

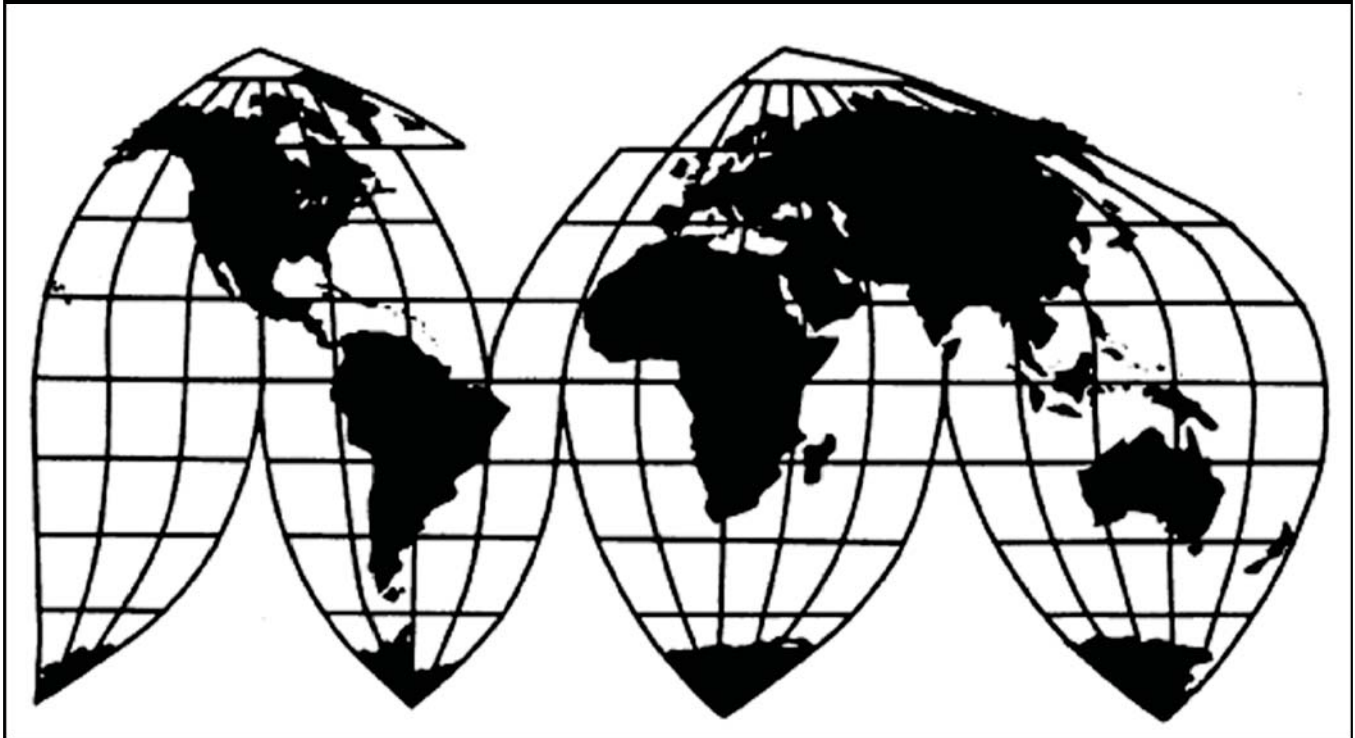
# **Prestressed Concrete Steel Wire Strand from China**

