the production within the region are materially injured by reason of the subject imports.

Although the Commission may consider causes of injury to the industry other than the allegedly LTFV imports, it is not to weigh causes.^{134 135 136}

¹²⁵ CR at VI-1, PR at VI-1.

¹²⁶ CR at VI-1, PR at VI-1.

¹²⁷ Table VI-1, CR at VI-3, PR at VI-1. Thus, as a share of net sales, the regional industry's cost of goods sold (COGS) and selling, general, and administrative (SG&A) expenses declined slightly from 1993 to 1995. The regional industry's COGS as a share of net sales was *** in 1993, *** in 1994, and *** in 1995. The regional industry's SG&A expenses as a share of net sales were *** in 1993, *** in 1994, and *** in 1995. *Id.* The regional industry's unit COGS increased by *** from 1993 to 1995. The regional industry's unit sales value increased by *** from 1993 to 1995. The regional industry's unit SG&A expenses also increased from 1993 to 1995. Table VI-2, CR at VI-3, PR at VI-1.

¹²⁸ Table C-3, CR at C-7, PR at C-7. Capital expenditures declined by *** from 1993 to 1995.

¹²⁹ Based on examination of the statutory factors and his percentage of production analysis, Commissioner Rohr determines that producers of all or almost all of regional production are not experiencing material injury but that there is a reasonable indication that this industry is vulnerable to the effects of the subject imports. Therefore, Commissioner Rohr proceeds to a threat of material injury analysis.

¹³⁰ Based on his examination of the relevant statutory factors, Commissioner Newquist concludes that the regional rebar industry is not experiencing material injury but that there is a reasonable indication that this industry is vulnerable to the continuing adverse effects of allegedly unfair imports. Accordingly, Commissioner Newquist proceeds directly to a threat of material injury analysis.

¹³¹ Commissioner Rohr and Commissioner Newquist do not join in this section of the Commission's opinion.

¹³² 19 U.S.C. § 1673b(a). The statute defines "material injury" as "harm which is not inconsequential, immaterial or unimportant." 19 U.S.C. § 1677(7)(A).

¹³³ 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 . . . and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

¹³⁴ See, e.g., Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988). Alternative causes may include the following:

(continued...)

For the reasons discussed below, we find that there is no reasonable indication that the producers of "all or almost all" production within the region are materially injured by reason of allegedly LTFV imports of rebar from Turkey.

A. Volume of Imports

The volume and market share of subject imports in the Eastern Tier region increased dramatically throughout the period of investigation.¹³⁷ Subject imports of rebar within the region by quantity were 48,362 short tons in 1993, 127,603 short tons in 1994, and 174,009 short tons in 1995.¹³⁸ Subject imports of rebar by value were \$16.8 million in 1993, \$37.2 million in 1994, and \$50.8 million in 1995.¹³⁹ The regional market share held by subject imports by quantity was: 3.0 percent in 1993; 7.3 percent in 1994; and 9.7 percent in 1995.¹⁴⁰ Regional market share by value for subject imports was: 3.8 percent in 1993; 7.3 percent in 1994; and 9.1 percent in 1995.¹⁴¹

The volume of subject imports into the region increased at a substantially faster rate than did apparent

¹³⁴ (...continued)

[T]he volume and prices of 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.

S. Rep. No. 249, 96th Cong., 1st Sess. 74 (1979). Similar language is contained in the House Report. H.R. Rep. No. 317, 96th Cong., 1st Sess. 46-47 (1979).

¹³⁵ For Chairman Watson's interpretation of the statutory requirement regarding causation, see Certain Calcium Aluminate Cement Clinker from France, Inv. No. 731-TA-645 (Final), USITC Pub. 2772 at I-14 n.68 (May 1994).

¹³⁶ Commissioner Crawford notes that the statute requires that the Commission determine whether a domestic industry is "materially injured by reason of" the allegedly LTFV imports. She finds that the clear meaning of the statute is to require a determination of whether the domestic industry is materially injured by reason of allegedly LTFV imports, not by reason of the allegedly LTFV imports among other things. Many, if not most, domestic industries are subject to injury from more than one economic factor. Of these factors, there may be more than one that independently are causing material injury to the domestic industry. It is assumed in the legislative history that the "ITC will consider information which indicates that harm is caused by factors other than less-than-fair-value imports." S. Rep. No. 249, 96th Cong., 1st Sess. 75 (1979). However, the legislative history makes it clear that the Commission is not to weigh or prioritize the factors that are independently causing material injury. *Id.* at 74; H.R. Rep. No. 317, 96th Cong., 1st Sess. 46-47 (1979). The Commission is not to determine if the allegedly LTFV imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 96-249 at 74 (1979). Rather, it is to determine whether any injury "by reason of" the allegedly LTFV imports is material. That is, the Commission must determine if the subject imports are causing material injury to the domestic industry. "When determining the effect of imports on the domestic industry, the Commission must consider all relevant factors that can demonstrate if unfairly traded imports are materially injuring the domestic industry." S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987) (emphasis added).

¹³⁷ Tables IV-3 and IV-4, CR at IV-6 and IV-8, PR at IV-5 and IV-7.

¹³⁸ Table IV-3, CR at IV-6, PR at IV-5.

¹³⁹ Table IV-3, CR at IV-6, PR at IV-5.

¹⁴⁰ Table IV-4, CR at IV-8, PR at IV-7.

¹⁴¹ Table IV-4, CR at IV-8, PR at IV-7.

consumption in the region during the period of investigation.¹⁴² Regional producers continued to hold a large, but generally declining, share of the regional market for rebar in terms of both quantity and value throughout the period of investigation.¹⁴³ Moreover, the increase in market penetration by subject imports was limited to certain market segments (i.e., Puerto Rico and the smaller sizes of rebar) where subject imports were concentrated.¹⁴⁴

Based on the foregoing, we conclude that the volume of subject imports and their market share, as well as the increases in those imports, are significant.

B. Price Effects of Imports

Evidence on the preliminary record indicates that subject imports and the domestic like product of the same size are generally interchangeable^{145 146} when used in the same application. However, imports of Turkish rebar are limited to the smaller diameter and shorter lengths¹⁴⁷ that generally are not used by fabricators or in public works projects.¹⁴⁸ Producers and importers generally considered the domestic regional product and the subject imports to be comparable with regard to most factors, such as product quality, although importers did note some deficiencies in Turkish rebar regarding availability, product range, lead times, technical support, volume requirements, and rust or shipping damage.^{149 150}

¹⁴² The volume of subject imports within the region increased by *** from 1993 to 1994, by *** from 1994 to 1995, and had an overall increase of *** during the period of investigation. Table C-4, CR at C-8, PR at C-8. In contrast, apparent consumption within the region by quantity increased by 7.4 percent from 1993 to 1994, by 2.8 percent from 1994 to 1995, and had an overall increase of 10.4 percent during the period of investigation. *Id.*

¹⁴³ The regional market share by quantity held by the regional producers was: *** in 1993; *** in 1994; *** in 1995. The regional industry's market share by value was: *** in 1993; *** in 1994; *** in 1995. Table IV-4, CR at IV-8, PR at IV-7.

¹⁴⁴ The percentage of Turkish imports of rebar to the Eastern Tier region that entered Puerto Rico, based on questionnaire responses from U.S. importers by state, was *** in 1993, *** in 1994, and *** in 1995. Turkish imports are concentrated in the smaller-sized rebar in shorter lengths, which primarily serve one portion of the market, the pool and patio and residential market. This market, which is estimated to be about 55 percent of the rebar market, is particularly large in Puerto Rico and in the southern United States. CR at II-1, PR at II-1; Tr. at 60 and 61.

¹⁴⁵ CR at II-4, PR at II-3. Both imports and the domestic product are required to meet ASTM specifications for use in building projects; the evidence indicates that both imports and the domestic regional product meet these standards. *Id.*; Tr. at 124 and 125.

¹⁴⁶ Chairman Watson notes that, although domestic and imported rebar may be substitutable in some applications, the dearth of dispositive evidence on this point in this preliminary investigation prevents his reaching any conclusion as to substitutability. Of course, he will revisit the issue of substitutability in any final investigation.

¹⁴⁷ CR at II-4, PR at II-3.

¹⁴⁸ Tr. at 33, 59 and 150. However, imported rebar may not be interchangeable for projects governed by "Buy America" provisions. CR at II-4, PR at II-3; Tr. at 124 and 125. *See* discussion of "Buy America" in the Condition of the Industry section.

¹⁴⁹ CR at II-4, PR at II-3.

¹⁵⁰ Commissioner Crawford finds that these factors limit the substitutability between subject imports and domestic rebar. In addition, she notes that about *** percent of domestic consumption is captively consumed; that subject imports are basically limited to the residential and pool and patio segment of the market; and that about two-thirds of subject imports are sold in Puerto Rico, while less than *** percent of domestic rebar is sold there. All of these factors reduce significantly the substitutability between subject imports and domestic rebar. Consequently, Commissioner Crawford finds that the record clearly demonstrates that subject imports and domestic rebar are not very good substitutes for each other.

There is some support for a finding that the prices of the subject imports have had a significant depressing or suppressing effect on the prices of the domestic regional rebar product. Turkish rebar consistently undersold the comparable domestic product during the period of investigation.^{151 152 153} Prices of subject imports and the domestic product fluctuated, but generally rose over the period of investigation.¹⁵⁴ Prices for both subject imports and domestic product declined at the end of the period of investigation, however. Domestic regional rebar prices generally were higher than the prices of subject imports throughout the period of investigation, but followed roughly parallel trends, particularly at the end of the period.^{155 156 157} We further note that there is

¹⁵¹ Tables V-1 - V-3, CR at V-5 - V-7, PR at V-4 - V-6. Overall the Turkish product was priced below the U.S. product in 28 of 36 instances. The margins of underselling ranged between 0.7 percent and 30.9 percent. For product 1, the imports were priced below the U.S. product in 11 out of 12 instances, with margins of underselling ranging from 0.7 percent to 30.9 percent. For product 2, the imports were priced below U.S. product in 10 out of 12 instances, with margins of underselling ranging from 1.8 percent to 21.2 percent. For product 3, the imports were priced below U.S. product in 8 out of 12 instances, with margins of underselling ranging from 1.4 percent to 20.0 percent. *Id.*

¹⁵² Commissioner Crawford rarely gives much weight to evidence of underselling since it usually reflects some combination of differences in quality, other nonprice factors, or fluctuations in the market during the period in which price comparisons were sought.

¹⁵³ Vice Chairman Nuzum notes that the alleged dumping margins range between 27.4 and 41.8 percent, and exceed the margins by which the Turkish rebar has undersold the domestically produced product in virtually every quarter for which price comparisons are available. This suggests that the dumping contributed substantially to the ability of the Turkish rebar to undersell the domestic product. Given the degree of interchangeability of the subject imports with the domestic product, Vice Chairman Nuzum finds that the alleged magnitude of dumping likely contributed to the ability of the Turkish product to increase its sales through lower prices at the expense of U.S. producers.

¹⁵⁴ Weighted-average prices for three types of rebar imported from Turkey and sold in the regional market were 16.1, 15.3, and 17.8 percent higher, respectively, in the fourth quarter of 1995 than in the first quarter of 1993. CR at V-9, PR at V-9.

¹⁵⁵ Weighted-average prices for the same three types of regional rebar products sold in the regional market were 15.2, 12.1, and 9.1 percent higher, respectively, in the fourth quarter of 1995 than in the first quarter of 1993. CR at V-9, PR at V-3.

¹⁵⁶ Commissioner Crawford finds that subject imports are not having significant effects on domestic prices for rebar. To evaluate the effects of the dumping on domestic prices, Commissioner Crawford compares domestic prices that existed when the imports were allegedly dumped with what domestic prices would have been if the imports had been fairly traded. In most cases, if the subject imports had not been traded unfairly, their prices in the U.S. market would have increased. In this investigation, the alleged dumping margins range from 27.4 percent to 41.8 percent. Thus, prices for the subject imports likely would have risen considerably if they had been priced fairly, and they normally would have become more expensive relative to the domestic product. In such a case, demand normally would have shifted away from subject imports and towards the relatively less-expensive domestic products. In this investigation, however, the overall shift in demand to domestic rebar would have been quite small. As noted above, subject imports and domestic rebar are not very good substitutes for each other. In particular, Puerto Rico accounted for about two-thirds of the shipments of subject imports in 1995. Even at fairly traded prices, little, if any, of the demand in Puerto Rico would have shifted to domestic rebar for two reasons. First, the domestic industry does not compete significantly in Puerto Rico, selling only 2.6 percent of its shipments there in 1995. Second, transportation costs would have added 18 to 20 percent to the already premium-priced small sizes of domestic rebar that could have been sold in Puerto Rico. Consequently, the cost to purchasers of domestic rebar in Puerto Rico would have been close to the price of fairly traded subject imports, and thus fairly traded subject imports would not have been significantly more expensive relative to domestic rebar. Therefore, the shift in demand from

(continued...)

evidence confirming allegations of at least one lost sale to subject imports.¹⁵⁸

There is also some evidence that the regional industry was not able to raise prices commensurate with increases in production costs during the period of investigation.¹⁵⁹ The evidence that increases in unit sales values for the domestic regional product outpaced increases in unit cost of goods sold and unit selling expenses in 1995, however, would appear not to support that conclusion.¹⁶⁰ We intend to examine this issue further in any final investigation. On balance we conclude that there is at least a reasonable indication that subject imports have adversely affected prices for the domestic regional product.¹⁶¹

¹⁵⁶ (...continued)

subject imports to domestic rebar in Puerto Rico, if any, would have been very small. The remaining one-third of the shipments of subject imports was sold in the continental United States, where they accounted for about three percent of regional consumption in 1995 and competed with the remaining 97.4 percent of shipments of domestic rebar. Assuming these subject imports would not have been present in the continental United States at fairly traded prices, their market share is sufficiently small that the shift in demand to domestic rebar also would have been small. Even if there were no price discipline in this market, the overall shift in demand would have been too small for the domestic industry to have increased its prices significantly. However, in this investigation price discipline exists in the market. The seven regional producers have available capacity and inventories with which they would have competed among themselves for sales, had demand shifted away from subject imports. These market conditions would have imposed price discipline on domestic prices, and thus prevented domestic price increases. Consequently, Commissioner Crawford finds that subject imports are not having significant effects on domestic prices for rebar.

¹⁵⁷ Vice Chairman Nuzum and Commissioner Bragg note that prices for the Turkish product declined steeply in 1994, as domestic product prices were increasing. The largest gap between Turkish and domestic prices occurred in the fourth quarter of 1994, after which domestic prices reversed direction and began a consistent decline. In their view, these data suggest that the low and declining prices of Turkish product during 1994 pulled down domestic prices at the end of 1994, and continued to pull down domestic prices throughout 1995. See Figures V-2, V-3, and V-4, CR at V-8 and V-9, PR at V-8 and V-9. These trends were important to their finding an affirmative threat of material injury by reason of the subject imports.

¹⁵⁸ CR at V-10 - V-12, PR at V-9 and V-10.

¹⁵⁹ Testimony by an AmeriSteel executive at the Commission's conference indicated that price increases put into effect by that company in 1994 "in order to pass through the effect of rising scrap costs could not be maintained in 1995. . . . In July 1995, AmeriSteel finally relented and announced price decreases." Petitioners' Postconference Brief at 28.

¹⁶⁰ The regional industry's unit sales value increased by 10.7 percent from 1994 to 1995, whereas the industry's unit cost of goods sold combined with unit selling expenses only increased by 3.3 percent for the same period. Table VI-2, CR at VI-3, PR at VI-1.

¹⁶¹ As part of its consideration of the impact of imports, the statute as amended by the URAA now also specifies that the Commission is to consider in an antidumping proceeding, "the magnitude of the margin of dumping." 19 U.S.C. § 1677(7)(C)(iii)(V). The SAA indicates that the amendment "does not alter the requirement in current law that none of the factors which the Commission considers is necessarily dispositive in the Commission's material injury analysis." SAA at 180.

The statute, 19 U.S.C. § 1677(35)(C), defines the "magnitude of the margin of dumping" to be used by the Commission in a preliminary determination as "the dumping margin or margins published by the administering authority [Commerce] in its notice of initiation of the investigation." The dumping margins identified by the Commerce Department in its notice initiating this investigation fall within the range of 27.4 to 41.8 percent. 61 Fed. Reg. 15039 (April 4, 1996).

C. Impact of Imports on the Regional Industry

In this preliminary investigation, we find that subject imports are not having a significant impact on the regional industry producing rebar. In this case, the financial information provided shows a regional industry experiencing improving performance throughout the period of investigation, particularly in 1995.¹⁶² However, there are wide disparities in the information reported by individual regional producers.¹⁶³ While the financial performance for *** from 1994 to 1995, *** continued to report operating losses with limited improvement or continued declines in most indicators of financial performance.^{164 165}

There is other evidence in the record that detracts from the regional industry's substantially improved financial performance in 1995. The year-end inventories both by quantity, and as a percentage of shipments, held by regional producers increased dramatically from 1994 to 1995.¹⁶⁶ There is evidence in the record of regional rebar plant closures, regional producers filing for bankruptcy, and temporary plant shutdowns to reduce high inventory levels. As previously noted, Turkish rebar consistently undersold the comparable regional product throughout the period of investigation, and prices for both subject imports and the domestic regional product

¹⁶² Table VI-1, CR at VI-2, PR at VI-1.

¹⁶³ Only three out of the seven regional producers provided useable financial information in this preliminary investigation.

¹⁶⁴ *** Table VI-7, CR at VI-8, PR at VI-5. Regional producers' net sales, excluding *** from 1994 to 1995, while apparent regional consumption by value *** for the same period. *Id.* and Table C-4, CR at C-8, PR at C-8.

¹⁶⁵ Commissioner Crawford's analysis does not rely on the trends in the statutory impact factors, and thus she does not join in that analysis. However, Commissioner Crawford concurs that subject imports are not having a significant impact on the domestic industry. In her analysis of material injury by reason of dumped imports, Commissioner Crawford evaluates the impact on the domestic industry by comparing the state of the industry when the imports were allegedly dumped with what the state of the industry would have been had the imports been fairly traded. In assessing the impact of the subject imports on the domestic industry, she considers, among other relevant factors, output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development and other relevant factors as required by 19 U.S.C. § 1677(7)(C)(iii). These factors together either encompass or reflect the volume and price effects of the dumped imports, and so she gauges the impact of the dumping through those effects. In this regard, the impact on the domestic industry's prices, sales and overall revenues is critical, because the impact on the other industry indicators (e.g., employment, wages, etc.) is derived from this impact. As noted above, the domestic industry would not have been able to increase its prices significantly if subject imports had been sold at fairly traded prices. Therefore, any impact of the allegedly dumped imports on the domestic industry would have been on its output and sales. Had subject imports not been dumped, only a small portion of the overall demand for subject imports (i.e., the demand for subject imports sold in the continental United States) would have shifted to the domestic product. Even assuming that the domestic industry would have captured all of this shift in demand, the increase in the overall domestic industry's output and sales would have been too small to have been material. Had the largest domestic producer captured the entire shift in demand, the increase in that producers' output and sales may have been material. However, the remaining producers accounted for about *** of regional production. These producers would not have increased their output and sales at all, and thus producers of "all or almost all" of production within the region would not have increased their output and sales significantly. Consequently, producers of all or almost all of the production in the region would not have been materially better off if the subject imports had been priced fairly. Therefore, Commissioner Crawford determines that there is no reasonable indication that the domestic industry is materially injured by reason of allegedly dumped imports of rebar from Turkey.

¹⁶⁶ Table III-4 and III-5, CR at III-16 and III-22, PR at III-11 and III-17. Year-end inventories held by regional producers increased by 72.0 percent from 1994 to 1995, and as a percentage of their regional shipments *** in 1995.

declined at the end of the period of investigation.¹⁶⁷ Finally, the volume and market share of the subject imports has increased significantly, and the Turkish imports are particularly concentrated in certain areas of the market, i.e., the smaller sizes and Puerto Rico, where we would expect to see the most significant impact.¹⁶⁸

On balance, however, given the overall significant improvement in the financial performance of the regional industry at the end of the period, and despite the disparities in individual regional producers' performance, we cannot conclude that there is a reasonable indication that producers of "all or almost all" of production within the region are materially injured by reason of the subject imports of rebar from Turkey.

VII. REASONABLE INDICATION OF THREAT OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS¹⁶⁹

Section 771(7)(F) of the Act directs the Commission to consider whether the U.S. industry is threatened with material injury by reason of the subject imports "on the basis of evidence that the threat of material injury is real and that actual injury is imminent."¹⁷⁰ The Commission may not make such a determination "on the basis of mere conjecture or supposition,"¹⁷¹ and considers the threat factors "as a whole" in determining "whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued. . . ."¹⁷² In making our determination, we have considered, in addition to other relevant economic factors,¹⁷³ all statutory factors¹⁷⁴ that are relevant to this investigation.¹⁷⁵

¹⁶⁷ Tables V-1 - V-3, CR at V-5 - V-7, PR at V-4 - V-6.

¹⁶⁸ We will seek specific information regarding the impact of subject imports on these portions of the market in any final investigation.

¹⁶⁹ Chairman Watson and Commissioner Crawford do not join in this section of the opinion. See their separate Views regarding no reasonable indication of threat of material injury by reason of allegedly LTFV imports of rebar from Turkey.

¹⁷⁰ 19 U.S.C. §§ 1673b(a) and 1677(7)(F)(ii).

¹⁷¹ 19 U.S.C. § 1677(7)(F)(ii). An affirmative threat determination must be based upon "positive evidence tending to show an intention to increase the levels of importation." Metallwerken Nederland B.V. v. U.S., 744 F.Supp. 281, 287 (Ct. Int'l Trade 1990), citing American Spring Wire, 8 CIT at 28, 590 F.Supp. at 1280. See also Calabrian Corp. v. United States, 794 F. Supp. 377, 387 and 388(Ct. Int'l Trade 1992) (citing, H.R. Rep. No. 1156, 98th Cong., 2d Sess. 174 (1984)).

¹⁷² While the language referring to imports being imminent (instead of "actual injury" being imminent and the threat being "real") is a change from the prior provision, the SAA indicates the "new language is fully consistent with the Commission's practice," the pre-existing statutory language, "and judicial precedent interpreting the statute." SAA at 184.

¹⁷³ Suramerica de Aleaciones Laminadas, C.A. v. United States, 44 F.3rd 978 (Fed. Cir. 1994). The Federal Circuit held that 19 U.S.C. § 1677(7)(F)(i) requires the Commission to consider "all relevant factors" that might tend to make the existence of a threat of material injury more probable or less probable. The Commission cannot limit its analysis to the enumerated statutory criteria when there is other pertinent information in the record. Moreover, the court appears to require consideration of the present condition of the industry as among the "relevant economic factors." Id. at 984.

¹⁷⁴ The statutory factors have been amended to track more closely the language concerning threat of material injury in the Antidumping and Subsidies Agreements, although "[n]o substantive change in Commission threat analysis is required." SAA at 185.

¹⁷⁵ 19 U.S.C. § 1677(7)(F)(i). Two statutory threat factors have no relevance to this investigation and need not be discussed. Because there are no subsidy allegations, factor I is not applicable. Factor VII regarding raw and
(continued...)

For the reasons discussed below, we find that there is a reasonable indication that the producers of "all or almost all" production within the region are threatened with material injury by reason of subject imports.

The information concerning Turkish production capacity and capacity utilization¹⁷⁶ shows that a substantial further increase in subject imports of rebar into the United States is likely. Production capacity in Turkey increased from 1993-1995, and is projected to increase further.¹⁷⁷ While capacity utilization levels in Turkey were high, they are projected to increase by almost 25 percentage points by 1997.¹⁷⁸ Moreover, it is relatively easy to shift production from other rod and bar products to rebar.¹⁷⁹ Evidence in the record indicates that Turkish capacity to produce iron and steel rods and bars, as well as production of these products, increased during the period of investigation.¹⁸⁰ However, overall capacity utilization for iron and steel rods and bars was estimated to be significantly lower than that reported in questionnaire responses for rebar over the period of investigation.¹⁸¹ Since the increased production of rebar in Turkey over the period of investigation has directly corresponded to increases in exports to the United States, substantial future increases in production and exports to the United States appear likely.¹⁸²

We also find evidence to indicate that there has been and will continue to be a shift in shipments of rebar from the Turkish home market to the U.S. regional market.¹⁸³ While the volume of Turkish shipments in the home market and to third country markets has increased over the period of investigation, these increases have been outpaced by increases in Turkish exports of subject merchandise to the U.S. market.^{184 185} Turkish exports to the United States as a share of total Turkish shipments of rebar increased significantly over the period of

¹⁷⁵ (...continued)

processed agriculture products is also inapplicable to the products at issue.

¹⁷⁶ The data on the industry in Turkey is for 7 of the estimated 18 firms that produce rebar in Turkey. CR at VII-1, PR at VII-1.

¹⁷⁷ Table VII-1, CR at VII-3, PR at VII-3. We note that this data is for less than half of the estimated Turkish producers of rebar. Capacity to produce rebar in Turkey increased by 4.4 percent from 1993 to 1995, and is projected to increase by 8.2 percent from 1995 to 1996. While production capacity is projected to decline in 1997 to 1995 levels, two Turkish producers reported that significant increases in their production capacity were expected for the 1996 to 1997 period. *Id.* at VII-3.

¹⁷⁸ Table VII-1, CR at VII-3, PR at VII-3. Capacity utilization levels for reported Turkish rebar production were: 79.4 percent in 1993, 100.7 percent in 1994, 94.6 percent in 1995, and are project to be 97.3 percent in 1996 and 119.4 percent in 1997. Turkish production increased by 24.4 percent from 1993 to 1995. *Id.*

¹⁷⁹ CR at III-5 and VII-4, PR at III-4 and VII-2; Tr. at 44. In any final investigation, we will seek more information regarding the Turkish producers' range of products, including whether the larger size rebars are produced.

¹⁸⁰ Turkish capacity to produce iron and steel rods and bars as estimated by the Turkish iron and steel organization, TDCK, increased by 15.8 percent from 1993 to 1995. Turkish production of these products, which includes rebar, increased by 19 percent for the same period. CR at VII-2, PR at VII-1.

¹⁸¹ Capacity utilization estimated by TDCK for iron and steel rods and bars was: 72.5 percent in 1993, 73.9 percent in 1994, and 74.6 percent in 1995. CR at VII-2, PR at VII-1.

¹⁸² Table VII-1, CR at VII-3, PR at VII-3.

¹⁸³ Table VII-1, CR at VII-3, PR at VII-3.

¹⁸⁴ Reported Turkish shipments to the U.S. market increased by 343 percent from 1993 to 1995 and to the regional market increased by 259.9 percent from 1993 to 1995; Turkish home market shipments *** from 1993 to 1995; and third country markets increased by 20.1 percent from 1993 to 1995. Table VII-1, CR at VII-3, PR at VII-3.

¹⁸⁵ Notwithstanding the growth in shipments to the United States, Commissioner Newquist notes that there is significant production which can otherwise be diverted from the home or other export markets to the United States.

investigation.¹⁸⁶ Moreover, there is an outstanding antidumping order in Singapore against steel reinforcing bars that covers imports from Turkey.¹⁸⁷ In November 1995, the Singapore Ministry of Finance imposed final antidumping duties on Turkish companies ranging from \$16 per tonne to \$59 per tonne.¹⁸⁸ The Singapore rebar market accounted for a larger share of Turkish exports of rebar than the U.S. market in 1995.¹⁸⁹ For these reasons, we find that additional capacity to produce rebar in Turkey is likely to result in substantially increased exports of rebar to the United States, and in particular to the Eastern Tier region, where the majority of past Turkish exports have been directed.

The volume of rebar imports from Turkey into the Eastern Tier region increased throughout the period of investigation at a substantially faster rate than did U.S. regional apparent consumption.¹⁹⁰ Market penetration by subject imports, which increased throughout the period, is significant and grew rapidly over the period of investigation.¹⁹¹ Moreover, there are other indications that such increases in Turkish market penetration will continue in the future.¹⁹² We find that these factors indicate a likelihood of substantially increased imports.

We have limited data on U.S. inventories of rebar imported from Turkey.¹⁹³ However, inventories of subject merchandise in Turkey *** in volume from 1993 to 1995, and as a share of Turkish production and Turkish shipments from 1993 to 1995.¹⁹⁴ The record thus indicates that the inventories of subject merchandise either in the United States or in the Turkey will have an adverse effect on the regional industry in light of our assessment of other threat factors.¹⁹⁵

There is evidence that suggests subject imports are entering the region at prices that have a depressing or suppressing effect on regional prices and that are likely to increase demand for further imports. As discussed above, the Commission found some evidence of significant price-depressing or

¹⁸⁶ Turkish exports of rebar to the United States as a share of total shipments were: *** in 1995. Table VII-1, CR at VII-3, PR at VII-3.

¹⁸⁷ See 19 U.S.C. § 1677(7)(F)(iii)(I).

¹⁸⁸ Singapore Customs (Anti-Dumping Duty) (No. 2) Order 1995, issued November 29, 1995 and effective December 2, 1995. Duties were imposed on Turkish companies as follows: Colakogin Metalurji A.S. (\$16 per tonne); Ekinciler Demir Ve Celik Sanayi A.S. (\$59 per tonne); METAS Izmir Metalurji Fabrikasi Turk A.S. (\$37 per tonne); and all others (\$16 per tonne), except Icdas-Istanbul Celik Ve Demir Izabe Sanayii A.S. and Izmir Demir Celik Sanayi A.S. (\$0 per tonne). *Id.*

¹⁸⁹ Based on TDCK estimates, 13.9 percent of total Turkish rebar shipments was exported to Singapore, compared to 10.9 percent exported to the United States in 1995. CR at VII-2, PR at VII-1.

¹⁹⁰ The volume of subject imports into the United States increased by 259.8 percent from 1993 to 1995. Apparent consumption in the regional U.S. market by quantity increased by *** from 1993 to 1995. Tables C-4, CR at C-8, PR at C-8.

¹⁹¹ The market share held by subject imports in the Eastern Tier region by quantity was: 3.0 percent in 1993; 7.3 percent in 1994; and 9.7 percent in 1995. Market share by value for subject imports in the regional market followed a similar trend. Non-subject imports of rebar in the regional market by quantity accounted for a relatively constant smaller share of the regional market, ranging from *** over the period of investigation. Table IV-4, CR at IV-8, PR at IV-7.

¹⁹² Tr. at 155.

¹⁹³ Only three U.S. importers of Turkish rebar reported end of period inventories. CR at VII-4, PR at VII-2.

¹⁹⁴ Table VII-1, CR at VII-3, PR at VII-3. Year-end inventories as a share of Turkish production increased from 5.2 percent in 1993 to 12.7 percent in 1995, and as a share of Turkish shipments increased from 4.9 percent in 1993 to 12.6 percent in 1995.

¹⁹⁵ See *Companhia Paulista de Ferro-Ligas v. United States*, Slip Op. 96-63 at 25 and 26 (Ct. Int'l Trade, April 15, 1996).

-suppressing effects from subject imports during the period of investigation.^{196 197} Imports of rebar from Turkey undersold the comparable domestic product in the majority of price comparisons during the period of investigation,¹⁹⁸ and lower Turkish prices resulted in sales lost to imports by U.S. regional producers.¹⁹⁹ Prices of both subject imports and the domestic product fluctuated, but followed roughly parallel trends, and declined at the end of the period of investigation.

The improving financial performance of the regional industry, particularly in 1995,²⁰⁰ did not reflect a present adverse impact by reason of increasing imports at lower prices. However, the trends for individual regional producers ***. We find that the disparity in the financial condition of the individual regional producers makes it likely that increased imports at lower prices will adversely affect the regional industry as a whole.

As discussed previously, one regional producer, AmeriSteel, which was on the verge of bankruptcy in 1992, experienced *** in financial performance, particularly in 1995. There are many unanswered questions regarding this producer's performance *** performance of the other regional producers. For example, there is evidence that AmeriSteel pursued a different approach to competing with the allegedly unfair imports (i.e., accepting lower sales of products comparable to subject imports rather than lowering prices)²⁰¹ and may have shifted more of its production to larger-sized, more profitable, products that did not compete directly with imports. *** other regional producers, ***, indicated that they instituted "foreign fighter" programs in which they lowered prices to match the prices of Turkish rebar in order to maintain market share.²⁰² We also note that AmeriSteel consolidated operations by closing its Tampa facility in 1995 and, thus, would be expected to experience some improvements in performance due to consolidated production. We intend to seek further information in any final investigation regarding whether AmeriSteel has been materially injured, or threatened with material injury, by reason of the subject imports, despite its ***. In any final investigation, we will seek information regarding AmeriSteel's product mix, and the reasons for the disparities in the performance of the regional producers, to better enable us to determine whether the regional producers of "all or almost all" of regional production have been materially injured by reason of the subject imports.^{203 204}

¹⁹⁶ Although Commissioner Rohr and Commissioner Newquist do not join the discussion referred to, they adopt here, for purposes of their threat of material injury analysis, that discussion to the extent it demonstrates that the subject imports will imminently depress or suppress regional prices to a significant degree.

¹⁹⁷ Vice Chairman Nuzum and Commissioner Bragg also note that toward the end of the period examined, there was stronger evidence of price depression from the Turkish product. See their discussion in note 157 supra.

¹⁹⁸ Tables V-1 - V-3, CR at V-5 -V-7, PR at V-4 - V-6.

¹⁹⁹ CR at V-10 - V-12, PR at V-9 and V-10.

²⁰⁰ We have considered the present condition of the domestic industry as among the "relevant economic factors" in our threat analysis.

²⁰¹ AmeriSteel's President indicated at the Commission conference that at the pricing level in the marketplace today, "I'm only generating a 2 to 4 percent return on capital," which does not give us an adequate return to replenish our asset base. Tr. at 34. He added that he would like to supply the Puerto Rican market, "[b]ut I am not going to run my business at a loss." Tr. at 160.

²⁰² Tr. at 37 and 38.

²⁰³ Our analysis of the regional producers is based on the information available at the time of our determination. We note that only three of seven regional producers provided useable financial data in this preliminary investigation. We intend to seek more complete information in any final investigation.

²⁰⁴ Commissioner Newquist notes that in light of these unanswered questions regarding the reported information for the regional producers, he cannot conclude that there is no likelihood that contrary evidence will arise in any final investigation. See American Lamb, 785 F.2d at 1001 (Fed. Cir. 1986).

We find that increases in the subject foreign producers' production capacity, shifts of Turkish rebar exports to the regional market, and increases in the volume and market penetration of subject imports sold at prices below those of the domestic regional product indicate a likelihood of substantially increased imports of subject merchandise into the United States, and the regional market in particular. We also find the evidence of plant closures, bankruptcy filings, and temporary shutdowns to control increasing inventory to be "other demonstrable adverse trends" that indicate that material injury by reason of subject imports will occur.²⁰⁵

CONCLUSION

For the foregoing reasons, we determine that there is a reasonable indication that regional producers of "all or almost all" of the domestic regional rebar production are threatened with material injury by reason of allegedly LTFV imports from Turkey.

²⁰⁵ See 19 U.S.C. §§ 1677(7)(F)(i)(VII) and (X).

**DISSENTING VIEWS
OF
CHAIRMAN PETER S. WATSON AND COMMISSIONER CAROL T. CRAWFORD**

**NO THREAT OF MATERIAL INJURY BY REASON OF
ALLEGEDLY LTFV IMPORTS OF REBAR FROM TURKEY**

On the basis of information obtained in this preliminary investigation, we determine that there is no reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly LTFV imports of rebar from Turkey. We concur in our colleagues' findings with respect to like product, domestic industry, related parties, regional industry, negligibility, and captive production, and join their discussion of the condition of the regional industry. We also join in the determination that there is no reasonable indication that the regional industry is materially injured by reason of allegedly LTFV imports from Turkey. However, we do not concur in their determination that there is a reasonable indication that the regional industry is threatened with material injury by reason of the subject imports. Our dissenting views follow.

Section 771(7)(F) of the Act directs the Commission to consider whether a U.S. industry is threatened with material injury by reason of the subject merchandise on the basis of evidence that the threat of material injury is real and that actual injury is imminent.¹ The Commission may not make such a determination "on the basis of mere conjecture or supposition".² In making our determination, we have considered all of the statutory factors that are relevant to this investigation.^{3 4} In addition, the Commission must consider whether dumping findings

¹ 19 U.S.C. §§1673d(b) and 1677(7)(F)(ii).

² 19 U.S.C. §1677(7)(F)(ii). An affirmative threat determination must be based upon "positive evidence tending to show an intention to increase the levels of importation." *Metallwerken Nederland B.V. v. U.S.*, 744 F.Supp. 281, 287 (CIT 1990), citing *American Spring Wire*, 8 CIT at 28, 590 F.Supp. at 1280.

³ In this investigation the Commission must consider, in addition to other relevant economic factors, the following statutory factors in its threat analysis:

(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,

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

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

19 U.S.C. §1677(7)(F)(i). Two statutory threat factors have no relevance to this investigation and need not be discussed. Because there are no subsidy findings, factor I is not applicable. Moreover, factor VII is also inapplicable since this investigation does not involve an agricultural product.

⁴ The SAA indicates that "no substantive change in Commission threat analysis is required." SAA at 185.

or antidumping remedies in markets of foreign countries against the same class or kind of merchandise suggests a threat of material injury to the domestic industry.⁵

We do not find that there is any increase in production capacity or unused capacity in the exporting country likely to result in a significant increase in imports of rebar into the United States. Production capacity in Turkey increased only slightly, from 2,565,899 metric tons in 1993 to 2,678,099 metric tons in 1995, an increase of 4.4 percent, while production increased from 2,036,564 metric tons in 1993 to 2,533,412 metric tons in 1995.⁶ Capacity utilization remained at a very high level, ranging from 79.4 percent in 1993 to 100.7 percent in 1994 and 94.6 percent in 1995.⁷ At these levels of capacity utilization, Turkish exporters have little ability to increase exports to the U.S. market. As a share of total shipments, Turkish rebar exports to the U.S. increased from 1.6 percent in 1993 to 6.2 percent in 1995. However, home market shipments and exports to all other countries remained relatively steady, ranging from 36.4 percent in 1993 to 34.5 percent in 1995, and 57.6 percent in 1993 to 59.3 percent in 1995, respectively.⁸ Given the very high capacity utilization rates and the significance of shipments to non-U.S. markets, we find little likelihood of significantly increased Turkish exports of rebar to the U. S. market.

The volume of shipments of imports to the U. S. market increased noticeably, from 48,362 short tons in 1993 to 174,009 short tons in 1995.⁹ However, it appears that these increases served primarily to satisfy the significant increase in demand in the U.S. market. Consumption in the regional market increased from 1,627,391 short tons in 1993 to 1,796,161 short tons in 1995, an increase of 168,770 short tons.¹⁰ Conversely, the subject merchandise from Turkey increased in quantity by 125,647 short tons over the same period.¹¹ Domestic producers appear to have shared in some of the wealth. U.S. producers' domestic shipments increased in both quantity and value over the same period, although not at the same rate as the imports.¹² Thus, we find that the increase in subject imports during the period of investigation served primarily to satisfy increases in domestic consumption, and did not have a significantly adverse impact on the domestic industry. In addition, the record contains evidence of recent declines in the volume of subject imports, coincident with recent declines in demand.¹³ For these reasons, as well as the very high levels of capacity utilization in Turkey, we find that there is little likelihood of substantially increased imports.

The record does not support a finding that the inventories of subject imports in the United States will have an injurious effect on the U.S. industry. End-of-period inventories in Turkey increased from 105,995 metric tons in 1993 to 321,481 metric tons in 1995.¹⁴ However, U.S. importers' end-of-period inventories of Turkish rebar were very low, only *** short tons in 1995, representing a mere *** percent of shipments, and thus no credible threat to the domestic industry.¹⁵ Furthermore, we find that the inventories in Turkey, by themselves, are not sufficient to constitute a threat of material injury.

We do not find that subject imports will enter the United States at prices that will have

⁵ 19 U.S.C. §1677(7)(F)(iii)(I).

⁶ Table VII-1, CR at VII-3, PR at VII-3.

⁷ Table VII-1, CR at VII-3, PR at VII-3.

⁸ Table VII-1, CR at VII-3, PR at VII-3.

⁹ Table C-4, CR at C-8, PR at C-8.

¹⁰ Table C-4, CR at C-8, PR at C-8.

¹¹ *Id.*

¹² *Id.*

¹³ Exhibit E, Respondents' Postconference Brief.

¹⁴ Table VII-1, CR at VII-3, PR at VII-3.

¹⁵ CR at VII-4, PR at VII-2.

a depressing or suppressing effect on domestic prices. Although Turkish rebar generally undersold the domestic like product, the record reveals deficiencies in Turkish rebar which may account for these pricing differences, including availability, lead times, technical support, and volume requirements.^{16 17} The evidence also reveals that domestic producers' unit sales values for domestic shipments have increased noticeably over the POI at the same time subject import volume and market share have increased in the region. Thus, the evidence does not support the conclusion that the prices of the subject imports have had a significant depressing or suppressing effect on domestic prices. In addition, information on the record suggests other factors may have contributed to any decrease in domestic prices. New Jersey steel stated that "severe winter storms limited demand for rebar in the Northeast so an unusually high percentage of New Jersey Steel's rebar was shipped outside the company's traditional markets, which resulted in higher freight costs and lower net selling prices."¹⁸ In our determination of no reasonable indication of material injury by reason of the subject imports, we found that subject imports are not having significant effects on domestic prices. We find no evidence to indicate that subject imports are likely to have any greater impact on domestic prices in the near future than is currently the case.

We do not find any evidence of significant potential for product-shifting in this investigation. The petitioners allege that Turkish producers might be able to shift production from other products to rebar with relative ease, thus increasing their flexibility to respond to changes in demand levels.¹⁹ Indeed, other products such as wire rod, special quality bars, and steel billets are produced on the same equipment and machinery as rebar.²⁰ However, the record also indicates that the level of Turkish rebar imports have declined in recent months, coincident with recent declines in demand levels.²¹ Thus, we find that, although product shifting may be technically possible, it is unlikely to occur in the immediate future, given the current demand levels in the U.S. market.²²

We find no evidence of actual and potential negative effects on the existing development and production efforts of the domestic industry or of any other demonstrable adverse trends. With respect to antidumping remedies in other markets, Singapore imposed antidumping duties ranging from \$16 to \$59 per metric ton against steel reinforcing bars from Turkey, effective December 2, 1995.²³ However, Turkish exports of rebar to Singapore accounted for only 13.9 percent of the total volume of 1995 Turkish exports, while the comparable figure for Turkish exports to the United States was only 10.9 percent.²⁴ Thus, we find the likelihood of any significant diversion of the subject merchandise to the United States to be minimal, given the abundant availability of other markets.²⁵

We therefore determine that there is no reasonable indication that the domestic regional industry producing rebar is threatened with material injury by reason of the allegedly LTFV imports of rebar from Turkey.