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

**Publication 4569**

**September 2015**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# CONTENTS

	Page
<b>Determination</b> .....	<b>1</b>
<b>Views of the Commission</b> .....	<b>3</b>
<b>Information obtained in these reviews</b> .....	<b>I-1</b>
Background.....	I-1
Responses to the Commission’s Notice of Institution .....	I-2
Individual responses .....	I-2
Party comments on adequacy.....	I-2
Recent developments in the industry .....	I-3
The product .....	I-4
Commerce’s scope .....	I-4
Description and uses .....	I-4
Manufacturing process.....	I-6
U.S. tariff treatment .....	I-7
The definition of the domestic like product.....	I-7
The original investigation and prior related investigations .....	I-7
The original investigation .....	I-7
Prior related investigations .....	I-8
Actions at Commerce .....	I-9
Current review results.....	I-9
The industry in the United States .....	I-9
U.S. producers .....	I-9
Definition of the domestic industry and related parties issues .....	I-10
U.S. producers’ trade and financial data.....	I-10
U.S. imports and apparent consumption .....	I-12
U.S. importers.....	I-12
U.S. imports .....	I-12
Apparent U.S. consumption and market shares .....	I-14
The industry in China.....	I-16
Foreign producers .....	I-16

## CONTENTS

### Page

Antidumping or countervailing duty orders in third-country markets .....	I-16
The global market .....	I-18

### Appendixes

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

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

## UNITED STATES INTERNATIONAL TRADE COMMISSION

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

Prestressed Concrete Steel Wire Strand from China

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930, that revocation of the countervailing and antidumping duty orders on prestressed concrete steel wire strand from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted these reviews on May 1, 2015 (80 F.R. 24976) and determined on August 4, 2015 that it would conduct expedited reviews (80 F.R. 50026, August 18, 2015).

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





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on prestressed concrete steel wire strand (“PC strand”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

On June 10, 2010, the Commission determined that an industry in the United States was materially injured by reason of dumped and subsidized subject imports of PC strand from China.<sup>1</sup> The U.S. Department of Commerce (“Commerce”) issued antidumping duty and countervailing duty orders on imports of PC strand from China on June 29, 2010 and July 7, 2010, respectively.<sup>2</sup>

The Commission instituted these reviews on May 1, 2015.<sup>3</sup> The Commission received one submission in response to its notice of institution, which was filed on behalf of Insteel Wire Products Company (“Insteel”), Sumiden Wire Products Corporation (“Sumiden”), and WMC Steel, LLC (“WMC”) (collectively referred to herein as “domestic interested parties”), domestic producers of PC strand.<sup>4</sup> It did not receive a response from any respondent interested party. Because the Commission received an adequate response from domestic interested parties accounting for a substantial share of U.S. PC strand production, it determined that the domestic interested party group response was adequate. In the absence of an adequate respondent interested party group response, or any other circumstances that warranted full reviews, the Commission determined on August 4, 2015 to conduct expedited reviews of the subject orders pursuant to section 751(c)(3) of the Tariff Act.<sup>5</sup>

### II. Domestic Like Product and Industry

#### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>6</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and

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<sup>1</sup> *Prestressed Concrete Steel Wire Strand from China*, Inv. Nos. 701-TA-464 and 731-TA-1160 (Final), USITC Pub. 4162 (June 2010) (“*Original Determinations*”).

<sup>2</sup> 75 Fed. Reg. 37382 (June 29, 2010) (antidumping duty order); 75 Fed. Reg. 38977 (July 7, 2010) (countervailing duty order).

<sup>3</sup> 80 Fed. Reg. 24976 (May 1, 2015).

<sup>4</sup> Domestic Interested Parties’ Response to the Notice of Institution, June 1, 2015 (“Response”).

<sup>5</sup> Explanation of Commission Determination on Adequacy (EDIS Document No. 562730).

<sup>6</sup> 19 U.S.C. § 1677(4)(A).

uses with, the article subject to an investigation under this subtitle.”<sup>7</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>8</sup>

Commerce has defined the scope of the antidumping duty order in these five-year reviews as follows:

PC strand, produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pretensioned and post-tensioned) applications. The product definition encompasses covered and uncovered strand and all types, grades, and diameters of PC strand.... PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft<sup>2</sup> standard set forth in ATSM-A-475....<sup>9</sup>

PC strand consists of multiple steel wires wound together to produce a strong, flexible product that is used to strengthen concrete structures. It is commonly available in three grades, in covered and uncovered form, and in several nominal diameters. The most common PC strand configuration consists of six wires wound helically around a single wire core. Nominal diameters of PC strand typically range from 0.25 to 0.70 inch, while the three common grade designations (250, 270, and 300) correspond to the minimum ultimate strength of the product in thousands of pounds per square inch.<sup>10</sup>