¹⁶ CR at II-4, PR at II-3.

¹⁷ For the reasons stated in the determination of no reasonable indication of material injury by reason of subject imports, Commissioner Crawford found that domestic rebar and subject imports are not good substitutes for each other. She finds no record evidence that the degree of substitutability will change in the immediate future.

¹⁸ "N.J. Steel posts 1st-qr. loss " *American Metal Market* (April 16, 1996).

¹⁹ Petitioners' Post-Conference Brief at 38.

²⁰ CR at VII-4, PR at VII-2.

²¹ Exhibit E, Respondents' Postconference Brief.

²² *Id.*

²³ CR at VII-2, PR at VII-1.

²⁴ CR at VII-2, PR at VII-1.

²⁵ Twenty-six percent of the volume of the 1995 exports went to Hong Kong, 19.0 percent to Abu Dhabi, 10.3 percent to South Korea, and the remaining shares were exported to all other countries. CR at VII-2, PR at VII-1.

PART I: INTRODUCTION

BACKGROUND

This investigation results from a petition filed by Florida Steel Corp., Tampa, FL,¹ and New Jersey Steel Corp., Sayreville, NJ, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of steel concrete reinforcing bar² from Turkey. Information relating to the background of the investigation is provided below.³

<i>Date</i>	<i>Action</i>
March 8, 1996	Petition filed with Commerce and the Commission; ⁴ institution of Commission investigation (61 F.R. 11063, March 18, 1996)
March 29, 1996	Commission's conference ⁵
April 4, 1996	Commerce's notice of initiation (61 F.R. 15039, April 4, 1996)
April 18, 1996	Commission's vote
April 22, 1996	Commission determination transmitted to Commerce

SUMMARY DATA

The petition in this investigation is filed on behalf of a regional U.S. industry that produces rebar. The regional industry on which behalf the petition is filed is defined in the petition as comprising 22 states from New England through the mid-Atlantic to the Gulf seaboard states, as well as the District of Columbia and Puerto Rico.⁶ The petition argues that the defined regional industry "is separate and isolated from other domestic rebar markets."⁷ Furthermore, the petition notes that demand for rebar in the proposed region "is met overwhelmingly by production within the region," and, "to the extent demand is met by domestic producers outside the region, the penetration of outside supply is nominal and limited to the periphery of the region."⁸ Finally, the petition notes that "imports of Turkish rebar are concentrated in the defined region."⁹

¹ Effective Apr. 1, 1996, Florida Steel Corp. changed its name to AmeriSteel Corp.

² For purposes of this investigation, steel concrete reinforcing bar (rebar) is all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes plain-round rebar, rebar that a processor has further worked or fabricated, and all coated rebar. Rebar is provided for in subheadings 7213.10.00 and 7214.20.00 of the Harmonized Tariff Schedule of the United States (HTS) with a most-favored-nation tariff rate of 3.9 percent *ad valorem*, applicable to imports from Turkey.

³ *Federal Register* notices cited in the tabulation are presented in app. A.

⁴ Based on a comparison of export prices to Turkish normal prices, the petition alleged LTFV margins ranging from 21.5 percent to 28.7 percent. The estimated dumping margins identified by Commerce in its notice of initiation range from 27.4 percent to 41.8 percent.

⁵ A list of witnesses appearing at the conference is presented in app. B.

⁶ The 22 states include Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Pennsylvania, Delaware, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, and Tennessee.

⁷ Petition, p. 7.

⁸ *Ibid.*, p. 10.

⁹ *Ibid.*, p. 11.

Data developed during the investigation concerning the regional question are as follows (in percent):

Item	1993	1994	1995
Shipments within the region by producers in the region as a share of their total shipments	91.2	91.1	91.4
Shipments into the region by producers outside the region as a share of regional consumption	***	***	***
Imports from Turkey in the region as a share of total imports from Turkey (<i>based on official statistics</i>)	98.7	83.0	77.7
Market share of imports from Turkey in the region	2.9	9.6	12.4
Market share of imports from Turkey <i>outside</i> the region	***	***	***

Given the regional industry argument, the information presented in the body of the report focuses on the petition-defined region (the "Eastern tier region"). A summary of the data collected in the investigation, both for the defined region and the U.S. industry as a whole, is presented in appendix C. Except as noted, U.S. industry data are based on questionnaire responses of nine firms; four of these have production facilities located only in the proposed region, three have rebar facilities located both inside and outside of the region, and two have rebar facilities located only outside of the region. The responding firms located within the region accounted for nearly all U.S. production of rebar in the region during 1995, and the responses of those located outside of the region accounted for between 60 and 80 percent of production outside of the region. U.S. imports are based on both questionnaire responses and official statistics of the U.S. Department of Commerce.

THE PRODUCT

The imported product subject to this investigation is steel concrete reinforcing bar ("rebar") sold in coils or straight lengths. Rebar is a hot-rolled bar product, designed specifically to enhance the tensile and shear-stress strength of concrete structures. This product category includes all hot-rolled deformed¹⁰ rebars, rolled from non-alloy billet steel, rail steel, axle steel, or low-alloy billet steel, either in straight lengths or coils. Rebar is sold to customers in various forms or stages of fabrication, but only stock rebar, which is not further processed, is subject to this investigation. Not included within the scope of this investigation are (1)

¹⁰ "Deformed" refers to the pattern of uniformly spaced surface protrusions or ribs running across and uniformly spaced along the length of a rebar. Smooth-surface rebars lacking such deformations are referred to as "plain rounds."

plain round rebar,¹¹ (2) fabricated rebar that a processor has further worked by bending to shape, assembling into structures by welding or tying, or both, and (3) all coated rebars.

Deformed rebar is provided for in HTS subheadings 7213.10.00 for irregularly wound coils and 7214.20.00 for straight lengths. Rebar of Turkish origin, reported to be in straight lengths of 20 or 30 feet,¹² would enter the United States under HTS subheading 7214.20.00. This section presents information on both imported and domestically produced rebar, as well as information related to the Commission's "domestic like product" determination.¹³ Both petitioners and the respondents agree that the like product is deformed rebar, but the respondents argue that there is no competitive overlap between the Turkish product and the material manufactured by producers within the specified region because each concentrates on different size rebars with different end-use markets. In contrast, the petitioner's argument is that regional mills do produce and sell the same sizes (Nos. 3 and 4) as are imported from Turkey.

Physical Characteristics and Uses

Deformed rebar is designed specifically to resist tension, compression, temperature variation, and/or shear stresses in reinforced concrete, as the surface of a deformed bar is provided with lugs, ribs, or protrusions which inhibit longitudinal movement relative to the surrounding concrete. Rebars are available in diameters from 3/8-inch rounds up to and including 2-1/4-inch rounds. Bar size is indicated by a number that is about eight times the nominal diameter in inches for size Nos. 3 through 8; this relationship diverges somewhat for the larger sizes Nos. 9 through 18. Grade is indicated by a number that is one-thousandth of the yield strength in pounds per square inch (e.g., Grade 60 indicates a yield strength of 60,000 psi). Rebars are manufactured to conform with standards of the American Society for Testing and Materials (ASTM) which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (depth and spacing of deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances. These standards apply to both deformed and plain rebar, whether coiled or in straight lengths. There are four ASTM specifications for rebars, based upon steel composition. Rebars are most commonly rolled from billet steel to the requirements of ASTM A615, which is a non-alloy steel. Rebars are also available re-rolled from the top portion of non-alloy steel rails (ASTM A616) and from axles of railroad rolling-stock and locomotives (ASTM A617). For special applications (e.g., seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706 is specified, which is a high-strength, low-alloy steel. Generally, deformed rebars of the various ASTM specifications are interchangeable except for use in seismic areas.¹⁴ Deformed rebars are identified by distinguishing sets of marks legibly rolled onto the surface of one side of the bar to denote, in order, the letter or symbol established

¹¹ Plain round rebar was originally included in petitioners' proposed product definition but later was withdrawn by the petitioners. D.E. Xenopoulos, Brickfield Burchette Ritts, PC, counsel for the petitioners in a written communication to D.R. Koehnke, Secretary, U.S. International Trade Commission, Mar. 26, 1996. The U.S. Department of Commerce did not include plain round rebar in its scope of investigation. See Commerce's Notice of Initiation, app. A.

¹² Respondent's post-conference brief, Apr. 3, 1996, p. 31.

¹³ The Commission's decision regarding the appropriate domestic products that are "like" or "most similar in characteristics and uses" to the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price.

¹⁴ Written communication from the American Concrete Institute International to Commission staff, Apr. 4, 1996.

as the producer's mill designation, size designation, specification of the type of steel,¹⁵ and minimum-yield designation.

Rebars are embedded in concrete for both (1) structural reinforcement to enhance its compressional and tensional strength and (2) crack control as the concrete shrinks on curing or due to temperature fluctuations. Deformed rebars are used almost exclusively in the construction industry to provide structural reinforcement to concrete structures. Rebars are supplied either as stock rebar cut to proper length or as fabricated rebar, bent or curved in accordance with plans and specifications. During construction, rebar is placed in a form and concrete from a mixer is poured over it. Once the concrete has set, deformation is resisted and stresses are transferred from the concrete to the steel reinforcement by friction and adhesion along the surface of the steel. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code and in highway and bridge construction by the American Association of State Highway and Transportation Officials (AASHTO) Standard Specifications. Contents of the two are similar; the ACI 318 Code is applicable throughout the Continental United States and in Puerto Rico.¹⁶

Interchangeability

As long as an imported rebar meets specifications of the ASTM, it would be interchangeable with domestic rebar for structural reinforcement of concrete in the United States. However, producers in the region can provide deformed rebar in longer stock lengths and larger diameters than the Turkish product. Domestic regional mills are capable of producing straight lengths up to 60 feet, or longer-length coils, which are more suited for fabrication by minimizing the amount of left-over short-length remnants.¹⁷

Due to building-code requirements and its relatively low cost, there are few substitutes for deformed rebar for structural reinforcement of concrete. Plain rebars are used as dowels to prevent lateral movement of concrete slabs, as spirals and structural ties for binding deformed rebar, and as supports, but cannot be substituted for deformed rebar in its principal application of reinforcing concrete.¹⁸ Welded wire mat or reinforcing mesh is substitutable for deformed rebar in certain limited applications,¹⁹ such as structural reinforcement of thin concrete slabs and wall panels, especially in tilt-up and pre-cast concrete work. Mat or mesh is also used as a complementary material to deformed rebar in structural columns. Other materials cast into concrete such as steel pipe, structural shapes, wire, and steel fibers are used mainly for cracking control rather than reinforcement.²⁰ Pre-tensioned cables or rods for pre-stressed concrete work are not substitutes for deformed bars used in reinforcing concrete.

¹⁵ Specification letters are "S" for A615, "S" and "W" for A706, "R" or a rail symbol for A616, and "A" for A617.

¹⁶ Written communication from the American Concrete Institute International to Commission staff, Apr. 4, 1996.

¹⁷ Conference transcript, p. 133.

¹⁸ AASHTO section 9.2, entitled "Material," and ACI Code 3.5.1 and Commentary R3.5.1, entitled "Steel reinforcement."

¹⁹ Written communication from the American Concrete Institute to Commission staff, Apr. 4, 1996.

²⁰ USITC staff interview with official of the Concrete Foundations Association, Apr. 4, 1996.

Channels of Distribution

Domestic and Turkish rebar are distributed to similar customers, but in differing proportions, in that many domestic rebar manufacturers supply their own rebar-fabricating facilities. Domestic mills also sell to independent fabricators and steel distributors, with lesser amounts sold directly to steel service centers, building material dealers, and to the mining industry.²¹ In contrast, importers purchase Turkish rebar primarily for sales to steel distributors, with smaller amounts sold to reinforcing-steel fabricators, contractors, and building material dealers.²²

Customer and Producer Perceptions

In addition to the size and length differences between domestic and Turkish rebar discussed in the section on interchangeability, other differences are perceived by customers and producers. One respondent noted that Turkish rebar is sometimes rusty and another indicated that domestic rebar is perceived to be of higher quality.²³ Importers also admit that domestic producers have the advantage of offering greater availability, faster delivery (weeks instead of months), and greater range of product sizes, lengths, and grades. Producers and customers perceive plain round rebar to be a totally different product with a different marketplace than deformed rebar.²⁴

Use of Common Manufacturing Facilities and Production Employees

Rebar mills typically specialize in producing either (1) A615 and A706 from billet steel, (2) A616 from rail steel, or (3) A617 from axle steel, because each involves different starting materials and imposes somewhat different rolling requirements. The most common manufacturing process for deformed rebar²⁵ from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar from rail or axle steel requires only the rolling stage.

Melting Stage

Both in the United States and Turkey, rebar is produced via the nonintegrated or mini-mill process. Molten steel is produced by melting scrap in an electric arc furnace. It is increasingly common for scrap to be shredded and pre-heated with exhaust furnace gasses to enhance the energy efficiency of the melting process. Molten steel is poured or tapped from the furnace into a ladle, an open-topped, refractory-lined vessel, typically with an off-center bottom opening equipped with a nozzle. Meanwhile, the primary steel-making vessel is charged with new materials to continue the melting process. It is increasingly common for the steel to pass to a ladle metallurgy or secondary steel-making station, where its chemistry is refined by addition of alloys to embody the steel with the required properties. The ladle metallurgy station may also have electromagnetic stirrers to ensure homogeneity of the steel and temperature controls to adjust the steel for optimum casting.

²¹ Questionnaire responses of domestic rebar producers.

²² Questionnaire responses of importers of rebars from Turkey.

²³ Ibid.

²⁴ Conference transcript, p. 42-44.

²⁵ Manufacturing processes for plain round rebar are the same as for deformed rebar until the rolling process. Conference transcript, p. 42.

Casting Stage

Once molten steel with the correct properties has been produced, it is continuously cast into billets, a form that can enter the rolling process. In the strand or continuous casting method, the ladle is transferred from the ladle metallurgy station to the caster. The molten steel is poured at a controlled rate into a tundish, which in turn controls the rate of flow into the strand caster. The tundish may also have electromagnetic stirrers to ensure homogeneity of the steel. The strand caster is designed to produce billets in the desired cross-sectional dimensions. After being cast, billets are transferred to a hot-rolling mill where they are reduced in cross-sectional dimension.

Hot-Rolling Stage

Prior to rolling, newly cast billets, scrap rails, or scrap axles are usually channeled through a reheat furnace. This step increases the malleability of the steel and reduces wear on the rolling mill. The semi-finished steel shape is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line and capable of rolling multiple strands. Deformations are rolled onto the surface of the bars as they pass through the final finishing stand with the patterns cut into the rollers.²⁶ At the final stage, bars may be channeled to a coiler, or they may be cooled and cut to length.

DOWNSTREAM ARTICLES

This section presents information on stock deformed rebar as an intermediate product for the production of downstream articles (i.e., fabricated rebar and coated rebar). Stock deformed rebar is dedicated almost exclusively for reinforced concrete in commercial and residential construction. Amounts sold for residential yard and fence stakes and for mining roof-bolts are minor by comparison. Stock deformed rebar is sold to the concrete-construction industry either as-is or in various stages of fabrication. Downstream intermediate markets are not readily separable because importers can produce fabricated rebar from imported stock rebar, and some domestic regional producers use their own fabrication and coating plants in addition to selling to independent fabricators. Stock rebar is further worked into fabricated rebar by relatively straightforward operations such as cutting stock rebar to length, either from straight lengths or coils, bending it to fit engineering plans, and performing any necessary assembly into structures such as mats or cages by welding or tying. However, estimates of the value-added of such transformation processes are sparse and vary widely from 15 to 35 percent.²⁷

²⁶ Plain round rebar is rolled into smooth bar rather than into bar with deformations. Conference transcript, p. 42.

²⁷ Questionnaire responses of importers of rebars from Turkey. Petitioners estimated that value-added for bending would be “in the neighborhood” of 20 percent. Conference transcript, p. 47.

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

MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

U.S.-produced steel concrete rebar in the United States is sold to steel distributors, steel service centers, reinforcing steel fabricators, contractors, and building material dealers. Some of the U.S. product is captively consumed by fabricators affiliated with the U.S. producers. Because the Turkish product is limited to the smaller sized rebar in shorter lengths, it serves primarily only one portion of the market, the pool and patio and residential market.¹ This market is particularly large in Puerto Rico, where the building codes require concrete and cement to be used in residential construction² and in the southern United States where pools and patios are more popular. Fabricators prefer longer segments of rebar than can be provided by the Turkish imports in order to efficiently cut the product into the necessary lengths, thereby limiting the use of imports by these consumers.^{3 4}

Approximately 64 percent of sales of steel concrete rebar are used in public works^{5 6} which may be governed by "Buy America" provisions. This restricts the use of imported product by limiting its use to jobs covered by a "Buy America" clause and by discouraging fabricators from purchasing the product because they do not want to hold two sets of inventories, one for "Buy America" jobs and one for other projects.⁷

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on the available information, staff believes that U.S. steel concrete rebar producers are likely to respond to changes in demand with relatively large changes in shipments of U.S.-produced steel concrete rebar to the U.S. market, and smaller changes in prices. Factors contributing to the responsiveness of supply are discussed below.

Capacity in the U.S. industry

The existence of levels of unused capacity in the U.S. steel concrete rebar industry increases the degree to which U.S. producers can respond to increases in demand with changes in production. Total annual capacity of domestic producers of steel concrete rebar within the Eastern tier region ranged from 4.0 million to 4.3 million short tons from 1993 to 1995. Total U.S. production capacity ranged from 6.6

¹ Conference transcript, p. 27.

² Ibid., pp. 89-90.

³ Conference transcript, p. 133.

⁴ Based on questionnaire responses, within the Eastern tier region, approximately 83 percent of shipments from U.S. producers go directly to fabricators. This estimate does not include rebar that is sold to other customers, such as steel service centers, which may then sell to fabricators.

⁵ Petitioners' post-conference brief, p. 4.

⁶ Public works projects typically use the larger sizes and longer lengths which are not supplied by the Turkish imports. Ibid., pp. 3-4; conference transcript, pp. 59 and 150.

⁷ Conference transcript, p. 59.

to 7.2 million short tons (table III-1). From 1993 to 1995, U.S. producers' capacity utilization levels for rebar ranged from 40.9 to 41.2 percent within the Eastern tier region and from 42.3 to 44.3 percent for the entire United States. This understates total capacity utilization to the extent that some mills produced other products with the capacity not utilized in rebar production.

Production alternatives

Many mills, both domestic and foreign, are able to switch production from steel concrete rebar to other products with relative ease.⁸ According to Philip Casey of Ameristeel, production capacity has moved to merchant bar, structural steel, rods, bar for automotive use, and flat-rolled product as public works demand has started to decline.⁹ *** indicated in its questionnaire response that it purposely shifts production from rebar to higher-valued products when the market allows. *** stated that it has internally shifted steel away from rebar to other products due to competition in the rebar market. According to Philip Casey of Ameristeel, production shifting can be limited by the equipment available at the mill. Deformed rebar requires loose tolerances because of its deformed nature, while smooth rounds have more strict tolerances and require more precise equipment.¹⁰

Inventory levels

The existence of inventories increases the degree to which U.S. producers can respond to changes in demand with changes in shipments. End-of-period inventories of producers within the Eastern tier region rose by 63.8 percent from 96,964 short tons in 1993 to 158,816 short tons in 1995. For all producers, inventories rose by 93.2 percent from 152,954 to 295,505 short tons over the period. These inventories represent between 5.6 and 10.0 percent of total shipments by weight.

Export markets

Only one U.S. producer, ***, reported exporting any steel concrete reinforcing bar. As a percentage of shipments within the Eastern tier region, exports ranged from *** percent of total shipments in 1993 to *** percent in 1994 and 1995. All export shipments went to ***.

U.S. Demand

Based on available information, staff believes that demand for steel concrete reinforcing bar will not change significantly with changes in the price. The main factors limiting the price sensitivity of overall demand for steel concrete rebar are the lack of substitute products and the small cost share accounted for by rebar in the end products.

Substitute Products

There are few substitutes for deformed steel concrete rebar available, and these can only be used in limited circumstances. Plain rounds can be used in situations where adhesion of the concrete to the bar is not important, such as when used as dowels to prevent longitudinal movement of concrete sections of

⁸ Petitioners' post-conference brief, p. 38.

⁹ Conference transcript, p. 23.

¹⁰ Ibid., p. 44.

roadway or for binding longitudinal rebar in a column. Other products such as wire mesh and structural shapes can be used for controlling cracking of concrete rather than for structural reinforcement. In addition, substitutions can only be made where building codes and design specifications allow.

Cost Share

The demand for steel concrete reinforcing bar is a derived demand, dependent on demand for the concrete structures such as bridges, roads, patios, pools, etc. in which it is used. For all of these end uses, the cost of stock steel rebar accounts for a small portion of the total cost of the end product.

SUBSTITUTABILITY ISSUES

Producers and importers were requested to provide information regarding the differences in non-price factors between the domestic products and subject imports. According to the responses, except for projects governed by "Buy America" provisions, Turkish and U.S. steel concrete rebar can be used interchangeably. Steel concrete rebar from both Turkey and the United States is required to meet ASTM specifications for use in building projects. One domestic producer, ***, indicated that the Turkish product is sometimes rusty and another, ***, stated that U.S. rebar is of better quality and available in a broader product range. Deficiencies of Turkish rebar listed by importers include availability, product range, lead times, technical support, volume requirements, and rust or bending from transportation and handling at ports. One importer, ***, stated that Turkish rebar is higher in quality than product produced at some older U.S. electric furnace mills. Turkish rebar imported into the United States is limited to smaller sizes and shorter lengths.

According to the domestic producers, the average lead time between a customer's order and the date of delivery ranged from 1 to 90 days, with all of the responding producers indicating lead times of less than 1 month in at least some instances. The average lead time reported by the importers of Turkish rebar ranged from 1 day to 6 months, with 12 of the 17 responding importers indicating lead times of greater than 2 months.

PART III: CONDITION OF THE U.S. INDUSTRY

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 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 parts IV and 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 nine firms that accounted for a significant share of U.S. production of rebar during 1995.

U.S. PRODUCERS

Producers Within the Region

The petition identified seven firms that produce rebar within the defined region.¹ Based on information developed in the investigation, an eighth firm located within the region was also identified as a domestic rebar producer. Of the seven firms listed in the petition, one, Commercial Steel Corp., reportedly is operating under Chapter 11. The names of the seven regional producers, the locations of their regional production facilities, rebar sales within the region as a share of their total sales, and each firm's position with respect to the petition are shown in the tabulation that follows.²

Firms within the region	Location of production facility within the region	Rebar sales within the region as a share (percent) of total rebar sales (1995)	Position on the petition
Atlantic Steel Industries	Atlanta, GA	***	***
Auburn Steel Co., Inc.	Auburn, NY	***	***
Birmingham Steel Corp.	Birmingham, AL; Jackson, MS	***	***
AmeriSteel Corp.	Charlotte, NC; Baldwin, FL; Jackson, TN; Knoxville, TN	***	Petitioner
New Jersey Steel Corp.	Sayreville, NJ	***	Petitioner
Nucor Steel	Darlington, SC	***	***
Commercial Metals Co.	Columbia, SC	***	***

¹ Petition, exhibit A-2.

² The tabulation excludes Commercial Steel Corp., which did not provide any information.

The bulk of rebar production in the defined region is accounted for by three firms, petitioners AmeriSteel Corp. and New Jersey Steel Corp., and by Birmingham Steel Corp. As shown in the tabulation, Birmingham Steel Corp. and AmeriSteel Corp. are the only two firms with multiple rebar facilities.

AmeriSteel Corp.

Petitioner AmeriSteel Corp. (AmeriSteel) is the largest producer of rebar in the defined region, accounting for about *** percent of the region's production in 1995. A controlling interest, *** percent, in the firm is held by the Japanese steel maker, Kyoei Steel, Ltd., which, among other steel products, also produces rebar. All of AmeriSteel's production of rebar takes place within the defined region at four locations, Baldwin, FL ("Jacksonville mill"); Charlotte, NC; Jackson, TN; and Knoxville, TN.³ In addition to these facilities, AmeriSteel also has about 15 other small businesses that produce a downstream fabricated product.⁴ Within the four facilities in which rebar is produced, rebar accounts for nearly 50 percent of all production.⁵

Because AmeriSteel produces a downstream product, fabricated rebar, slightly *** of its total U.S. shipments of stock rebar in 1995 represented internal transfers for fabrication. Indeed, fabricators, whether related or unrelated, accounted for about *** percent of the firm's total rebar sales in 1995; steel distributors and building material dealers made up the remaining *** percent.

Birmingham Steel Corp.

Within the region, Birmingham Steel Corp. (Birmingham) produces rebar at facilities located in Birmingham, AL, and Jackson, MS. Outside of the region, rebar production occurs at facilities located in Kankakee, IL, and Seattle, WA. With facilities both inside and outside of the defined region, Birmingham's rebar sales serve almost all regional markets, the one exception being the *** region of the United States, which is limited due to high freight costs. Nationally, *** percent of the firm's rebar sales in 1995 were made to *** and *** percent went to ***. In terms of the firm's product mix within its regional rebar establishments, *** percent of the firm's total establishment production at its Birmingham facility is devoted to rebar compared with *** percent for merchant bar, and *** percent of its Jackson, MS, production facility's output is allocated to rebar versus *** percent for merchant bar. The product mix for Birmingham's Kankakee, IL, mill is *** percent rebar and *** percent merchant bar; for the Seattle mill, the mix is *** percent rebar and *** percent merchant bar.

New Jersey Steel Corp.

New Jersey Steel Corp. (New Jersey Steel) is principally owned by the Swiss firm Von Roll, Ltd., which holds a ***-percent controlling interest in the U.S. firm. In terms of product mix, rebar accounts for *** percent of the products produced by the firm; merchant bar and billets make up the remainder. Although the firm ships rebar outside of the region, the core of its business is concentrated along the eastern seaboard region of the United States. The firm's market area also extends to the northeastern and mid-Atlantic regions of the country. While fabricators accounted for the vast majority (*** percent) of the firm's

³ The Baldwin, FL, facility is the lone survivor of 3 facilities previously operated by AmeriSteel in the state of Florida. A rebar facility in Tampa, FL, was closed in 1995. Management points to "high-cost power rates, mistaken equipment decisions or cheap subsidized steel imports" as the reasons for its closure. (See conference transcript, p. 32.)

⁴ Conference transcript, pp. 18 and 19.

⁵ Conference transcript, p. 20.

1995 rebar sales, steel distributors, steel service centers, and building material dealers were also a part of its 1995 customer base.

Other Producers Within the Region

Atlantic Steel Industries, Inc. (Atlantic Steel); Auburn Steel Co., Inc. (Auburn Steel); Commercial Metals Co. (Commercial Metals);⁶ Commercial Steel Corp. (Commercial Steel); and Nucor Steel Division of Nucor Corp. (Nucor) are all other known producers of rebar within the region.⁷ As noted earlier in the report, Commercial Steel Corp. is reportedly in bankruptcy proceedings. Nevertheless, based on responses to the Commission's questionnaire, in the aggregate, these five firms represent only a small portion of the regional production of rebar. Three of the five also have rebar production facilities outside the defined region: Auburn Steel has a rebar facility in Lemont, IL; Commercial Metals produces rebar in Magnolia, AK, and at a location in Sequin, TX; and, Nucor has production facilities in Jewett, TX, and in Plymouth, UT. Also, two of the five firms have foreign ownership. Atlantic Steel is a wholly-owned subsidiary of the Canadian firm IVACO. Auburn Steel is owned by the Japanese firms Sumitomo Corp. (***) percent) and Kyoei Steel, Ltd. (***) percent). Other products of these firms' establishments include merchant bar, special quality bar products, rounds, squares, flats, angles, and channels.

Producers Outside the Region

The petition lists 13 firms that produce rebar outside of the defined region. The Commission sent producer questionnaires to all 13 firms; responses were received from 4 of the 13. Two firms, Calumet Steel Co. and Northwestern Steel and Wire Co., indicated in their responses that they did not produce rebar during the period for which the Commission requested information. CF & I, L.P. (CF & I) and TAMCO are the other two firms that responded to the questionnaire. CF & I, a subsidiary of Oregon Steel Mills, produces rebar at a location in Pueblo, CO. TAMCO, a firm that is partly owned by two Japanese entities, Mitsui & Co., Ltd., and Tokyo Steel Mfg., Co., Inc., produces rebar at a site located in Rancho Cucamonga, CA.

U.S. PRODUCTION CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

The information presented in this section of the report is based on the questionnaire responses of 9 firms representing 12 mills within the region wherein rebar is produced and 4 mills outside of the region wherein the subject merchandise is produced.⁸ All firms, however, did not supply complete information in

⁶ Commercial Metals Co. is the parent firm to Owen Electric Steel Co. of South Carolina, which does business as SMI Steel South Carolina.

⁷ Petitioners report that another regional producer of rebar, Franklin Steel, was in Chapter 11 bankruptcy proceedings in 1994. Petition, exhibit A-2 at 2.

⁸ The Commission's questionnaire requested that firms supply separate information for each of their mills located within the region and to combine the information for all of their mills located outside of the defined region. Atlantic Steel, CF & I, New Jersey Steel, and TAMCO supplied information for the one mill operated by each; Auburn Steel supplied information for its Atlanta, GA, mill but not for its Lemont, IL, mill; Birmingham Steel supplied aggregated information on its rebar and merchant operations for its two mills within the region combined, but then supplemented its response by providing disaggregated shipment data for each of its four mills; AmeriSteel supplied separate information for each of its five mills, all located inside the region; Commercial Metals combined the information for its two mills outside of the region and its one mill inside of the region; and, Nucor supplied information

their response, and neither did all firms supply information on a calendar year basis as requested. Because individual mills are capable of producing a range of products utilizing essentially the same rolling process as that used to produce rebar, nearly all firms supplied capacity information on the basis of their total capacity to produce all products of their reporting establishments. Since these same firms supplied production information only for rebar as requested, any discussion of capacity utilization is not meaningful and therefore is not presented in this section of the report.⁹

Several firms reported changes in their operations during the period for which the Commission requested information that impacted their operations or organization relating to the production of rebar. In December 1993, *** expanded its overall production capability by ***. In July 1994, Florida Steel began the shutdown of its Tampa, FL, mill by closing the mill's melt shop. The shutdown was completed in mid-1995 when the firm shut down the mill's rolling equipment and machinery and began shipping mill products from inventory. In its questionnaire response, New Jersey Steel noted that it experienced *** at its Sayreville, NJ, mill in *** that forced the shutdown of its melt shop for a total of ***. In *** of the same year, the firm ***. In September 1993, *** completed the construction of a new melt and cast facility at its *** mill. The new facility included ***.

Data on U.S. producers' total capacity to produce all products of their establishments wherein rebar is produced are shown in table III-1. As shown in the table, the total establishment capacity of U.S. producers within the region rose by 7.4 percent from 1993 to 1995, increasing from 4.048 million tons in 1993 to 4.349 million tons in 1995. Total capacity within all U.S. establishments increased from 6.640 million tons in 1993 to 7.203 million tons in 1995, an increase of 8.5 percent.

Data on U.S. production of rebar by firms and by mills located inside of the region and by firms outside of the region are presented in table III-2. U.S. rebar production by firms inside of the region increased steadily from 1993 to 1995, rising by 2.0 percent between 1993 and 1994, by 5.3 percent between 1994 and 1995, and increasing overall by 7.2 percent from 1993 to 1995. Overall, such production rose from 1.668 million tons in 1993 to 1.787 million tons in 1995.

Petitioner AmeriSteel noted in its supplement to the Commission's questionnaire that "****." The firm also ***. AmeriSteel's rebar production was *** percent in 1995 over 1993's production volume.

In terms of the distribution of production inside the region, AmeriSteel accounted for *** percent of all rebar production inside the region in 1995; New Jersey Steel and Birmingham Steel accounted for *** percent and *** percent, respectively, of the region's production in the same period.

U.S. SHIPMENTS

Twenty-two states plus the District of Columbia and Puerto Rico comprise the U.S. region as defined in the petition. In the Commission's questionnaire, producers were requested to report the quantity and value of their U.S. shipments of rebar that were made inside the region as well as the quantity and value of shipments that were made outside of the region. Table III-3 shows the quantity and value of such data as reported in Commission questionnaires. Concerning the data for producers within the region and their rebar shipments inside of the region, the data show that from 1993 to 1995 the quantity of such U.S. shipments rose by 5.2 percent while their value increased by 20.9 percent. Overall, the quantity and value of such U.S.

for its South Carolina mill but did supply information for its Texas and Utah mills.

⁹ When questioned by staff to explain why total mill capacity was reported in their response to the Commission's questionnaire in lieu of rebar capacity only, petitioners responded in part that "...differentiating rebar capacity *per se* is difficult and can be misleading. The company could have produced tonnages shown as 'capacity' as rebar, given a ready market for the product in its plants' regional markets." Other producers responded similarly in their questionnaire responses.

Table III-1

U.S. rebar producers' total capacity to produce all products of their establishments wherein rebar is produced, by firms and by mills inside of the region, and by firms outside of the region, 1993-95

(In short tons)

Item	1993	1994	1995
Production capacity:			
Producers inside of the region:			
Atlantic Steel (GA)	(1)	(1)	(1)
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
SMI-Owen mill (SC)	(2)	(2)	(2)
Nucor (SC)	***	***	***
Total, inside the region	4,048,000	4,146,000	4,349,000
Producers outside of the region:			
Birmingham Steel (IL, WA)	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	(2)	(2)	(2)
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Total, outside the region	2,592,120	2,592,120	2,854,120
Total United States	6,640,120	6,738,120	7,203,120

¹ Atlantic Steel estimated its rebar-only capacity as *** short tons ***. Based on its reported production of rebar, its capacity utilization was *** percent in 1993, *** percent in 1994, and *** percent in 1995.

² Data not provided.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table III-2

Rebar: U.S. production by firms and by mills inside of the region and by firms outside of the region, 1993-95

(In short tons)

Item	1993	1994	1995
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA) ¹	***	***	***
Jackson mill (MS) ¹	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(2)	(2)	(2)
Total, inside the region	1,667,576	1,697,437	1,787,386
By producers outside of the region:			
Birmingham Steel (IL, WA) ¹	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Total, outside the region	1,272,882	1,490,795	1,371,448
Total United States	2,940,458	3,185,232	3,158,834

¹ Estimated by the Commission's staff based on information supplied in the firm's questionnaire response. ***.

² Separate data for mill not supplied. However, based on the estimates of James L. AuBuchon, senior attorney, Commercial Metals, this mill accounts for about *** percent of the combined production of Commercial Metals' three mills.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table III-3

Rebar: U.S. shipments inside the region by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Quantity, short tons)</i>		
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA) ¹	***	***	***
Jackson mill (MS) ¹	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(2)	(2)	(2)
Total, inside the region	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA) ¹	(2)	(2)	(2)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Total, outside the region	***	***	***
By all U.S. producers	1,521,512	1,555,099	1,570,797
	<i>(Value, 1,000 dollars)</i>		
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA) ³	***	***	***
Jackson mill (MS) ³	***	***	***
Subtotal	***	***	***

Table continued on next page.

Table III-3--Continued

Rebar: U.S. shipments inside the region by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Value, 1,000 dollars)</i>		
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(3)	(3)	(3)
Total, inside the region	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	(3)	(3)	(3)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Total, outside the region	***	***	***
By all U.S. producers	415,061	452,550	491,997
	<i>(Unit value, per short ton)</i>		
By producers inside of the region:			
Atlantic Steel (GA)	\$***	\$***	\$***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Average	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Average	***	***	***

Table continued on next page.

Table III-3--Continued

Rebar: U.S. shipments inside the region by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	(Unit value, per short ton)		
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(2)	(2)	(2)
Average, producers inside the region	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	(3)	(3)	(3)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	(1)
Nucor (TX)	(2)	(2)	(2)
TAMCO (CA)	(2)	(2)	(2)
Average, producers outside the region	***	***	***
Average, all U.S. producers	271	294	320

¹ Estimated by the Commission's staff. Calculated from supplemental mill-by-mill shipment data reported by the firm for each of its 4 mills. Estimates assume normal product mix as reported by the firm.

² Not available.

³ Estimated by the Commission's staff. Calculated using the average unit value of U.S. commercial shipment data as reported in the firm's questionnaire response.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

shipments inside the region by those producers located within the region rose uninterruptedly between the periods, increasing from *** short tons, valued at \$***, in 1993 to *** short tons, valued at \$***, in 1995. The average unit value of such shipments rose by 16.8 percent from 1993 to 1995.

Fabricators represent a significant market for U.S.-produced rebar. AmeriSteel and New Jersey Steel are themselves fabricators, each consuming a portion of their rebar production for that purpose. In the case of New Jersey Steel, the production and fabrication of stock rebar takes place at one site. AmeriSteel, however, has multiple locations in which fabrication may occur. These two firms accounted for *** reported internal consumption/intercompany transfers of rebar for producers located within the region. Individually, between *** percent and *** percent of AmeriSteel's total shipments in the region between 1993 and 1995 represented company transfers, and between *** percent and *** percent of New Jersey's total shipments within the region over the same period were company transfer shipments. *** and *** also reported company transfer shipments inside the region. As a share of total U.S. shipments of rebar inside the region by producers located within the region, producers' internal consumption/intercompany transfers of rebar rose from *** percent in 1993 to *** percent in 1995, as shown in the following tabulation:

Item	1993	1994	1995
Total U.S. shipments inside region by producers inside the region (<i>short tons</i>)	***	***	***
Internal consumption/company transfers of producers inside the region (<i>Short tons</i>)	***	***	***
Internal consumption/company transfers as share (percent) of total shipments	***	***	***

In the Commission's questionnaire, all U.S. producers were requested to report their U.S. shipments of rebar by state. With respect to U.S. producers located inside the region, the state of Florida absorbed the bulk (22.7 percent) of those producers' U.S. shipments in 1995, as shown in the tabulation that follows:

Regional producers' shipments to states in the region as a share of their total U.S. shipments inside the region (in percent)			
State	1993	1994	1995
Florida	33.9	25.2	22.7
Georgia	10.7	7.9	9.7
Massachusetts	0.7	7.9	5.5
Pennsylvania	5.4	13.2	12.2
Puerto Rico	2.3	2.2	2.6
South Carolina	4.5	2.2	5.6
Virginia	7.9	6.6	8.0
Texas	0.2	0.4	0.2
All others	34.4	34.4	33.5

Following Florida in importance, at least in 1995, were Pennsylvania, Georgia, Virginia, South Carolina, and Massachusetts. As shown in the tabulation, U.S. shipments into Puerto Rico by the regional producers accounted for slightly more than 2 percent of the total of those producers' U.S. shipments inside the region between 1993 and 1995. Texas accounted for less than 1 percent of the total. Being the largest fabricator of rebar in the industry, and with its Jacksonville, FL, mill producing nothing but rebar, *** of producers' reported U.S. shipments into Florida represented internal consumption and/or intercompany transfers of stock rebar by AmeriSteel for fabricating purposes.

Data on total U.S. shipments of rebar by producers located inside of the region and by producers located outside of the region are shown in table III-4. The quantity and value of total U.S. shipments of rebar from the facilities of those producers located inside of the region rose uninterrupted by 5.0 percent and 21.3 percent, respectively, from 1993 to 1995, increasing from *** short tons, valued at \$***, in 1993 to *** short tons, valued at \$***, in 1995. The quantity of total U.S. shipments by producers that shipped rebar

Table III-4

Rebar: Total U.S. shipments by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Quantity, short tons)</i>		
U.S. SHIPMENTS <u>INSIDE</u> OF THE REGION:			
By producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Subtotal	***	***	***
By producers <u>outside</u> of the region:			
Birmingham Steel (IL, WA)	(1)	(1)	(1)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total	1,521,512	1,555,099	1,570,797
U.S. SHIPMENTS <u>OUTSIDE</u> OF THE REGION:			
By producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***

Table continued on next page.

Table III-4--Continued

Rebar: Total U.S. shipments by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	(Quantity, short tons)		
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Subtotal	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total	1,385,778	1,552,617	1,439,006
TOTAL UNITED STATES:			
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***

Table continued on next page.

Table III-4--Continued

Rebar: Total U.S. shipments by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>Quantity (short tons)</i>		
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	***	***	***
Subtotal	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
TOTAL	2,907,290	3,107,716	3,009,803
	<i>(Value, 1,000 dollars)</i>		
U.S. SHIPMENTS INSIDE OF THE REGION:			
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	***	***	***
Subtotal	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	(1)	(1)	(1)
CF&I (CO)	***	***	***

Table continued on next page.

Table III-4--Continued

Rebar: Total U.S. shipments by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Value, 1,000 dollars)</i>		
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total	415,061	452,550	491,997
U.S. SHIPMENTS OUTSIDE OF THE REGION:			
By producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Subtotal	***	***	***
By producers outside of the region:			
Birmingham Steel (IL, WA)	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total	365,483	463,169	469,970
TOTAL UNITED STATES:			
By producers inside of the region:			
Atlantic Steel	***	***	***
Auburn Steel	***	***	***

Table continued on next page.

Table III-4--Continued

Rebar: Total U.S. shipments by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Value, 1,000 dollars)</i>		
Birmingham Steel:			
Birmingham mill (GA)	***	***	***
Jackson mill (MS)	***	***	***
Subtotal	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Subtotal	***	***	***
By producers <u>outside</u> of the region:			
Birmingham Steel (IL, WA)	***	***	***
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	***	***	***
TOTAL	780,544	915,719	961,967

¹ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

from their facilities located outside of the region increased unevenly over the same period by ***. While the value of such producers' total U.S. shipments dropped by *** percent between 1994 and 1995, overall, the value of such shipments increased by *** percent from 1993 to 1995.

The average unit value of total U.S. shipments by those producers located inside of the region and by those producers located outside of the region rose uninterruptedly between 1993 and 1995, as shown in the tabulation that follows:

Average unit value (per short ton) of U.S. producers' total U.S. shipments of rebar			
Item	1993	1994	1995
Producers located inside the region	\$270.99	\$290.26	\$312.96
Producers located outside the region	\$265.24	\$299.81	\$328.47

U.S. PRODUCERS' PURCHASES

and *** were the only two firms that reported purchases of rebar during the period for which information was requested. *** purchased rebar imported from Turkey and other countries from U.S. importers in 1994 and 1995. The firm indicated in its questionnaire response that its purchases were made to supplement the firm's inventory. *** indicated that it purchased domestic rebar from two U.S. producers, one being **. *** purchased ** rebar, a product it does not produce. Purchases by both firms totaled *** short tons, valued at \$ in 1993, *** short tons, valued at \$*** in 1994, and *** short tons, valued at \$*** in 1995.