PC strand is used in the construction of prestressed concrete structural components to introduce compression into the concrete. This compression offsets or neutralizes forces within

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<sup>7</sup> 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>8</sup> *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>9</sup> *Prestressed Concrete Steel Wire Strand from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*. 80 Fed. Reg. 43063, 43064 (July 21, 2015). The scope of the countervailing duty order is worded slightly differently from that of the antidumping duty order, but the wording does not appear to reflect any substantive difference. Department of Commerce memorandum from Gary Taverman to Paul Piquado dated August 31, 2015, entitled “Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Prestressed Concrete Steel Wire Strand from the People’s Republic of China” (“Commerce CVD Decision Memo”) (EDIS Document No. 565651) at 3-4. Both the scope of the antidumping duty order and the scope of the countervailing duty order are unchanged from the original investigations.

<sup>10</sup> Confidential Report (“CR”) at I-8; Public Report (“PR”) at I-4 to I-5.

the concrete that occur when it is subjected to loads. Typical applications of prestressed concrete include parking garages, bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.<sup>11</sup>

In the original investigations, the Commission defined a single domestic like product consisting of PC strand that was coextensive with Commerce's scope definition.<sup>12</sup> The record of these reviews contains no new information that would suggest any reason to revisit the Commission's like product definition in the original determinations, and the domestic interested parties agree with that definition.<sup>13</sup> Therefore, we again define the domestic like product as PC strand that is coextensive with Commerce's scope definition.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>14</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined the domestic industry as consisting of all domestic producers of PC strand.<sup>15</sup> There are no related party issues in these reviews.<sup>16</sup> Accordingly, we define the domestic industry as all domestic producers of PC strand.

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

### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a

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<sup>11</sup> CR at I-8 to I-9; PR at I-5.

<sup>12</sup> *Original Determinations*, USITC Pub. 4162 at 5-7.

<sup>13</sup> See CR at I-12; PR at I-7; Response at 17.

<sup>14</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>15</sup> *Original Determinations*, USITC Pub. 4162 at 8. In the original investigations, the Commission found that appropriate circumstances did not exist to exclude one domestic producer that was a related party. *Id.* In these reviews, the domestic interested parties agree with the definition of the domestic industry used in the original investigations. Response at 17.

<sup>16</sup> See CR at I-17 n.38; PR at I-10 n.38.

determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>17</sup> The Uruguay Round Agreements Act Statement of Administrative Action (SAA) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>18</sup> Thus, the likelihood standard is prospective in nature.<sup>19</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>20</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>21</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>22</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute

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<sup>17</sup> 19 U.S.C. § 1675a(a).

<sup>18</sup> SAA, H.R. Rep. 103-316, vol. 1 at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>19</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>20</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>21</sup> 19 U.S.C. § 1675a(a)(5).

<sup>22</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>23</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>24</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>25</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>26</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>27</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>28</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of

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<sup>23</sup> 19 U.S.C. § 1675a(a)(1).

<sup>24</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. CR at I-15; PR at I-9.

<sup>25</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>26</sup> 19 U.S.C. § 1675a(a)(2).

<sup>27</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>28</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>29</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>30</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the PC strand industry in China. There also is limited information regarding the PC strand market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these five-year reviews.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>31</sup> The following conditions of competition inform our determinations.

*Demand Conditions.* In the original investigations, the Commission found that the demand for PC strand was derived from demand for prestressed concrete, which in turn was tied to the demand for construction projects, particularly infrastructure projects, commercial and institutional construction, large housing projects, and single family housing.<sup>32</sup> It found that apparent U.S. consumption of PC strand declined by 48.1 percent during the original period of investigation (“POI”), which encompassed calendar years 2007 through 2009. Most of the decline occurred from 2008 to 2009, coincident with an economic downturn.<sup>33</sup> Demand for the product was seasonal, due to the concentration of construction in summer months.<sup>34</sup>

During the POI, most of the subject imports were sold for post-tension applications, while the domestic product was sold mostly for pre-tension applications.<sup>35</sup> In 2007 and 2008,

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<sup>29</sup> 19 U.S.C. § 1675a(a)(4).