U.S. PRODUCERS' INVENTORIES

Data on U.S. producers' end-of-period inventories of rebar are shown in table III-5. Birmingham Steel did not supply data on its inventories, and SMI-Owen did not supply data on its inventories for 1993 and 1994 and was therefore excluded from the table. After declining by nearly 5 percent between 1993 and 1994, end-of-period inventories held by U.S. producers located inside of the region rose by 72 percent from 92,340 short tons in 1994 to 158,816 short tons in 1995. **. Yearend inventories held by ** fluctuated ** over the same period and were ** at yearend 1995 than at yearend 1993. Despite the overall sharp rise in inventories held by producers in the region between 1994 and 1995, the ratio of inventories to production and the ratio of inventories to total shipments increased only moderately from 1994 to 1995, rising by 2.1 and 2.8 percentage points, respectively.

Table III-5

Rebar: U.S. producers' end-of-period inventories, by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>(Quantity, short tons)</i>		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Subtotal	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Subtotal	96,964	92,340	158,816
Producers <u>outside</u> of the region:			
Birmingham Steel (IL, WA)	(1)	(1)	(1)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Subtotal	55,990	84,173	136,689
Total, all producers	152,954	176,513	295,505
	<i>Ratio to production (percent)</i>		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Average	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***

Table continued on next page.

Table III-5--Continued

Rebar: U.S. producers' end-of-period inventories, by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<u>Ratio to production (percent)</u>		
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Average	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Average	5.4	5.0	7.1
Producers <u>outside</u> of the region:			
Birmingham Steel (IL, WA)	(1)	(1)	(1)
CF&I (CO)	***	***	***
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Average	6.3	6.1	9.7
Average, all products	5.7	6.1	9.7
	<u>Ratio to total shipments (percent)</u>		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Subtotal	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	***	***	***
Average	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	***	***	***
SMI-Owen mill (SC)	(1)	(1)	(1)
Average	***	***	***
Producers <u>outside</u> of the region:			
Birmingham Steel (IL, WA)	(1)	(1)	(1)
CF&I (CO)	***	***	***

Table continued on next page.

Table III-5--Continued

Rebar: U.S. producers' end-of-period inventories, by firms and by mills inside of the region and by firms outside of the region, 1993-95

Item	1993	1994	1995
	<i>Ratio to total shipments (percent)</i>		
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	***	***	***
TAMCO (CA)	***	***	***
Average	***	***	***
Average, all products	5.6	6.2	10.0

¹ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

End-of-period rebar inventories held by all U.S. producers increased in all periods and nearly doubled between 1993 and 1995, increasing from 152,954 short tons in 1993 to 295,505 short tons in 1995. The ratio of such yearend inventories to production and the ratio of such inventories to total shipments increased from 5.7 percent and 5.6 percent, respectively, in 1993 to 9.7 percent and 10.0 percent, respectively, in 1995.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

In the Commission's questionnaire, producers were requested to report any reductions in the number of production and related workers (PRWs) producing rebar that occurred within their U.S. reporting establishments during the period for which information was requested. Producers were also requested to provide the date such reductions occurred, the number of workers affected by the reductions, the duration of the reductions, and the reason for the reductions. Four producers located inside of the region reported such reductions and none located outside of the region did so.

***, ***, ***, and *** each reported reductions in the number of PRWs employed in producing rebar. *** reported a reduction of *** such workers in November 1995 as a result of "declining sales." As a result of ***, *** reported permanent reductions of *** workers in July 1994 and *** workers in September 1995. *** workers at its *** mill were furloughed for *** while it ***. In May 1994 and January 1995, *** reduced its number of PRWs by *** and *** workers, respectively, as a result of "downsizing due to market pressures." All but *** of these reductions were permanent. Between August 1993 and March 1994, *** reported that it slimmed its workforce by *** PRWs due to the construction of a new melt shop.

Birmingham Steel did not supply employment information and SMI-Owen and Nucor did not supply useable employment information for their South Carolina establishments. As shown in the tabulation that follows, employment trends for the U.S. industry as a whole were generally unfavorable between 1993 and 1995, with irregular declines in the number of PRWs employed, the number of hours worked by such workers, and total wages paid to such PRWs. Conversely, over the same period, U.S. producers benefitted from increased productivity from their PRWs and from decreased unit labor costs.

U.S. Industry Producing Rebar			
Item	1993	1994	1995
Average number of PRWs employed	2,578	2,618	2,542
Hours worked by PRWs (<i>1,000 hours</i>)	5,501	5,640	5,036
Wages paid to PRWs (<i>1,000 dollars</i>)	103,593	105,249	102,967
Hourly wages	\$18.83	\$18.66	\$20.45
Productivity (<i>short tons per 1,000 hours</i>)	486	510	606
Unit labor costs (<i>per short ton</i>)	\$38.72	\$36.60	\$33.74

U.S. producers located inside of the defined region experienced employment trends that were generally more pronounced in direction. As shown in the tabulation that follows, the number of PRWs producing rebar within the region fell by *** workers between 1993 and 1995, a decrease of *** percent, and the number of hours worked by such workers fell by nearly *** percent over the same period. Productivity rose steadily during the period as unit labor costs declined. Employment data for U.S. producers on a firm-by-firm basis are presented in table III-6.

U.S. Producers Located Inside the Defined Region			
Item	1993	1994	1995
Average number of PRWs employed	***	***	***
Hours worked by PRWs (<i>1,000 hours</i>)	***	***	***
Wages paid to PRWs (<i>1,000 dollars</i>)	***	***	***
Hourly wages	\$***	\$***	\$***
Productivity (<i>short tons per 1,000 hours</i>)	***	***	***
Unit labor costs (<i>per short ton</i>)	\$***	\$***	\$***

Table III-6

Average number of PRWs producing rebar, hours worked, wages paid to such workers, and hourly wages, productivity, and unit labor costs, by firms and by mill establishments located inside the region, and by firms located outside the region, 1993-95

Item	1993	1994	1995
	Average number of PRWs		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Subtotal	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(2)	(2)	(2)
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(2)	(2)	(2)
SMI-Owen mill (SC)	(1)	(1)	(3)
Subtotal	***	***	***
Producers <u>outside</u> of the region:			
CF&I (CO)	(1)	(1)	(1)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(2)	(2)	(2)
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total, all producers	2,578	2,618	2,542
	Hours worked by PRWs		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Subtotal	(1)	(1)	(1)

Table continued on next page.

Table III-6--Continued

Average number of PRWs producing rebar, hours worked, wages paid to such workers, and hourly wages, productivity, and unit labor costs, by firms and by mill establishments located inside the region, and by firms located outside the region, 1993-95

Item	1993	1994	1995
	Hours worked by PRWs		
Producers <u>inside</u> of the region--Continued			
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(2)	(2)	(2)
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(2)	(2)	(2)
SMI-Owen mill (SC)	(1)	(1)	(3)
Subtotal	***	***	***
Producers <u>outside</u> of the region:			
CF&I (CO)	(1)	(1)	(1)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(2)	(2)	(2)
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total, all producers	5,501	5,640	5,036
	Wages paid to PRWs (1,000 dollars)		
Producers <u>inside</u> of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Subtotal	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(2)	(2)	(2)
Subtotal	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(2)	(2)	(2)
SMI-Owen mill (SC)	(1)	(1)	(3)
Subtotal	***	***	***

Table continued on next page.

Table III-6--Continued

Average number of PRWs producing rebar, hours worked, wages paid to such workers, and hourly wages, productivity, and unit labor costs, by firms and by mill establishments located inside the region, and by firms located outside the region, 1993-95

Item	1993	1994	1995
	<u>Wages paid to PRWs (1,000 dollars)</u>		
Producers outside of the region:			
CF&I (CO)	(1)	(1)	(1)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(2)	(2)	(2)
TAMCO (CA)	***	***	***
Subtotal	***	***	***
Total, all producers	103,593	105,249	102,967
	<u>Hourly wages paid to PRWs</u>		
Producers inside of the region:			
Atlantic Steel (GA)	\$***	\$***	\$***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(1)	(1)	(1)
Jackson mill (MS)	(1)	(1)	(1)
Average	(1)	(1)	(1)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(4)	(4)	(4)
Average	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(4)	(4)	(4)
SMI-Owen mill (SC)	(4)	(4)	(4)
Average	***	***	***
Producers outside of the region:			
CF&I (CO)	(4)	(4)	(4)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(4)	(4)	(4)
TAMCO (CA)	***	***	***
Average	***	***	***
Average, all producers	\$18.83	\$18.66	\$20.45

Table continued on next page.

Table III-6--Continued

Average number of PRWs producing rebar, hours worked, wages paid to such workers, and hourly wages, productivity, and unit labor costs, by firms and by mill establishments located inside the region, and by firms located outside the region, 1993-95

Item	1993	1994	1995
	Productivity (<i>short tons per 1,000 hours worked</i>)		
Producers inside of the region:			
Atlantic Steel (GA)	***	***	***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(4)	(4)	(4)
Jackson mill (MS)	(4)	(4)	(4)
Average	(4)	(4)	(4)
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(4)	(4)	(4)
Average	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(4)	(4)	(4)
SMI-Owen mill (SC)	(4)	(4)	(4)
Average	***	***	***
Producers outside of the region:			
CF&I (CO)	(4)	(4)	(4)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(4)	(4)	(4)
TAMCO (CA)	***	***	***
Average	***	***	***
Average, all producers	486	510	606
	Unit labor costs (<i>per short ton</i>)		
Producers inside of the region:			
Atlantic Steel (GA)	\$***	\$***	\$***
Auburn Steel (NY)	***	***	***
Birmingham Steel:			
Birmingham mill (GA)	(4)	(4)	(4)
Jackson mill (MS)	(4)	(4)	(4)
Average	(4)	(4)	(4)

Table continued on next page.

Table III-6--Continued

Average number of PRWs producing rebar, hours worked, wages paid to such workers, and hourly wages, productivity, and unit labor costs, by firms and by mill establishments located inside the region, and by firms located outside the region, 1993-95

Item	1993	1994	1995
	Unit labor costs (per short ton)		
Producers <u>inside</u> of the region--Continued			
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
West Tennessee mill (TN)	(4)	(4)	(4)
Average	***	***	***
New Jersey Steel	***	***	***
Nucor (SC)	(4)	(4)	(4)
SMI-Owen mill (SC)	(4)	(4)	(4)
Average	***	***	***
Producers <u>outside</u> of the region:			
CF&I (CO)	(4)	(4)	(4)
Commercial Metals-SMI (AK, TX)	***	***	***
Nucor (TX)	(4)	(4)	(4)
TAMCO (CA)	***	***	***
Average	***	***	***
Average, all producers	\$38.72	\$36.60	\$33.74

¹ Data not supplied.

² Data supplied not useable.

³ Firm reported combined employment information for all 3 of its establishments. The firm estimates its 1995 employment data for its establishment located inside the region as follows: average number of PRWs, ***; hours worked by PRWs, ***; wages paid to such workers, \$***.

⁴ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

U.S. IMPORTERS

The Commission sent questionnaires to 29 firms believed to be importing rebar. Responses were received from 21 firms, 3 of which responded that they did not import rebar from any source during the period for which the Commission requested information. Fifteen of 21 firms were able to supply usable information on their imports of rebar from Turkey and all other sources. Five of the 15 accounted for the bulk of the reported imports from Turkey in 1995; two of these also accounted for the vast majority of the reported imports from all other sources in the same period.

Data on U.S. imports of rebar from Turkey and all other sources based on questionnaire responses are shown in table IV-1. Between 1993 and 1995, U.S. imports from Turkey, the predominant source of imported rebar based on questionnaire responses, increased more than three-fold, rising from 50,098 short tons, valued at \$17.3 million, in 1993 to 225,368 short tons, valued at \$65.3 million, in 1995. The average unit value of such imports, however, declined irregularly over the same period, falling from \$345 per short ton in 1993 to \$290 per short ton in 1995, a decrease of 16 percent.

Data on U.S. imports of rebar based on official statistics of the U.S. Department of Commerce are shown in table IV-2. As shown in the table, the quantity and value of U.S. imports from all sources increased more than three-fold between 1993 and 1995, rising from 120,665 short tons, valued at \$35.0 million, in 1993 to 532,306 short tons, valued at \$151.7 million, in 1995. The average unit value of such imports fell unevenly from \$290 per short ton in 1993 to \$285 per short ton in 1995. U.S. imports from Turkey accounted for more than half of the quantity and value of total U.S. imports in 1994 and 1995.

U.S. IMPORTERS' U.S. MARKETS

In the Commission's questionnaire, U.S. importers were requested to identify the U.S. ports at which their imports from Turkey are entered and to also report their U.S. shipments of Turkish rebar by state. Fourteen supplied such information. Four of the 14 firms, 2 of which are located in the Texas area, identified Houston, TX, and Chicago, IL, as ports outside of the petition-defined region in which they enter imported Turkish rebar. One of the 4 firms noted that some of its imports that are entered and sold at the port in New Orleans are subsequently put on barges for shipment to markets in Illinois, Arkansas, Kansas, and Missouri. One firm also noted in its response that on at least one occasion in 1995, it entered and sold rebar at the port of New Orleans that was later sent to Missouri.¹

Based on official statistics of the U.S. Department of Commerce, between 1993 and 1995, rebar imported from Turkey entered the United States at the following ports: Boston, MA; Houston-Galveston, TX; Miami, FL; New Orleans, LA; Philadelphia, PA; San Juan, PR; Savannah, GA; Tampa, FL; the Virgin Islands; and Wilmington, NC. All but one of these ports is included in the region defined in the petition. The port at San Juan, PR, received the vast majority of Turkish rebar entering the United States between 1993 and 1995, accounting for 98.7 percent of the total in 1993, 53.4 percent in 1994, and 48.2 percent in 1995. San Juan was followed by the Houston-Galveston, TX, port as the next largest point of entry for rebar imported from Turkey. The port at Houston-Galveston accounted for 16.7 percent of such imports in 1994 and for 22.3 percent of the imports entering from Turkey in 1995.

¹ Conference transcript, p. 136.

Table IV-1
 Rebar: U.S. imports based on questionnaire data, by sources, 1993-95

Source	1993	1994	1995
	<i>(Quantity, short tons)</i>		
Turkey	50,098	163,533	225,368
All other sources	3,300	66,463	15,904
Total	53,398	229,996	241,272
	<i>(Value, 1,000 dollars)</i>		
Turkey	17,305	45,069	65,259
All other sources	999	4,858	4,586
Total	18,304	49,927	69,845
	<i>Unit value, (per short ton)</i>		
Turkey	\$345	\$276	\$290
All other sources	303	73	288
Average	343	217	289
	<i>Share of total quantity (percent)</i>		
Turkey	93.8	71.1	93.4
All other sources	6.2	28.9	6.6
Total	100.0	100.0	100.0
	<i>Share of total value (percent)</i>		
Turkey	94.5	90.3	93.4
All other sources	5.5	9.7	6.6
Total	100.0	100.0	100.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table IV-2

Rebar: U.S. imports based on official statistics of the U.S. Department of Commerce, by sources, 1993-95

Source	1993	1994	1995
	<i>(Quantity, short tons)</i>		
Turkey	47,790	201,544	285,621
All other sources	72,875	126,468	246,685
Total	120,665	328,012	532,306
	<i>Value, 1,000 dollars)</i>		
Turkey	14,291	54,831	80,661
All other sources	20,707	37,321	71,057
Total	34,999	92,152	151,718
	<i>Unit value, (per short ton)</i>		
Turkey	\$299	\$272	\$282
All other sources	284	295	288
Total	290	281	285
	<i>Share of total quantity (percent)</i>		
Turkey	39.6	61.4	53.7
All other sources	60.4	38.6	46.3
Total	100.0	100.0	100.0
	<i>Share of total value (percent)</i>		
Turkey	40.8	59.5	53.2
All other sources	59.2	40.5	46.8
Total	100.0	100.0	100.0

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

All 14 firms that supplied usable questionnaire data reported their U.S. shipments of imported Turkish rebar by state. As shown in the tabulation that follows, U.S. importers' reported U.S. shipments of Turkish rebar to states included in the region accounted for a significant share of their reported total U.S. shipments. The region accounted for all of U.S. importers' U.S. shipments in 1993, 79.5 percent of the total in 1994, and 74.9 percent of the total in 1995.

U.S. IMPORTS OF TURKISH REBAR			
Item	1993	1994	1995
Total U.S. shipments by importers (<i>short tons</i>)	50,098	160,607	217,692
Total U.S. regional shipments by importers (<i>short tons</i>)	50,098	127,759	162,960
U.S. regional shipments by importers as a share of reported total U.S. shipments (<i>percent</i>)	100.0	79.5	74.9

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of rebar are presented in table IV-3. Total apparent U.S. consumption of rebar rose steadily between 1993 and 1995, increasing by 15.0 percent by quantity and 34.3 percent by value. Apparent consumption increased from 3.029 million short tons, valued at \$818.0 million, in 1993 to 3.482 million short tons, valued at \$1,098.4 million, in 1995. Apparent U.S. consumption inside of the region as defined by petitioners increased similarly, from 1.627 million short tons, valued at \$447.8 million, in 1993 to 1.796 million short tons, valued at \$556.9 million, in 1995.

U.S. MARKET SHARES

Data on U.S. market shares for the defined region are shown table IV-4 and data on U.S. market shares for the total U.S. market are shown in table IV-5. Shipments within the region were substantially accounted for by producers inside the region. Inside-the-region producers' market share based on quantity fell by 6 percentage points from 1993 to 1995, falling from 93.5 percent to 87.5 percent. Those same producers' market share based on value declined similarly, falling from 92.7 percent in 1993 to 88.3 percent in 1995. The market share of Turkish rebar inside the region increased by 6.7 percentage points based on quantity and by 5.3 percentage points based on value. The market share accounted for by imported Turkish rebar in terms of the total U.S. market increased similarly.

Table IV-3

Rebar: U.S. shipments of domestic product, U.S. importers' U.S. shipments of the Turkish product, U.S. imports from sources other than Turkey, and apparent consumption, 1993-95

Source	1993	1994	1995
	<i>(Quantity, short tons)</i>		
Inside-the-region:			
Shipments by inside-the-region producers into the region	***	***	***
Shipments by outside-the region producers into the region	***	***	***
Total	1,521,512	1,555,099	1,570,797
Shipments of imports/imports:			
Turkey	48,362	127,603	174,009
All other sources	57,517	64,721	51,355
Total	105,879	192,324	225,364
Apparent consumption inside the region	1,627,391	1,747,423	1,796,161
Total United States:			
Shipments by inside-the-region producers	***	***	***
Shipments by outside-the-region producers	***	***	***
Total	2,907,290	3,107,716	3,009,803
Shipments of imports/imports:			
Turkey	48,362	157,588	225,192
All other sources	72,875	126,468	246,685
Total	121,287	284,056	471,877
Apparent consumption	3,028,527	3,391,772	3,481,680
	<i>Value, 1,000 dollars)</i>		
Inside-the-region:			
Shipments by inside-the-region producers into the region	***	***	***
Shipments by outside-the region producers into the region	***	***	***
Total	415,061	452,550	491,997
Shipments of imports/imports:			
Turkey	16,792	37,195	50,799
All other sources	15,910	18,794	14,102
Total	32,702	55,989	64,901
Apparent consumption inside the region	447,763	508,539	556,898
Total United States:			
Shipments by inside-the-region producers	***	***	***
Shipments by outside-the-region producers	***	***	***
Total	780,544	915,719	961,967

Table continued on next page.

Table IV-3--Continued

Rebar: U.S. shipments of domestic product, U.S. importers' U.S. shipments of the Turkish product, U.S. imports from sources other than Turkey, and apparent consumption, 1993-95

Source	1993	1994	1995
	<i>Value, 1,000 dollars)</i>		
Total United States--Continued			
Shipments of imports/imports:			
Turkey	16,792	43,417	65,360
All other sources	20,707	37,321	71,057
Total	37,499	80,738	136,417
Apparent consumption	818,043	996,457	1,098,384

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table IV-4

Rebar: Inside-the-region apparent U.S. consumption and market shares, 1993-95

Source	1993	1994	1995
	<u>Quantity (short tons)</u>		
Apparent consumption	1,627,391	1,747,423	1,796,161
	<u>Value (1,000 dollars)</u>		
Apparent consumption	447,763	508,539	556,898
	<u>Share of the quantity of apparent consumption (percent)</u>		
U.S. shipments inside of the region by U.S. producers inside the region	***	***	***
U.S. shipments inside of the region by U.S. producers outside the region	***	***	***
Total	93.5	89.0	87.5
Shipments of imports/imports from--			
Turkey	3.0	7.3	9.7
All other sources	3.5	3.7	2.9
Total	6.5	11.0	12.5
	<u>Share of the value of apparent consumption (percent)</u>		
U.S. shipments inside of the region by U.S. producers inside the region	***	***	***
U.S. shipments inside of the region by U.S. producers outside the region	***	***	***
Total	92.7	89.0	88.3
Shipments of imports/imports from--			
Turkey	3.8	7.3	9.1
All other sources	3.6	3.7	2.5
Total	7.3	11.0	11.7

¹ Less than 0.05 percent.