<sup>30</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>31</sup> 19 U.S.C. § 1675a(a)(4).

<sup>32</sup> *Original Determinations*, USITC Pub. 4162 at 12.

<sup>33</sup> *Original Determinations*, USITC Pub. 4162 at 12-13.

<sup>34</sup> *Original Determinations*, USITC Pub. 4162 at 13.

<sup>35</sup> *Original Determinations*, USITC Pub. 4162 at 13.

28.6 percent and 33.9 percent, respectively, of total U.S. shipments of PC strand were subject to Buy America or Buy American restrictions, while in 2009, the figure was 49.5 percent. Buy America and Buy American provisions were much more prevalent with respect to sales of PC strand to pre-tension customers.<sup>36</sup>

The limited information in the record indicates that the conditions of competition pertaining to demand have not changed significantly since the original investigations.<sup>37</sup> Demand for PC strand continues to reflect demand for prestressed concrete, which in turn is derived from demand for construction projects.<sup>38</sup> Apparent U.S. consumption increased from 508.6 million pounds in 2009 to \*\*\* pounds in 2014, although it remained below apparent U.S. consumption in 2007 and 2008.<sup>39</sup>

*Supply Conditions.* In the original investigations, the Commission found that the domestic industry was the largest source of supply in the U.S. market, accounting for more than half of apparent U.S. consumption during the POI. In the original investigations, there were six U.S. producers of PC strand: American Spring Wire Corp.; EMC; Insteel; Rettco Steel, LLC (“Rettco”); Strand-Tech Martin; and Sumiden.<sup>40</sup>

Subject imports were the second largest supplier to the U.S. market in 2007 and 2008; their market share declined sharply in 2009.<sup>41</sup> Nonsubject imports declined from 2007 to 2008, and then increased in 2009 to a level above that in 2007. The principal sources of nonsubject imports in 2009 were Canada, Portugal, Italy, South Africa, Taiwan, and Spain. Imports from several other nonsubject sources were subject to antidumping and/or countervailing duties in the United States.<sup>42</sup>

In these reviews, there are now five U.S. producers of PC strand: Insteel, Strand-Tech Martin, Sumiden, and two new U.S. producers, Deacero USA and WMC.<sup>43</sup> The domestic industry was the \*\*\* source of supply in the U.S. market in 2014, accounting for \*\*\* percent of apparent U.S. consumption by quantity.<sup>44</sup>

By contrast, subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2014, while nonsubject imports accounted for \*\*\* percent of apparent U.S. consumption in

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<sup>36</sup> *Original Determinations*, USITC Pub. 4162 at 13.

<sup>37</sup> Purchasers that responded to the Commission’s questionnaires in these reviews did not list any changes in demand conditions that had occurred since the orders were imposed or that were anticipated in the future. CR at D-3 to D-5; PR at D-3 to D-5.

<sup>38</sup> Response at 16.

<sup>39</sup> CR/PR at Table I-5. Apparent U.S. consumption was 980.5 million pounds in 2007 and 942.7 million pounds in 2008. *Id.*

<sup>40</sup> *Original Determinations*, USITC Pub. 4162 at 8, 13-14. EMC ceased production in early 2007.

<sup>41</sup> *Original Determinations*, USITC Pub. 4162 at 14.

<sup>42</sup> *Original Determinations*, USITC Pub. 4162 at 14.

<sup>43</sup> CR at I-16; PR at I-9. Deacero USA began production in 2010 and WMC began production in 2012. *Id.* American Spring Wire acquired Rettco in July 2014, but then sold its PC strand business, including the former Rettco plant, to Insteel in August 2014. CR at I-6 to I-7; PR at I-3 to I-4.

<sup>44</sup> CR/PR at Table I-6.

2014.<sup>45</sup> The largest sources of nonsubject imports in 2014 were Malaysia, Colombia, Spain, South Africa, and the United Arab Emirates.<sup>46</sup> The Commission recently reached affirmative determinations in reviews of antidumping and countervailing duty orders on PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand, which had the effect of continuing those orders.<sup>47</sup>

*Substitutability and Other Conditions.* In the original investigations, the Commission found that there was a high degree of substitutability between PC strand from domestic and other sources and that price was an important consideration in purchasing decisions. Most responding U.S. producers reported that subject imports were “always” interchangeable with the domestic like product, and all responding U.S. producers reported that differences other than price were “never” significant in their sales of PC strand. Most importers responded that subject imports were “always” interchangeable with the domestic like product, but their responses were mixed as to the significance of differences other than price. The Commission also stated that substitutability between domestically produced and imported PC strand was reduced somewhat because of end-use markets for PC strand that were subject to Buy America or Buy American restrictions.<sup>48</sup>

In these reviews, the limited information available indicates that, as in the original investigations, domestically produced PC strand and subject imports continue to be highly substitutable, and price continues to be an important factor in purchasing decisions for PC strand in the U.S. market.<sup>49</sup>

#### **IV. Revocation of the Antidumping and Countervailing Duty Orders Is Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time**

##### **A. Likely Volume of Subject Imports**

**Original Investigations.** In the original determinations, the Commission found that the quantity of subject imports increased from 2007 to 2008, and then declined sharply in 2009. The market share of subject imports displayed similar trends, increasing from 36.1 percent in 2007 to 40.5 percent in 2008, and then declining to 7.2 percent in 2009. The much lower level of subject imports in 2009 coincided with a sharp decline in demand that year. The Commission emphasized, however, that subject imports played a more significant role in the U.S. market in

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<sup>45</sup> CR/PR at Table I-6.

<sup>46</sup> CR/PR at Table I-4.

<sup>47</sup> *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand*, Inv. Nos. 701-TA-432, 731-TA-1024-1028 (Second Review), AA1921-188 (Fourth Review), USITC Pub. 4527 (April 2015).

<sup>48</sup> *Original Determinations*, USITC Pub. 4162 at 14.

<sup>49</sup> See Response at 12; Domestic Interested Parties’ August 31, 2015 Comments (“Comments”), at 3-4 (August 31, 2015).



the first half of 2009 than suggested by the data on import volume and market share due to the drawdown of substantial inventories of the subject merchandise. It found that declines in subject imports during the second half of 2009 were related to the filing of the petition in May 2009. The Commission concluded that the subject import volume was significant, both in absolute terms and relative to consumption and production in the United States.<sup>50</sup>

**Current Reviews.** The record in these five-year reviews indicates that the orders have had a disciplining effect on subject imports, which have declined significantly since imposition of the orders in 2010. During the POI, the volume of subject imports increased from 353.9 million pounds in 2007 to 381.7 million pounds in 2008, but declined sharply to 36.6 million pounds in 2009.<sup>51</sup> The volume of subject imports was 1.1 million pounds in 2010. It has remained below 550,000 pounds in every year since 2010 and was 533,000 pounds in 2014.<sup>52</sup>

As previously stated, no producer or exporter of subject merchandise participated in these reviews. Nevertheless, the available information from the original investigations and these reviews indicates that there are many subject Chinese producers of PC strand and that the Chinese PC strand industry has a very large capacity. In the original investigations, the Commission stated that there were believed to be 30 or more producers of PC strand in China.<sup>53</sup> The report in the original investigations stated that, based on estimates by the reporting Chinese producers during the preliminary phase of the investigations, the total production of PC strand in China was believed to have been about 5.1 billion pounds in 2008. The petitioners in the original investigations estimated that the capacity to produce PC strand in China was approximately 6.6 billion pounds.<sup>54</sup>