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

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table IV-5
Rebar: Apparent U.S. consumption and market shares, 1993-95

Source	1993	1994	1995
	<u>Quantity (short tons)</u>		
Apparent consumption	<u>3,028,527</u>	<u>3,391,772</u>	<u>3,481,680</u>
	<u>Value (1,000 dollars)</u>		
Apparent consumption	<u>818,043</u>	<u>996,457</u>	<u>1,098,384</u>
	<u>Share of the quantity of apparent consumption (percent)</u>		
U.S. shipments supplied by producers inside the region	***	***	***
U.S. shipments supplied by producers outside the region	***	***	***
Total	<u>96.0</u>	<u>91.6</u>	<u>86.4</u>
Shipments of imports/imports from--			
Turkey	1.6	4.6	6.5
All other sources	<u>2.4</u>	<u>3.7</u>	<u>7.1</u>
Total	<u>4.0</u>	<u>8.4</u>	<u>13.6</u>
	<u>Share of the value of apparent consumption (percent)</u>		
U.S. shipments supplied by producers inside the region	***	***	***
U.S. shipments supplied by producers outside the region	***	***	***
Total	<u>95.4</u>	<u>91.9</u>	<u>87.6</u>
Shipments of imports/imports from--			
Turkey	2.1	4.4	6.0
All other sources	<u>2.5</u>	<u>3.7</u>	<u>6.5</u>
Total	<u>4.6</u>	<u>8.1</u>	<u>12.4</u>

¹ Less than 0.05 percent.

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

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

PART V: PRICING AND RELATED DATA

FACTORS AFFECTING PRICING

Raw Material Costs

The primary raw material used in the production of steel concrete rebar is scrap. According to the questionnaire responses of the domestic producers, the price of scrap increased during the period 1993 through 1995.¹ Five of the responding domestic producers indicated that rebar prices increased at least some in response to increasing scrap prices. Of these producers, three stated that prices for rebar increased only as much as the market would accept, not by the full increase in scrap prices.² One producer, ***, indicated that the price of rebar is determined independently of scrap prices; and another, ***, stated that the main driving force for rebar prices is found in the marketplace.

Transportation Costs

Transportation charges for steel concrete reinforcing bar from Turkey to the U.S. market are estimated to be 11.3 percent. This estimate is derived from official U.S. import data (under HTS subheadings 7213.10.00 and 7214.20.00) and represents the transportation and other charges on imports valued on a c.i.f. basis compared to customs value.

According to the questionnaire responses of the domestic producers, U.S. inland transportation costs account for between 4 and 8 percent of the total delivered cost of steel concrete rebar. According to Victor Gonzalez of Mateo, a purchaser of rebar from both domestic and foreign sources in Puerto Rico, and Celta, an importer of rebar, transportation charges from the continental United States to Puerto Rico are estimated at 18 to 20 percent of the total delivered cost of rebar. The high cost is due to the need for inland transportation in the continental United States from the mill to the port and ocean freight which Mr. Gonzalez alleged is expensive due to the Jones Act requirement to use U.S. built, owned, and managed ships.

Exchange Rates

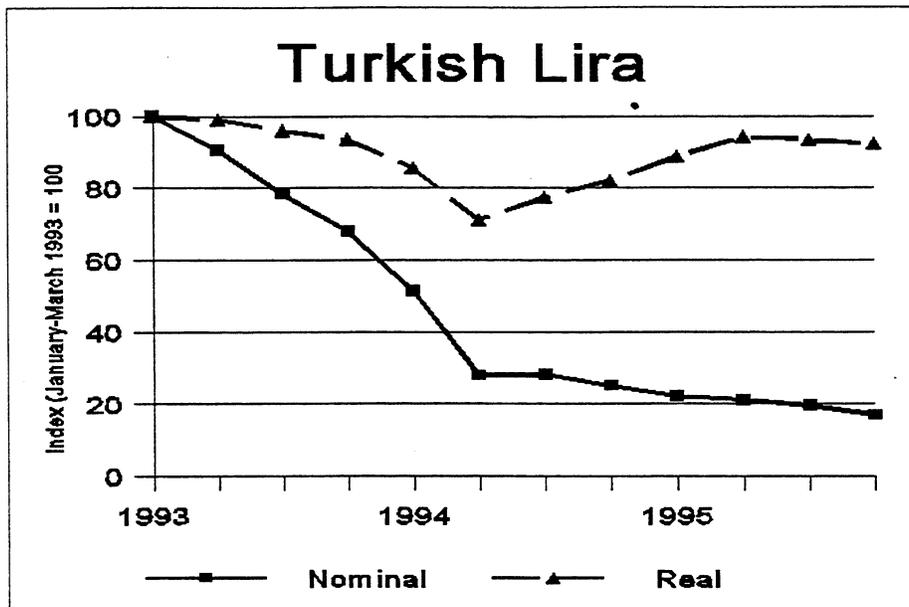
Quarterly data reported by the International Monetary Fund indicate that the nominal value of the Turkish Lira depreciated by 83.0 percent in relation to the U.S. dollar during the period January-March 1993 through October-December 1995, while the real value depreciated by 7.3 percent (figure V-1). The nominal exchange rate fell throughout the period. The real exchange rate fell 29.9 percent from January-March 1993 to April-June 1994, rose 32.5 percent from April-June 1994 to April-June 1995, and fell 2.1 percent from April-June 1995 to October-December 1995.

¹ One U.S. producer located outside of the Eastern tier region, ***, indicated that scrap prices have remained the same.

² Gary Giovannetti of New Jersey Steel stated that although they were successful in passing along scrap price increases in 1994 by raising the price of rebar, in 1995, sales prices of rebar declined despite increases in the price of scrap. Conference transcript, p. 41.

Figure V-1

Exchange rates: Indices of the nominal and real exchange rates between the U.S. dollar and Turkish lira, by quarters, Jan. 1993-Dec. 1995



Source: International Monetary Fund, *International Financial Statistics*, January 1996.

Tariff Rates

Imports of rebar are classified under HTS subheadings 7213.10.00 and 7214.20.00, with a tariff rate of 3.9 percent *ad valorem* applicable to imports from Turkey.

PRICING PRACTICES

Two of the nine responding U.S. producers publish price lists. Most U.S. producers sell on a spot basis at market prices, although three indicated that at least some product is sold on a contract basis. The duration of contracts ranges from quarterly to annual and they fix both quantity and price. One producer indicated that although price is fixed, escalators are built into the contract. Prices are generally quoted f.o.b., although six of the nine responding producers indicated that they equalized freight for at least some transactions during the period. Equalizing freight means that the customer pays only the cost of freight from the nearest source, while the producer pays the difference in freight from the mill.³ Seven of eight responding producers indicated that they offer rebates for prompt payment of invoices. Rebates are generally 0.5 percent.⁴

Most of the importers sell product on a spot basis and set prices using transaction by transaction negotiation. Seventeen of the 18 responding importers reported that they offer no discounts, with the other offering a volume discount. Prices are generally quoted f.o.b., and no importers reported that they equalized

³ Conference transcript, p. 24.

⁴ In 1995, New Jersey Steel began a "foreign fighter" program which provides ***.

freight during the period of investigation. Sales terms are generally net 30 days, with no importers offering rebates for prompt payment.

Smaller size rebar is more expensive to produce than larger size rebar since it is lighter in weight and fewer tons per hour are produced. For the U.S. producers, a premium is generally charged for the smaller diameter rebar, while the Turkish importers charge a standard price with no size differential.⁵ Both the U.S. producers and importers have bundling requirements when selling rebar; that is, only a certain percentage of an order is available in the smallest sizes. Turkish imports are concentrated in the smaller diameters due to the need for smaller sizes in the home market, and bundling requirements are less restrictive.

PRICE DATA

The Commission requested U.S. producers and importers to report the total net U.S. f.o.b. and delivered value for sales of selected steel concrete reinforcing bar products to unrelated U.S. customers, as well as the total quantity shipped in each quarter from January 1993 through December 1995. The products for which pricing data were requested are as follows:

- Product 1:** ASTM A615, #3, grade 60 stock rebar
- Product 2:** ASTM A615, #4, grade 60 stock rebar
- Product 3:** ASTM A615, #5, grade 60 stock rebar

Three U.S. producers and 12 importers provided usable pricing data for sales of the requested products in the Eastern tier region, although not necessarily for all products or all quarters over the period examined.⁶ Pricing data based on average sales prices weighted by total quantity shipped are presented in tables V-1 to V-3 and figures V-2 to V-4. Reported pricing data for sales within the region are estimated to account for 38.7 percent of U.S. producers' U.S. shipments of steel concrete reinforcing bar within the region, and 58.7 percent of U.S. shipments of steel concrete reinforcing bar into the region from Turkey.

U.S. Producers' and Importers' Prices within the Eastern Tier Region

U.S. Product

U.S. producers' prices for product 1 ranged from \$269.49 to \$376.40 per short ton. Prices rose by 39.7 percent from January-March 1993 to peak in October-December 1994. From October-December 1994 to October-December 1995, prices fell by 17.5 percent to end the period of investigation up by 15.2 percent. Prices for product 2 reported by U.S. producers began the period at the low of \$264.19 per short ton and rose by 25.0 percent to the high of \$330.12 per short ton in January-March 1995. From January-March 1995 to October-December 1995, prices fell by 10.3 percent to end the period of investigation up by 12.1 percent. For product 3, U.S. producers' prices ranged from \$263.22 to \$320.52 per short ton. Prices rose irregularly from January-March 1993 to October-December 1994, then fell by 10.4 percent from October-December 1994 to October-December 1995 to end the period up by 9.1 percent.

⁵ Conference transcript, p. 29.

⁶ Three U.S. producers and six importers provided usable pricing data for U.S. sales outside of the Eastern tier region. These data are presented in app. D and accounted for 33.2 percent of U.S. producers' U.S. shipments of steel concrete reinforcing bar outside of the region and 45.8 percent of U.S. shipments of steel concrete rebar from Turkey outside of the region.

Table V-1

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers within the Eastern tier region for product 1¹ reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

Period	U.S. product		Turkish product		Margin
	Net f.o.b. price	Quantity	Net f.o.b. price	Quantity	
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
1993:					
January-March	\$269.49	5,685	\$240.26	1,553	10.8
April-June.....	275.99	8,165	278.26	6,356	(0.8)
July-September.....	288.84	8,610	286.86	5,440	0.7
October-December.....	304.95	3,762	295.83	5,779	3.0
1994:					
January-March	309.42	4,899	268.56	11,593	13.2
April-June.....	322.92	7,592	304.29	16,944	5.8
July-September.....	339.48	9,454	280.55	11,015	17.4
October-December.....	346.40	4,563	260.00	5,492	30.9
1995:					
January-March	362.92	5,718	288.54	10,043	20.5
April-June.....	342.93	6,605	287.25	17,130	16.2
July-September.....	326.17	6,360	294.80	17,373	9.6
October-December.....	310.56	6,259	278.83	3,236	10.2

¹ ASTM A615, #3, grade 60 stock rebar.

Note.--Percentage margins are calculated from unrounded figures; thus, margins cannot always be directly calculated from the rounded figures in the table.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table V-2

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers within the Eastern tier region for product 2¹ reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

Period	U.S. product		Turkish product		Margin
	Net f.o.b. price	Quantity	Net f.o.b. price	Quantity	
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
1993:					
January-March	\$264.19	35,652	\$240.33	2,854	9.0
April-June.....	270.83	33,777	274.48	7,284	(1.3)
July-September.....	277.25	37,862	277.36	6,522	0.0
October-December.....	279.62	39,406	296.42	3,963	(6.0)
1994:					
January-March	289.57	28,534	270.07	11,347	6.7
April-June.....	300.37	40,816	295.10	18,671	1.8
July-September.....	315.98	39,148	280.14	11,168	11.3
October-December.....	326.72	40,016	257.53	8,222	21.2
1995:					
January-March	330.12	34,604	285.61	14,320	13.5
April-June.....	322.39	37,187	290.18	17,700	10.0
July-September.....	308.74	37,376	291.79	17,785	5.5
October-December.....	296.19	35,333	277.15	3,946	6.4

¹ ASTM A615, #4, grade 60 stock rebar.

Note.--Percentage margins are calculated from unrounded figures; thus, margins cannot always be directly calculated from the rounded figures in the table.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table V-3

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers within the Eastern tier region for product 3¹ reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

Period	U.S. product		Turkish product		Margin
	Net f.o.b. price	Quantity	Net f.o.b. price	Quantity	
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
1993:					
January-March	\$263.22	48,439	\$240.38	1,070	8.7
April-June.....	269.62	42,118	279.51	3,191	(3.7)
July-September.....	271.73	49,983	282.89	1,960	(4.1)
October-December.....	271.25	48,743	291.45	2,067	(7.4)
1994:					
January-March	314.23	47,930	272.33	5,486	13.3
April-June.....	293.09	51,523	295.72	8,717	(0.9)
July-September.....	309.10	67,529	284.60	5,116	7.9
October-December.....	320.52	47,387	256.37	5,616	20.0
1995:					
January-March	316.95	53,955	277.91	9,478	12.3
April-June.....	314.66	55,553	293.29	9,022	6.8
July-September.....	301.15	51,488	291.42	8,178	3.2
October-December.....	287.15	49,106	283.23	2,066	1.4

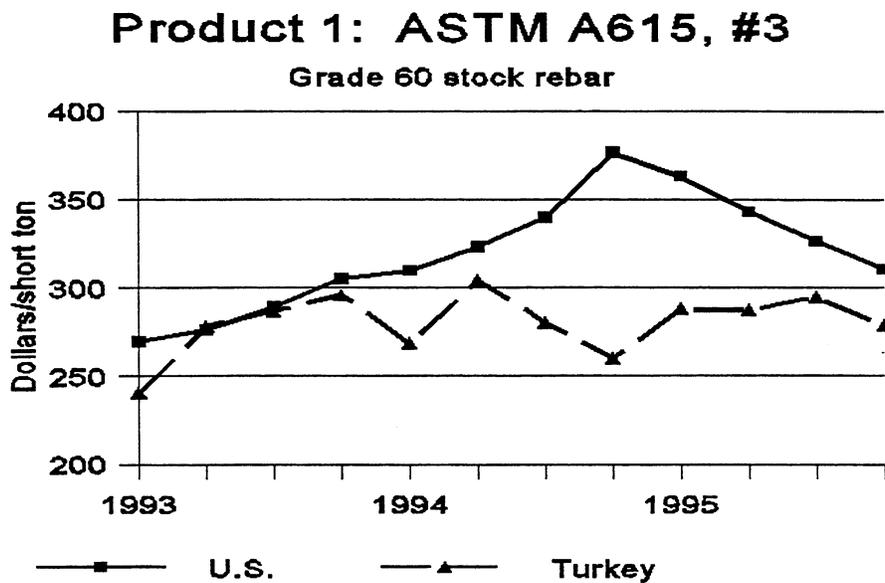
¹ ASTM A615, #5, grade 60 stock rebar.

Note.--Percentage margins are calculated from unrounded figures; thus, margins cannot always be directly calculated from the rounded figures in the table.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Figure V-2

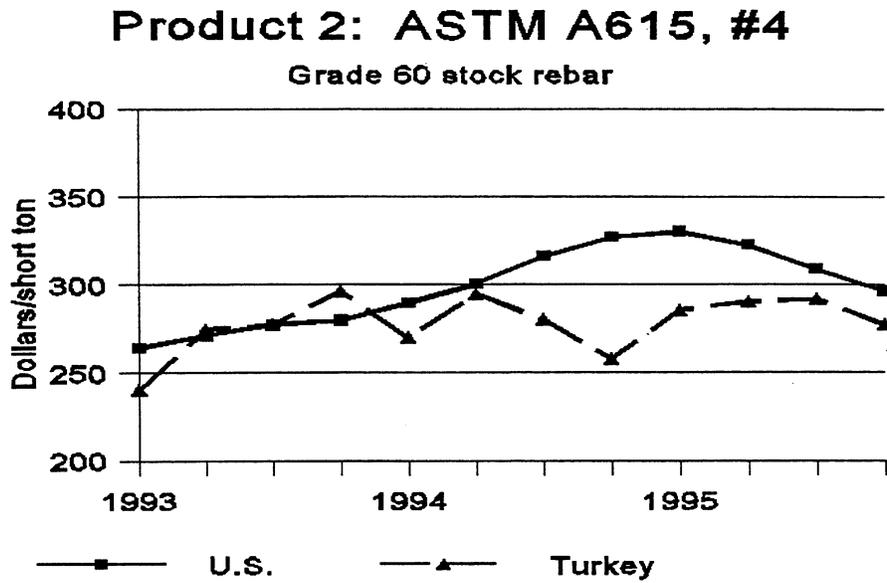
Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 1 to U.S. customers within the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995



Source: Table V-1.

Figure V-3

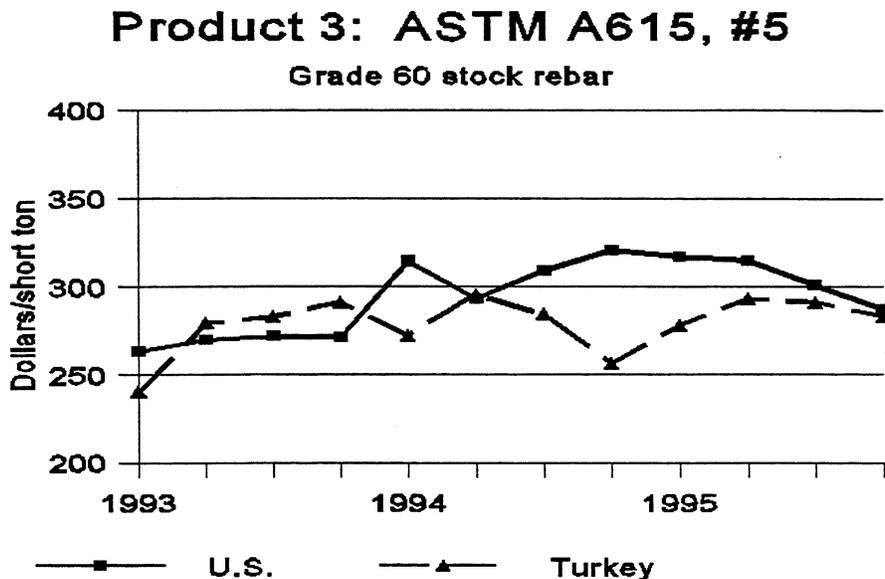
Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 2 to U.S. customers within the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995



Source: Table V-2.

Figure V-4

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 3 to U.S. customers within the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995



Source: Table V-3.

Turkish Product

Prices reported by importers for products 1, 2, and 3 fluctuated over the period of investigation, ending up by 16.1, 15.3, and 17.8 percent, respectively. Prices ranged from \$240.26 to \$304.29 per short ton for product 1, from \$240.33 to \$296.42 per short ton for product 2, and from \$240.38 to \$295.72 per short ton for product 3.

Price Comparisons

Tables V-1 through V-3 show the margins of underselling/(overselling) for U.S. and Turkish steel concrete reinforcing bar from January-March 1993 through October-December 1995. Overall, the Turkish product was priced below the U.S. product in 28 of 36 instances. Margins ranged from negative 0.8 to 30.9 percent for product 1 and from negative 6.0 to 21.2 percent for product 2. For both products 1 and 2, the highest margins were seen in the period from July-September 1994 to April-June 1995. For product 3, margins ranged from negative 7.4 to 20.0 percent, with most margins less than 10 percent. Margins were negative from April-June 1993 to October-December 1993. The highest margins were observed in January-March 1994 and October-December 1994 to January-March 1995.

LOST SALES AND LOST REVENUES

None of the responding producers cited specific instances of lost sales and/or revenues due to imports of steel concrete reinforcing bar from Turkey in the petition or in questionnaire responses. Within the Eastern tier region, one non-petitioning producer, ***, indicated that it had reduced prices and rolled back

announced price increases due to the imported product; another, ***, indicated that it had both lost revenues and sales. *** indicated that it had not lost sales or revenues; and three producers, ***, did not respond as to whether sales or revenues were lost due to Turkish imports. *** indicated that it may have had to reduce prices to compete with imports, but that it would be difficult to know the country of origin. *** believes that overall competitive forces in the market caused by Turkish rebar imports have caused price depression, but gave no specific information to support the allegation. *** stated that its lost sales are mainly in Puerto Rico and that it has felt pressure from competitors which have lost sales to Turkish imports and become more aggressive in its marketplace in order to maintain volume.

In a separate submission on April 9, 1996, Vincent Duane, counsel for the petitioners, provided four lost sales and/or lost revenue allegations. According to Mr. Duane, in the fourth quarter of 1994 *** lost a sale of *** short tons of primarily smaller diameter rebar with an estimated value of \$*** to *** due to Turkish imports. *** of ***, ***, stated that the allegation was false. He stated that the volume of product cited in the allegation is not consistent with the purchase patterns of the company. *** purchases both domestic and foreign products, including Turkish rebar. *** stated that during the bidding process, many times the country of origin of foreign product is unknown.

Mr. Duane also presented a lost sale allegation for ***. According to the allegation, a sale to *** of *** metric tons of product, for which the estimated value was between \$*** and \$***, was lost due to Turkish imports. Mr. Duane presented a letter from *** of *** dated *** in which *** states that the negotiation for the *** tons of product could not be possible because of the low prices offered for Turkish product.