In these reviews, domestic interested parties have presented information with respect to 20 Chinese companies that produce and export PC strand (as well as out-of-scope stranded products). This information indicates that these 20 Chinese producers have the aggregate capacity to manufacture 8.5 billion pounds of PC strand and other stranded wire, ropes, and cables.<sup>55</sup>

In addition to its large capacity, the Chinese PC strand industry has a strong and increasing export orientation. Data from the GTIS World Trade Atlas show that, in each year between 2010 and 2014, the industry in China was by far the largest exporter in the world of the HTS product category that includes PC strand, with Chinese exports increasing each year during that period.<sup>56</sup>

Moreover, the information in these reviews indicates that PC strand producers in China remain interested in the U.S. market. As noted above, subject imports have remained in the

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<sup>50</sup> *Original Determinations*, USITC Pub. 4162 at 15-16.

<sup>51</sup> *Original Determinations*, USITC Pub. 4162 at 15.

<sup>52</sup> CR/PR at Table I-4. The volume of subject imports was 1.1 million pounds in 2010, 548,000 pounds in 2011, 495,000 pounds in 2012, 541,000 pounds in 2013, and 533,000 pounds in 2014. *Id.*

<sup>53</sup> *Original Determinations*, USITC Pub. 4162 at 14.

<sup>54</sup> *Original Determinations*, USITC Pub. 4162 at VII-3 to VII-4.

<sup>55</sup> Response at 7-9 and Exh. 3; Comments at 6.

<sup>56</sup> CR/PR at Table I-8. The product category in the GTIS World Trade Atlas also includes out-of-scope stranded merchandise.

U.S. market while the orders have been in place, although at much lower levels than during the original POI. In addition, GTIS World Trade Atlas data show that, from 2010 to 2014, the United States has been the largest destination for exports from China of the HTS product category that includes PC strand.<sup>57</sup> According to the domestic interested parties, PC strand is sold to some of the same U.S. customers as other stranded products, and Chinese producers maintain a strong sales network in the United States through their importers and distributors.<sup>58</sup>

Furthermore, antidumping duty measures on imports of PC strand from China in other markets provide subject producers with an incentive to divert shipments to the U.S. market in the event of revocation of the orders. Imports of PC strand from China are currently subject to antidumping duties in the European Union, Turkey, and Colombia.<sup>59</sup>

Given the significant and growing presence of subject imports in the U.S. market during portions of the original investigations, the subject industry's substantial capacity and export orientation, the continuing interest of subject producers in the U.S. market, and the barriers to imports of Chinese PC strand in other markets, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.

## **B. Likely Price Effects**

***Original Investigations.*** In the original investigations, the Commission found significant underselling of the domestic like product by the subject imports. The subject imports undersold the domestic like product in 19 of 24 quarterly comparisons, with most of the underselling occurring with respect to the pricing product used for pre-tensioned applications, the end use dominated by the domestic industry.<sup>60</sup> Before subject imports declined sharply in the second half of 2009 following the filing of the petition, there was underselling in 15 of 20 quarterly comparisons. There were also confirmed lost sales and revenue allegations.<sup>61</sup>

The Commission found that the underselling by the subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree. The domestic industry's cost of goods sold (COGS) increased from 2007 to 2009 largely as a result of an increase in per unit raw material costs. Due to the presence of subject imports, the domestic industry was unable to increase the unit value of its net sales sufficiently to offset rising costs. As a result, the domestic industry's ratio of COGS to net sales increased from 81.4 percent in 2007 to 85.4 percent in 2008 and 95.4 percent in 2009, resulting in a cost-price squeeze. The Commission acknowledged that the fall in U.S. demand in 2009 contributed to the increase in the COGS to net sales ratio, but found that the ratio had increased from 2007 to

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<sup>57</sup> CR/PR at Table I-7.

<sup>58</sup> Response at 6.

<sup>59</sup> CR at I-24; PR at I-16. The record of these reviews does not contain information about inventories of the subject merchandise or the likelihood of product shifting.