A third allegation involved a sale to *** of *** to *** metric tons of rebar in sizes ***, with an estimated value of \$*** to \$***, lost by *** due to Turkish imports. *** of *** confirmed the allegation and additionally stated that he has not encountered significant problems with supply (aside from a temporary equipment problem) or bundling requirements with his U.S. supplier. He states that he would prefer to buy American and that his customers are willing to pay a slight premium for U.S. steel, but that the price differential between U.S. and Turkish product is significant. *** stated that he switched back to purchasing U.S. product when *** implemented special pricing to compete with the Turkish product.

According to Mr. Duane, *** has suffered both lost sales and revenues in transactions with *** due to Turkish imports in 1995. The allegation states that *** was implemented and that sales decreased by ***. The total estimated value of the lost sales is \$***. An intracompany memo from *** of *** was submitted to support the allegation. In the memo, *** state that domestic market share has been taken away from both *** and *** by imported rebar, although Turkish imports are not specifically mentioned. They also present ***.⁷

⁷ Petitioners' post-conference brief, exhibit J.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Seven out of 13 mills in the Eastern tier region provided financial information on steel concrete rebar operations.¹ These data represent *** percent of reported U.S. production of rebar in 1995. Birmingham Steel, which has two mills in the region, and SMI Steel, which has one mill in the region, did not provide separate data for each mill but did provide consolidated data on their total rebar operations.² Auburn and Nucor could not provide financial data. Seven U.S. producers, accounting for 93 percent of reported U.S. production of rebar in 1995, supplied the financial data for the total U.S. rebar industry. The financial data are presented for the region and the total U.S. rebar industry separately.

OPERATIONS ON THE REGION'S REBAR

Income-and-loss data for the region's rebar operations are presented in table VI-1. From 1993 to 1995, net sales quantity in short tons increased by *** percent whereas net sales value rose by *** percent, mainly because of an increase of about *** percent in average selling price per short ton (table VI-2).

The reporting mills suffered an aggregate operating loss of \$***, or *** percent of net sales, in 1993. Their aggregate operating loss declined to \$***, or *** percent of net sales, in 1994. These mills reported an aggregate operating income of \$***, or *** percent of net sales, in 1995. From 1993 to 1995, the cost of goods sold per short ton increased by *** percent, mainly because of an increase in the price of scrap,³ while selling, general, and administrative expenses per short ton rose by about *** percent. However, the increase in the average selling price was more than the increase in costs and expenses per short ton, resulting in aggregate profitability in 1995. Pre-tax net income margins followed the same trend as did the operating income margins during the period of investigation.

Table VI-1

Income-and-loss experience of U.S. producers in the Eastern tier region on their operations producing rebar, fiscal years 1993-95

* * * * *

Table VI-2

Income-and-loss experience (*on a per-short ton basis*) of U.S. producers in the Eastern tier region on their operations producing rebar, fiscal years 1993-95

* * * * *

Variance Analysis

The variance analysis, table VI-3, covers seven mills that provided sufficient financial data for an assessment of changes in profitability as related to changes in pricing, cost, and volume. ***. Company

¹ These mills and their fiscal year ends are AmeriSteel (5 mills), Mar. 31; Atlantic, Dec. 31; and New Jersey, Nov. 30.

² Birmingham also included merchant bar in its data.

³ Conference transcript, p. 41.

Table VI-3

Variance of U.S. producers in the Eastern tier region on their operations producing rebar during 1993-95, 1993-94, and 1994-95

* * * * *

transfers accounted for an average of about *** percent of total quantity sold during the period. The information for the variance analysis is derived from information presented in table VI-1. Although there may have been product mix changes during the period of investigation, it is believed that they are not of sufficient magnitude to invalidate general conclusions about the effects of changes in pricing, costs, and volume on profitability. The variance analysis revealed that the higher favorable price variance along with favorable volume variance in total net sales outweigh the unfavorable cost of sales and SG&A variances and played a major role in bringing the region's rebar operations to profitability in 1995.

Investment in Productive Facilities, Capital Expenditures, and Research and Development Expenses

AmeriSteel could not provide the value of property, plant, and equipment; capital expenditures; or research and development expenses separately for each mill. Therefore, these data are presented in aggregate in table VI-4. All three reporting firms--AmeriSteel, Atlantic, and New Jersey--indicated *** for research and development expenses during the period of investigation.

Table VI-4

Value of assets, capital expenditures, and research and development expenses of U.S. producers in the Eastern tier region, relating to the production of rebar, fiscal years 1993-95

* * * * *

OPERATIONS ON U. S. REBAR

Income-and-loss data for the U.S. rebar operations are presented in table VI-5. The trends in net sales and operating and net income margins are very similar to those of the region's rebar operations discussed above. From 1993 to 1995, net sales quantity in short tons increased by 5 percent whereas net sales value rose by 30 percent, mainly because of an increase of about 24 percent in average selling price per short ton (table VI-6). Selected income-and-loss data by company, and by mill within the Eastern tier region, are shown in table VI-7.

The responding firms reported an aggregate operating income of \$21.9 million, or 2.1 percent of net sales, in 1993 and \$45.1 million, or 3.8 percent of net sales, in 1994. Such aggregate operating income of reporting U.S. producers jumped to \$114.9 million, or 8.6 percent of net sales, in 1995. From 1993 to 1995, the cost of goods sold per short ton increased by 16 percent, mainly because of an increase in the price of scrap, while selling, general, and administrative expenses per short ton rose by about 12 percent. However, the increase in the average selling price was more than the increase in costs and expenses per short ton, resulting in much higher profitability in 1995. Pre-tax net income margins followed the same trend as did the operating income margins during the period of investigation.

Table VI-5

Income-and-loss experience of U.S. producers on their operations producing rebar, fiscal years 1993-95¹

Item	1993	1994	1995
	<i>Quantity (short tons)</i>		
Trade sales	3,103,264	3,238,029	3,281,776
Company transfers	892,432	928,094	905,138
Total	3,995,696	4,166,123	4,186,914
	<i>Value (1,000 dollars)</i>		
Net sales:			
Trade sales	807,662	966,052	1,095,412
Company transfers	221,250	211,923	242,428
Total	1,028,912	1,177,975	1,337,840
Cost of goods sold	957,799	1,079,012	1,165,132
Gross profit	71,113	98,963	172,708
Selling, general, and administrative expenses	49,242	53,819	57,801
Operating income	21,871	45,144	114,907
Interest expense	7,388	8,465	11,208
Other expense	6,078	5,034	5,845
Other income items	1,332	2,890	3,559
Net income before income taxes	9,737	34,535	101,413
Depreciation and amortization	26,340	31,665	35,654
Cash flow ²	36,077	66,200	137,067
	<i>Ratio to net sales (percent)</i>		
Cost of goods sold	93.1	91.6	87.1
Gross profit	6.9	8.4	12.9
Selling, general, and administrative expenses	4.8	4.6	4.3
Operating income	2.1	3.8	8.6
Net income before income taxes	0.9	2.9	7.6
	<i>Number of firms reporting</i>		
Operating losses	6	7	4
Net losses	8	7	4
Data	11	11	11

¹ These firms and their fiscal year ends are AmeriSteel (5 mills), Mar. 31; Atlantic, Dec. 31; Birmingham, June 30; CF & I, Dec. 31; New Jersey, Nov. 30; SMI, Aug. 31; and TAMCO, Nov. 30. Birmingham provided data on its total rebar operations which include merchant bar. The company could not supply data only on its subject rebar operations as it does not keep separate data on stock rebar.

² Cash flow is defined as net income or loss plus depreciation and amortization.

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

Table VI-6

Income-and-loss experience (*on a per-short ton basis*) of U.S. producers on their operations producing rebar, fiscal years 1993-95¹

<i>Value (per short ton)</i>			
<u>Item</u>	1993	1994	1995
Net sales	\$257.51	\$282.75	\$319.53
Cost of goods sold	<u>239.71</u>	<u>259.00</u>	<u>278.28</u>
Gross profit	17.80	23.75	41.25
Selling, general, and administrative expenses	<u>12.32</u>	<u>12.92</u>	<u>13.81</u>
Operating income or (loss)	5.47	10.84	27.44

¹ These firms and their fiscal year ends are AmeriSteel (5 mills), Mar. 31; Atlantic, Dec. 31; Birmingham, June30; CF & I, Dec.31; New Jersey, Nov. 30; SMI, Aug. 31; and TAMCO, Nov.30.

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

Table VI-7

Income-and-loss experience of U.S. producers on their operations producing rebar, by firms, fiscal years 1993-95

Item	1993	1994	1995
	<i>Value (1,000 dollars)</i>		
Net sales:			
Mills within the region:			
Atlantic Steel (GA)	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
W. Tennessee (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel (NJ)	***	***	***
Subtotal for the region	***	***	***
Firms outside the region:			
Birmingham Steel (AL) ¹	***	***	***
CF&I (CO)	***	***	***
SMI (TX)	***	***	***
TAMCO (CA)	***	***	***
Total	1,028,912	1,177,975	1,337,840
Operating income or (loss):			
Mills within the region:			
Atlantic Steel (GA)	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
W. Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel (NJ)	***	***	***
Subtotal for the region	***	***	***
Firms outside the region:			
Birmingham Steel (AL) ¹	***	***	***
CF&I (CO)	***	***	***
SMI (TX)	***	***	***
TAMCO (CA)	***	***	***
Total	21,871	45,144	114,907

Continued on next page

Table VI-7--Continued

Income-and-loss experience of U.S. producers on their operations producing rebar, by firms, fiscal years 1993-95

Item	1993	1994	1995
	Ratio to net sales (<i>percent</i>)		
Operating income or (loss):			
Mills within the region:			
Atlantic Steel (GA)	***	***	***
AmeriSteel:			
Charlotte mill (NC)	***	***	***
Jacksonville mill (FL)	***	***	***
Knoxville mill (TN)	***	***	***
Tampa mill (FL)	***	***	***
W. Tennessee mill (TN)	***	***	***
Subtotal	***	***	***
New Jersey Steel (NJ)	***	***	***
Subtotal for the region	***	***	***
Firms outside the region:			
Birmingham Steel (AL) ¹	***	***	***
CF&I (CO)	***	***	***
SMI (TX)	***	***	***
TAMCO (CA)	***	***	***
Total	2.1	3.8	8.6

¹ Birmingham provided data on its total rebar operations, which include merchant rebar. The company could not supply data only on its subject rebar operations as it does not keep separate data on stock rebar.

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

Variance Analysis

The variance analysis, table VI-8, covers seven firms that provided sufficient financial data for an assessment of changes in profitability as related to changes in pricing, cost, and volume. Reported export sales were ***, and company transfers accounted for an average of about *** percent of total quantity sold during the period. The information for the variance analysis is derived from information presented in table VI-5. Although there may have been product mix changes during the period of investigation, we believe that they are not of sufficient magnitude to invalidate general conclusions about the effects of changes in prices, costs, and volume on profitability. The variance analysis revealed that the higher favorable price variance along with favorable volume variance in total net sales more than offset the unfavorable cost of sales and SG&A variances.

Table VI-8

Variance of U.S. producers on their operations producing rebar during 1993-95, 1993-94, and 1994-95¹

· (1,000 dollars)

Item	1993-95	1993-94	1994-95
Net sales:			
Trade:			
Price variance	241,290	123,316	116,308
Volume variance	46,460	35,074	13,052
Total trade sales variance ²	287,750	158,390	129,360
Company transfers:			
Price variance	18,028	(18,168)	35,747
Volume variance	3,150	8,841	(5,242)
Total company transfers variance ²	21,178	(9,327)	30,505
Total net sales:			
Price variance	259,688	105,177	153,986
Volume variance	49,240	43,886	5,879
Total net sales variance ²	308,928	149,063	159,865
Cost of goods sold:			
Cost variance	(161,497)	(80,360)	(80,735)
Volume variance	(45,836)	(40,853)	(5,385)
Total cost of goods sold variance ²	(207,333)	(121,213)	(86,120)
Gross profit variance ²	101,595	27,850	73,745
Selling, general, and administrative expenses:			
Expense variance	(6,202)	(2,477)	(3,713)
Volume variance	(2,357)	(2,100)	(269)
Total selling, general, and administrative variance ²	(8,559)	(4,577)	(3,982)
Operating income variance ²	93,036	23,273	69,763

¹ Unfavorable variances are shown in parentheses; all others are favorable.

² Comparable to changes in net sales; cost of goods sold; gross profit; selling, general, and administrative expenses; and operating income, as presented in table VI-5.

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

Investment in Productive Facilities, Capital Expenditures, and Research and Development Expenses

The value of property, plant, and equipment; capital expenditures; and research and development expenses of seven U.S. producers are presented in table VI-9. All reporting firms indicated zero expenditures for research and development during the period of investigation.

Table VI-9

Value of assets, capital expenditures, and research and development expenses of U.S. producers, relating to the production of rebar, fiscal years 1993-95

(1,000 dollars)

Item	1993	1994	1995
Fixed assets:			
Original cost	438,897	593,731	646,104
Book value	263,354	388,855	412,408
Capital expenditures	87,184	76,212	60,001
Research and development	0	0	0

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

Capital and Investment

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of rebars from Turkey on their firms' growth, investment, and ability to raise capital or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix E.

PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(I)). Information on the volume and pricing of imports of the subject merchandise is presented in parts IV and 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.

THE INDUSTRY IN TURKEY

This section of the report is based on information supplied by 7 of the estimated 18 firms that produce rebar in Turkey and on information supplied through the American Embassy in Ankara by the Turkey iron and steel organization, TDCK, and the Undersecretariat of Foreign Trade at the request of the Commission. The 7 firms that supplied information as requested in the Commission's foreign producers' questionnaire are: Colakoglu Metalurji A.S. (Colakoglu), Ekinciler Demir Celik A.S. (Ekinciler), Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas), Izmir Demir Celik Sanayi A.S. (Izmir), Istanbul Celik ve Demir Izabe Sanayi A.S. (ICDAS), Metas Izmir Metalurji Fabrikasi T.A.S. (Metas), and Cukurova Celik Endustrisi A.S. (Cukurova). Colakoglu, Ekinciler, and Habas are respondents in the investigation and supplied information on their rebar operations in Turkey through counsel. Izmir, ICDAS, and Metas also provided information, while Cukurova noted that it did not produce rebar during 1993-95.

As shown in the tabulation that follows, Turkey's iron and steel rods and bars production capacity and production, as estimated by TDCK, increased from 11.0 million and 8.0 million metric tons, respectively, in 1993 to 12.7 million and 9.5 million metric tons, respectively, in 1995. Capacity utilization rose slightly from 72.5 percent in 1993 to 74.6 percent in 1995. The TDCK believes that eight Turkish firms exported iron and steel rods and bars to the United States and Puerto Rico in 1995, as compared with 10 in 1994. Based on TDCK's export statistics, Turkey's exports of rods and bars totaled 2.463 million metric tons, valued at \$689.3 million, in 1993, 2.987 million metric tons, valued at \$799.0 million, in 1994, and 1.833 million metric tons, valued at \$517.0 million, in 1995. Twenty-six percent of the volume of the 1995 exports went to Hong Kong, 19.0 percent to Abu Dhabi, 13.9 percent to Singapore, 10.9 percent to the United States, 10.3 percent to South Korea, and the remaining shares were exported to all other countries. Although, according to these statistics, Turkish exports declined between 1994 and 1995, Dr. Atilla Sezgin, general director of the Turkish Iron and Steel General Directorate, believes that excess capacity and weak demand in Turkey put downward pressure on 1994 home market prices, which has led to greater emphasis on export markets.¹

¹ Telegram, American Embassy Ankara, to the U.S. International Trade Commission, through the U.S. Department of State, Apr. 1996.

TURKEY'S IRON AND STEEL RODS AND BARS			
Item	1993	1994	1995
Production capacity (<i>1,000 metric tons</i>)	11,000	11,100	12,736
Actual production (<i>1,000 metric tons</i>)	7,980	8,200	9,500
Capacity utilization (<i>percent</i>)	72.5	73.9	74.6

Turkish rebar has been the subject of antidumping findings or remedies in other countries, namely Singapore. Effective December 2, 1995, Singapore imposed dumping duties ranging from \$16 per metric ton to \$59 per metric ton on rebar exported into that country from Turkey by Colakoglu, Ekinciler, METAS, and all other Turkish producers/exporters except ICDAS. Rebar exported by ICDAS was found not to be dumped.

Data showing aggregate production capacity, production, shipments, and inventories for Colakoglu, Ekinciler, Habas, Izmir, ICDAS, and Metas are presented in table VII-1. Cukurova noted in its questionnaire response that ***.

As shown in table VII-1, the production capacity for the firms reporting data rose from 2.566 million metric tons in 1993 to 2.678 million metric tons in 1995, an increase of 4.4 percent. One firm, ***, attributed its increased capacity to technological improvements and lower maintenance costs. While capacity is projected to fall somewhat in 1997, one firm, ***, expects that its capacity will increase by about *** percent between 1995 and 1996 and by another *** percent between 1996 and 1997 as ***. This firm noted that it has never exported rebar to the United States and has no plans to do so. Aggregate production rose unevenly by 24.4 percent between 1993 and 1995 and is projected to rise both in 1996 and in 1997.

As a share of total establishment sales, rebar sales accounted for between 36 percent and 100 percent of the firms' total sales in their most recent fiscal year. Other products produced by these firms on the same equipment and machinery used to produce rebar include wire rod, special quality bars or bars for special purposes, and steel billet.

U.S. INVENTORIES OF PRODUCT FROM TURKEY

Only three U.S. importers of Turkish rebar reported end-of-period inventories during the period for which information was requested. As shown in the tabulation that follows, none of the three reported having inventories of Turkish rebar at yearend 1993, and the 1995 volume of end-of-period inventories for all three importers was *** percent lower than the 1994 volume.

U.S. IMPORTERS' INVENTORIES OF TURKISH REBAR			
Item	1993	1994	1995
Quantity (<i>short tons</i>)	0	***	***
Ratio to imports (<i>percent</i>)	Not applicable	***	***
Ratio to total shipments (<i>percent</i>)	Not applicable	***	***

Table VII-1

Rebar: Aggregate production capacity, production, shipments, and inventories for Colakoglu, Ekinciler, Habas, Izmir, ICDAS, and Metas, 1993-95, and projections for 1996 and 1997

(In metric tons, except as noted)

Item	1993	1994	1995	Projections	
				1996	1997
Production capacity	2,565,899	2,560,016	2,678,099	2,898,099	2,658,099
Production	2,036,564	2,577,545	2,533,412	2,820,000	3,175,000
Shipments:					
Home market	792,492	492,751	878,019	895,000	975,000
Exports to--					
United States	35,673	133,490	158,030	120,000	130,000
All other countries	1,255,837	2,093,471	1,508,283	1,878,948	2,128,948
Total exports	1,291,510	2,226,961	1,666,312	1,998,948	2,258,948
Total shipments	2,179,700	2,719,802	2,544,219	2,898,948	3,233,948
End-of-period inventories	105,995	528,285	321,481	40,459	27,459
Capacity utilization (<i>percent</i>)	79.4	100.7	94.6	97.3	119.4
As a share (<i>percent</i>) of total shipments:					
Home market shipments	36.4	18.1	34.5	30.9	30.1
Exports to the United States	1.6	4.9	6.2	4.1	4.0
Exports to all other countries	57.6	77.0	59.3	64.8	65.8
Total exports	59.3	81.9	65.5	69.0	69.9
Ratio of:					
Inventories to production (<i>percent</i>) ..	5.2	20.5	12.7	1.4	0.7
Inventories to total shipments (<i>percent</i>)	4.9	19.4	12.6	1.4	0.8

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

[Investigation No. 731-TA-745
(Preliminary)]

Steel Concrete Reinforcing Bars From Turkey

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a preliminary antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping Investigation No. 731-TA-745 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 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 Turkey of concrete reinforcing bars of steel,¹ provided for in subheadings 7213.10.00 and 7214.20.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. Unless the Department of Commerce extends the time for initiation pursuant to section 732(c)(1)(B) of the Act (19 U.S.C. § 1673a(c)(1)(B)), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by April 22, 1996. The Commission's views are due at the Department of Commerce within five business days thereafter, or by April 29, 1996.

For further information concerning the conduct of this investigation 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).

EFFECTIVE DATE: March 8, 1996.

FOR FURTHER INFORMATION CONTACT: Woodley Timberlake (202-205-3188).

¹ For purposes of this preliminary investigation, rebar that a processor has further worked or fabricated by, for example, bending, cutting (to non-uniform lengths) or coating is excluded.

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> or <ftp://ftp.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background.—This investigation is being instituted in response to a petition filed on March 8, 1996, by Florida Steel Corporation, Tampa, FL, and New Jersey Steel Corporation, Sayreville, NJ.

Participation in the investigation and public service list.—Persons (other than petitioners) wishing to participate in the investigation 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. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation 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 this preliminary investigation available to authorized applicants under the APO issued in the investigation, 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 this investigation for 9:30 a.m. on March 29, 1996, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Woodley Timberlake (202-205-3188) not later than March 26, 1996, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation 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 April 3, 1996, a written brief containing information and arguments pertinent to the subject matter of the investigation. 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.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (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: This investigation is 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: March 12, 1996.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 96-6350 Filed 3-15-96; 8:45 am]

BILLING CODE 7220-02-P

[A-489-807]

Initiation of Antidumping Duty Investigation: Certain Steel Concrete Reinforcing Bar From Turkey

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

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Fabian Riveis at (202) 482-3853 or Howard Smith at (202) 482-5193, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

Initiation of Investigation***The Applicable Statute***

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA").

The Petition

On March 8, 1996, the Department of Commerce ("the Department") received

a petition filed in proper form by Florida Steel Corporation and New Jersey Steel Corporation ("petitioners"). The petitioners amended the petition on March 26, 1996, to exclude plain steel concrete reinforcing bar ("rebar").

In accordance with section 732(b) of the Act, the petitioners allege that imports of steel concrete reinforcing bar ("rebar") from Turkey 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 are materially injuring, or threatening material injury to, a regional industry within the United States.¹

Since the petitioners are interested parties as defined under section 771(9)(C) of the Act, they have standing to file a petition for the imposition of antidumping duties.

Determination of Industry Support for the Petition

The petitioners allege that there is a regional industry for the domestic like product and included data on both factors required by section 771(4)(C) of the Act: (1) the producers within such market sell all or almost all of their production of the like product in question in that market, and (2) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States. Under section 732(c)(4)(C), if the petitioner alleges that the industry is a regional industry, the Department shall determine whether the petition has been filed by or on behalf of the industry by applying the requirements set forth in section 732(c)(4)(A) of the Act on the basis of the production in the region. Therefore, the Department has evaluated industry support for the petition based upon production in the region.

Section 732(c)(4)(A) of the Act requires that the Department's industry support determination, which is to be

¹ The region identified by petitioners consists of the states of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Pennsylvania, Delaware, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, and Tennessee; plus the District of Columbia and Puerto Rico.

made before the initiation of the investigation, be based on whether a minimum percentage of the relevant regional industry supports the petition. A petition meets the minimum requirements if (1) domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product in the region; and (2) those domestic producers or workers in the region expressing support account for more than 50 percent of the production of the domestic like product produced by that portion of the industry in the region expressing support for, or opposition to, the petition.

A review of the production data provided in the petition and other information readily available to the Department indicates that the petitioners account for more than 50 percent of the total regional production of the like product. The Department received no expressions of opposition to the petition from any regional producers or workers. Accordingly, the Department determines that the petition is supported by the regional industry.

Scope of the Investigation

The product covered by this investigation is all stock deformed steel concrete reinforcing bars ("rebar") sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all coated rebar. Deformed rebar is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7213.10.00 and 7214.20.00. The HTSUS subheadings are provided for convenience and customs purposes.

The written description of the scope of this investigation is dispositive.

Export Price and Normal Value

The petitioners based export price on: (1) a contracted price for 7,000 to 10,000 metric tons of deformed rebar, and (2) an offer of sale for about 10,000 metric tons of deformed rebar. The terms of the contract and offer are C.I.F. The petitioners made deductions to export price for insurance, port expenses, and shipping costs.

The petitioners based NV on an offer sheet published in Turkey by Turkish rebar producers. Since the terms are ex-factory, petitioners made no deductions to NV. The petitioners adjusted and/or inflated the prices on the offer sheet in an effort to make more contemporaneous comparisons to export price. However, the Department

considers the prices as shown on the offer sheet already to be contemporaneous and thus used them as the basis for normal value without adjustment. See memorandum to the file dated March 26, 1996.

Based on comparisons of export price to NV, the estimated dumping margins, as recalculated by the Department, range from 27.4 to 41.8 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of rebar from Turkey are being, or are likely to be, sold at less than fair value. If it becomes necessary at a later date to consider the petition as a source of facts available under section 776 of the Act, we may further review the calculations.

Critical Circumstances

The petition contains an allegation that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of subject merchandise.

Section 733(e)(1) of the Act provides that the Department will determine that there is a reasonable basis to believe or suspect that critical circumstances exist if:

- (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or
- (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and
- (B) there have been massive imports of the subject merchandise over a relatively short period.

The petition contains information that satisfies the criteria. First, petitioners state that Singapore has recently imposed final antidumping duties on rebar from Turkey. Because there is an indication of a history of dumping and material injury, it is not necessary to address importer knowledge.

Because we have information indicating that the first statutory criterion is met, we must consider the second statutory criterion: whether imports of the merchandise have been massive over a relatively short period. According to the import statistics contained in the petition, imports of rebar from Turkey into the region increased by 252 percent from 1993 to 1994. Based on import statistics from January through October 1995, petitioners projected the increase of

Turkish imports into the region from 1994 to 1995 to be 51 percent.

Because the petition provides evidence that there is a history of dumping and material injury, and that imports of subject merchandise from Turkey have been massive over a relatively short period of time, we find a reasonable basis to believe or suspect that critical circumstances may exist and will investigate this matter further.

Initiation of Investigation

We have examined the petition on rebar and have found that it meets the requirements of section 732 of the Act, including the requirements concerning allegations of the material injury or threat of material injury to a regional industry of a like product by reason of the complained-of imports, allegedly sold at less than fair value. Therefore, we are initiating an antidumping duty investigation to determine whether imports of rebar from Turkey are being, or are likely to be, sold at less than fair value on a regional basis. Unless extended, we will make our preliminary determination by August 15, 1996.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been provided to the representatives of the Government of Turkey. We will attempt to provide a copy of the public version of the petition to each exporter of rebar named in the petition.

International Trade Commission (ITC) Notification

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

Preliminary Determinations by the ITC

The ITC will determine by April 22, 1996, whether there is a reasonable indication that imports of rebar from Turkey are causing material injury, or threatening to cause material injury, to a U.S. industry. 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 published pursuant to section 732(c)(2) of the Act.

Dated: March 28, 1996.
Susan G. Esserman,
Assistant Secretary for Import
Administration.
[FR Doc. 96-8216 Filed 4-3-96; 8:45 am]
BILLING CODE 3510-DS-P

APPENDIX B
CALENDAR OF THE PUBLIC CONFERENCE

CALENDAR OF THE PUBLIC
CONFERENCE

Investigation No. 731-TA-745 (Preliminary)

Steel Concrete Reinforcing Bars from Turkey

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigation at 9:30 a.m. on March 29, 1996, in the Main hearing room of the USITC Building, 500 E Street, SW, Washington, DC.

In support of the imposition of antidumping duties

Brickfield, Burchette & Ritts, PC--Counsel

Washington, DC

on behalf of

Florida Steel Corporation

New Jersey Steel Corporation

Phillip Casey, president, Florida Steel Corporation

Gary Giovannetti, vice president, sales, New Jersey Steel Corporation

Vincent P. Duane)

Peter Brickfield)--OF COUNSEL

Damon E. Xenopoulos)

In opposition to the imposition of antidumping duties

Dickstein, Shapiro & Morin--Counsel

Washington, DC

on behalf of

Colakoglu Metalurji A.S.

Ekinciler Demir Celik A.S.

Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.

Victor Gonzalez, president, Mateo, Inc.

Anol Baysal, vice president, SEBA International, Inc.

Daniel W. Klett, principal, Capital Trade, Inc.

In opposition to the imposition of antidumping duties--Continued

Thomas L. Rogers, principal, Capital Trade, Inc.

Francis J. Sailer)
Sarah M. Efthymiou)--OF COUNSEL

APPENDIX C
SUMMARY DATA

Table C-1

Rebar: Summary data concerning the total U.S. market (using official statistics for imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
U.S. consumption quantity:						
Amount	3,027,955	3,435,728	3,542,109	17.0	13.5	3.1
Producers' share (1)	96.0	90.5	85.0	-11.0	-5.6	-5.5
Share of imports from (1)-						
Turkey	1.6	5.9	8.1	6.5	4.3	2.2
Other sources	2.4	3.7	7.0	4.6	1.3	3.3
Total	4.0	9.5	15.0	11.0	5.6	5.5
U.S. consumption value:						
Amount	815,543	1,007,871	1,113,685	36.6	23.6	10.5
Producers' share (1)	95.7	90.9	86.4	-9.3	-4.9	-4.5
Share of imports from (1)-						
Turkey	1.8	5.4	7.2	5.5	3.7	1.8
Other sources	2.5	3.7	6.4	3.8	1.2	2.7
Total	4.3	9.1	13.6	9.3	4.9	4.5
U.S. imports from--						
Turkey:						
Quantity	47,790	201,544	285,621	497.7	321.7	41.7
Value	14,291	54,831	80,661	464.4	283.7	47.1
Unit value	\$299	\$272	\$282	-5.6	-9.0	3.8
Other sources:						
Quantity	72,875	126,468	246,685	238.5	73.5	95.1
Value	20,707	37,321	71,057	243.1	80.2	90.4
Unit value	\$284	\$295	\$288	1.4	3.9	-2.4
All sources:						
Quantity	120,665	328,012	532,306	341.1	171.8	62.3
Value	34,999	92,152	151,718	333.5	163.3	64.6
Unit value	\$290	\$281	\$285	-1.7	-3.1	1.5
U.S. producers':						
Average capacity quantity	6,640,120	6,738,120	7,203,120	8.5	1.5	6.9
Production quantity	2,940,458	3,188,232	3,158,834	7.4	8.4	-0.9
Capacity utilization	(2)	(2)	(2)	(2)	(2)	(2)
U.S. shipments:						
Quantity	2,907,290	3,107,716	3,009,803	3.5	6.9	-3.2
Value	780,544	915,719	961,967	23.2	17.3	5.1
Unit value	\$268	\$295	\$320	19.0	9.8	8.5
Export shipments:						
Quantity	***	***	***	-89.3	-93.7	69.9
Value	***	***	***	-88.4	-93.9	89.9
Unit value	***	***	***	8.4	-3.0	11.7
Ending inventory quantity	152,954	176,513	272,492	78.2	15.4	54.4
Inventories/U.S. shipments (1)	6.7	7.4	11.6	4.9	0.7	4.2
Production workers	2,578	2,618	2,542	-1.4	1.6	-2.9
Hours worked (1,000s)	5,501	5,640	5,036	-8.5	2.5	-10.7
Wages paid (\$1,000)	103,593	105,249	102,967	-0.6	1.6	-2.2
Hourly wages	\$18.83	\$18.66	\$20.45	8.6	-0.9	9.6
Productivity (short tons/1,000 hours) ..	369	400	455	23.3	8.4	13.8
Unit labor costs	\$51.10	\$46.70	\$44.93	-12.1	-8.6	-3.8

Table continued on next page.

Table C-1--Continued

Rebar: Summary data concerning the total U.S. market (using official statistics for imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
Net sales:						
Quantity	3,995,696	4,166,123	4,186,914	4.8	4.3	0.5
Value	1,028,912	1,177,975	1,337,840	30.0	14.5	13.6
Unit value	\$258	\$283	\$320	24.1	9.8	13.0
Cost of goods sold (COGS)	957,799	1,079,012	1,165,132	21.6	12.7	8.0
Gross profit or (loss)	71,113	98,963	172,708	142.9	39.2	74.5
SG&A expenses	49,242	53,819	57,801	17.4	9.3	7.4
Operating income or (loss)	21,871	45,144	114,907	425.4	106.4	154.5
Capital expenditures	87,184	76,212	60,001	-31.2	-12.6	-21.3
Unit COGS	\$240	\$259	\$278	16.1	8.0	7.4
Unit SG&A expenses	\$12	\$13	\$14	12.0	4.8	6.9
Unit operating income or (loss)	\$5	\$11	\$27	401.4	98.0	153.3
COGS/sales (1)	93.1	91.6	87.1	-6.0	-1.5	-4.5
Operating income or (loss)/sales (1) ...	2.1	3.8	8.6	6.5	1.7	4.8

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

(2) Not available.

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table C-2

Rebar: Summary data concerning the total U.S. market (using U.S. shipments of imports from Turkey and official statistics for all other imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
U.S. consumption quantity:						
Amount	3,028,527	3,391,772	3,481,680	15.0	12.0	2.7
Producers' share (1)	96.0	91.6	86.4	-9.5	-4.4	-5.2
Share of imports from (1)--						
Turkey	1.6	4.6	6.5	4.9	3.0	1.8
Other sources	2.4	3.7	7.1	4.7	1.3	3.4
Total	4.0	8.4	13.6	9.5	4.4	5.2
U.S. consumption value:						
Amount	818,043	996,457	1,098,384	34.3	21.8	10.2
Producers' share (1)	95.4	91.9	87.6	-7.8	-3.5	-4.3
Share of imports from (1)--						
Turkey	2.1	4.4	6.0	3.9	2.3	1.6
Other sources	2.5	3.7	6.5	3.9	1.2	2.7
Total	4.6	8.1	12.4	7.8	3.5	4.3
U.S. imports from--						
Turkey:						
Quantity	48,362	157,588	225,192	365.6	225.9	42.9
Value	16,792	43,417	65,360	289.2	158.6	50.5
Unit value	\$347	\$276	\$290	-16.4	-20.7	5.3
Other sources:						
Quantity	72,875	126,468	246,685	238.5	73.5	95.1
Value	20,707	37,321	71,057	243.1	80.2	90.4
Unit value	\$284	\$295	\$288	1.4	3.9	-2.4
All sources:						
Quantity	121,237	284,056	471,877	289.2	134.3	66.1
Value	37,499	80,738	136,417	263.8	115.3	69.0
Unit value	\$309	\$284	\$289	-6.5	-8.1	1.7
U.S. producers' U.S. shipments:						
Quantity	2,907,290	3,107,716	3,009,803	3.5	6.9	-3.2
Value	780,544	915,719	961,967	23.2	17.3	5.1
Unit value	\$268	\$295	\$320	19.0	9.8	8.5

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

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table C-3

Rebar: Summary data concerning the regional market (using official statistics for imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
U.S. consumption quantity:						
Amount	1,626,214	1,787,097	1,844,173	13.4	9.9	3.2
Producers' share (1)	93.6	87.0	85.2	-8.4	-6.5	-1.8
Share of imports from (1)--						
Turkey	2.9	9.4	12.0	9.1	6.5	2.7
Other sources	3.5	3.6	2.8	-0.8	0.1	-0.8
Total	6.4	13.0	14.8	8.4	6.5	1.8
U.S. consumption value:						
Amount	445,070	516,715	565,806	27.1	16.1	9.5
Producers' share (1)	93.3	87.6	87.0	-6.3	-5.7	-0.6
Share of imports from (1)--						
Turkey	3.2	8.8	10.6	7.4	5.6	1.8
Other sources	3.6	3.6	2.5	-1.1	0.1	-1.1
Total	6.7	12.4	13.0	6.3	5.7	0.6
U.S. imports from--						
Turkey:						
Quantity	47,184	167,277	222,021	370.5	254.5	32.7
Value	14,099	45,371	59,707	323.5	221.8	31.6
Unit value	\$299	\$271	\$269	-10.0	-9.2	-0.9
Other sources:						
Quantity	57,517	64,721	51,355	-10.7	12.5	-20.7
Value	15,910	18,794	14,102	-11.4	18.1	-25.0
Unit value	\$277	\$290	\$275	-0.7	5.0	-5.4
All sources:						
Quantity	104,702	231,998	273,376	161.1	121.6	17.8
Value	30,009	64,165	73,809	146.0	113.8	15.0
Unit value	\$287	\$277	\$270	-5.8	-3.5	-2.4
U.S. producers':						
Average capacity quantity	4,048,000	4,146,000	4,349,000	7.4	2.4	4.9
Production quantity	1,667,576	1,697,437	1,787,386	7.2	1.8	5.3
Capacity utilization	(2)	(2)	(2)	(2)	(2)	(2)
U.S. shipments:						
Quantity	1,521,512	1,555,099	1,570,797	3.2	2.2	1.0
Value	415,061	452,550	491,997	18.5	9.0	8.7
Unit value	\$273	\$291	\$313	14.8	6.7	7.6
Export shipments:						
Quantity	***	***	***	-89.3	-93.7	69.9
Value	***	***	***	-88.4	-93.9	89.9
Unit value	***	***	***	8.4	-3.0	11.7
Ending inventory quantity	96,964	92,340	135,803	40.1	-4.8	47.1
Inventories/U.S. shipments (1)	***	***	***	2.3	-0.4	2.7
Production workers	***	***	***	-12.3	-3.9	-8.7
Hours worked (1,000s)	***	***	***	-17.7	-0.1	-17.7
Wages paid (\$1,000)	***	***	***	-0.1	1.6	-1.6
Hourly wages	***	***	***	21.5	1.6	19.5
Productivity (short tons/1,000 hours) ..	***	***	***	34.2	2.6	30.8
Unit labor costs	***	***	***	-9.5	-1.0	-8.6

Table continued on next page.

Table C-3--Continued

Rebar: Summary data concerning the regional market (using official statistics for imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
Net sales:						
Quantity	***	***	***	5.2	0.1	5.0
Value	***	***	***	26.0	8.3	16.3
Unit value	***	***	***	19.8	8.2	10.7
Cost of goods sold (COGS)	***	***	***	15.7	7.2	8.0
Gross profit or (loss)	***	***	***	1525.7	174.7	491.7
SG&A expenses	***	***	***	12.6	-7.7	22.0
Operating income or (loss)	***	***	***	(3)	47.8	(3)
Capital expenditures	***	***	***	-16.4	85.4	-54.9
Unit COGS	***	***	***	10.0	7.0	2.8
Unit SG&A expenses	***	***	***	7.1	-7.8	16.2
Unit operating income or (loss)	***	***	***	(3)	47.9	(3)
COGS/sales (1)	***	***	***	-8.1	-1.0	-7.0
Operating income or (loss)/sales (1)	***	***	***	8.5	1.6	6.9

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

(2) Not available.

(3) Not meaningful.

Note.—Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table C-4

Rebar: Summary data concerning the regional market (using U.S. shipments of imports from Turkey and official statistics for all other imports), 1993-95

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

Item	Reported data			Period changes		
	1993	1994	1995	1993-95	1993-94	1994-95
U.S. consumption quantity:						
Amount	1,627,391	1,747,423	1,796,161	10.4	7.4	2.8
Producers' share (1)	93.5	89.0	87.5	-6.0	-4.5	-1.5
Share of imports from (1)--						
Turkey	3.0	7.3	9.7	6.7	4.3	2.4
Other sources	3.5	3.7	2.9	-0.7	0.2	-0.8
Total	6.5	11.0	12.5	6.0	4.5	1.5
U.S. consumption value:						
Amount	447,763	508,539	556,898	24.4	13.6	9.5
Producers' share (1)	92.7	89.0	88.3	-4.4	-3.7	-0.6
Share of imports from (1)--						
Turkey	3.8	7.3	9.1	5.4	3.6	1.8
Other sources	3.6	3.7	2.5	-1.0	0.1	-1.2
Total	7.3	11.0	11.7	4.4	3.7	0.6
U.S. imports from--						
Turkey:						
Quantity	48,362	127,603	174,009	259.8	163.8	36.4
Value	16,792	37,195	50,799	202.5	121.5	36.6
Unit value	\$347	\$291	\$292	-15.9	-16.0	0.2
Other sources:						
Quantity	57,517	64,721	51,355	-10.7	12.5	-20.7
Value	15,910	18,794	14,102	-11.4	18.1	-25.0
Unit value	\$277	\$290	\$275	-0.7	5.0	-5.4
All sources:						
Quantity	105,879	192,324	225,364	112.8	81.6	17.2
Value	32,702	55,989	64,901	98.5	71.2	15.9
Unit value	\$309	\$291	\$288	-6.8	-5.7	-1.1
U.S. producers' U.S. shipments:						
Quantity	1,521,512	1,555,099	1,570,797	3.2	2.2	1.0
Value	415,061	452,550	491,997	18.5	9.0	8.7
Unit value	\$273	\$291	\$313	14.8	6.7	7.6

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

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

APPENDIX D
PRICES OUTSIDE OF THE EASTERN
TIER REGION

Table D-1

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers outside of the Eastern tier region for product 1 reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

* * * * *

Table D-2

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers outside of the Eastern tier region for product 2 reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

* * * * *

Table D-3

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices and quantities for sales to unrelated U.S. customers outside of the Eastern tier region for product 3 reported by U.S. producers and importers, and margins of under/(over)selling, by quarters, Jan. 1993-Dec. 1995

* * * * *

Figure D-1

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 1 to U.S. customers outside of the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995

* * * * *

Figure D-2

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 2 to U.S. customers outside of the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995

* * * * *

Figure D-3

Steel concrete reinforcing bar: Weighted-average net f.o.b. prices for sales of product 3 to U.S. customers outside of the Eastern tier region reported by U.S. producers and importers, by quarters, Jan. 1993-Dec. 1995

* * * * *

APPENDIX E

**EFFECTS OF IMPORTS ON PRODUCERS' EXISTING
DEVELOPMENT AND PRODUCTION EFFORTS,
GROWTH, INVESTMENT, AND ABILITY
TO RAISE CAPITAL**

Response of U.S. producers to the following questions:

1. Since January 1, 1993, has your firm experienced any actual negative effects on its growth, investment, ability to raise capital, or existing development and production efforts, including efforts to develop a derivative or more advanced version of the product, as a result of imports of steel concrete reinforcing bars from Turkey?

AmeriSteel (FL)--"****"

Atlantic (GA)--"****"

Auburn (NY)--"****"

Birmingham (AL)--"****"

CF & I (CO)--"****"

New Jersey (NJ)--"****"

Nucor (SC)--"****"

SMI (TX)--***

TAMCO (CA)--"****"

2. Does your firm anticipate any negative impact of imports of steel concrete reinforcing bars from Turkey?

AmeriSteel (FL)--"****"

Atlantic (GA)--"****"

Auburn (NY)--"****"

Birmingham (AL)--"****"

CF & I (CO)--"****"

New Jersey (NJ)--"****"

Nucor (SC)--"****"

SMI (TX)--***

TAMCO (CA)--"****"