<sup>60</sup> *Original Determinations*, USITC Pub. 4162 at 17.

<sup>61</sup> *Original Determinations*, USITC Pub. 4162 at 18.

2008 when demand had remained strong. Thus, the Commission found that subject imports had significant price suppressing effects.<sup>62</sup>

**Current Reviews.** In these expedited five-year reviews, there is no new product-specific pricing information on the record.<sup>63</sup> Based on the information available, including the determination in the original investigations, we find that price continues to be an important factor in purchasing decisions and that if the antidumping and countervailing duty orders were revoked, subject imports from China would likely compete in the U.S. market on the basis of price by underselling the domestic like product, as they did during the original investigations. This, in turn, would likely have a suppressing and/or depressing effect on domestic prices.

Accordingly, given the likely significant volume of subject imports, we conclude that subject imports from China would likely engage in significant underselling of the domestic like product to gain market share and would likely have significant depressing or suppressing effects on the price of the domestic like product if the antidumping and countervailing duty orders were revoked.

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<sup>62</sup> *Original Determinations*, USITC Pub. 4162 at 17-18.

<sup>63</sup> The information available in these reviews indicates that average unit values (AUVs) for U.S. commercial shipments reported by U.S. producers were \*\*\* higher in 2014 than in 2009, although \*\*\* lower than in 2008. CR/PR at Table I-3. We view AUV data with caution because differences in AUVs may reflect differences in product mix.

### C. Likely Impact<sup>64</sup>

**Original Investigations.** In the original determinations, the Commission found that the domestic industry experienced declines in most statutory performance indicators in 2008 and 2009. Production, capacity utilization, shipments, employment, capital expenditures, and research and development fell during those years. The domestic industry's end-of-period inventories rose between 2007 and 2008, and then declined in 2009 on an absolute basis. The industry's financial performance deteriorated, and it experienced an operating loss in 2009.<sup>65</sup> The Commission found a causal nexus between subject imports and the domestic industry's deteriorating condition. Observing the substantial presence of subject imports and the increase in subject import volume and market share in 2008, driven by pervasive subject import underselling, the Commission determined that subject imports had an adverse impact on the domestic industry in 2008 that continued into 2009.<sup>66</sup>

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<sup>64</sup> The statute additionally instructs that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). Commerce expedited its determination in its five-year review of the antidumping duty order on PC strand from China and found that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 193.55 percent. *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*. 80 Fed. Reg. 43063, 43064 (July 21, 2015). Commerce expedited its determination in its five-year review of the countervailing duty order on PC strand from China and found that revocation of the order would be likely to lead to continuation or recurrence of countervailable subsidies. It determined net subsidy rates of 9.42 percent *ad valorem* for six companies that it described as "the Fasten Companies," 45.85 percent *ad valorem* for three companies that it described as "the Xinhua Companies," and 27.64 percent *ad valorem* for all others. *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Results of Expedited First Sunset Review of the Countervailing Duty Order*. 80 Fed. Reg. 53497, 53498 (Sept. 4, 2015).

The statute requires that in a five-year review of a countervailing duty order we "consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(a)(6). Commerce identified nine countervailable Chinese government programs that fall within the definition of an export subsidy under Article 3 of the WTO Subsidies Agreement, in that receipt of benefits under these programs may be contingent upon export activity. Commerce CVD Decision Memo at 6-7. Commerce further identified 16 Chinese government programs that do not fall within Article 3.1 of the Subsidies Agreement, but could be subsidies described in Article 6.1 of the Subsidies Agreement, although Commerce stated that it had insufficient information on the record of the review to make such a determination. *Id.* at 8-10.

<sup>65</sup> *Original Determinations*, USITC Pub. 4162 at 19-20. Because the Commission found the filing of the petition had affected subject import volume and pricing, it gave diminished weight to data for the second half of 2009. The Commission emphasized that performance indicators other than capacity and market share were lower in the first half of 2009 than in the first half of 2008. *Id.* at 20.

<sup>66</sup> *Original Determinations*, USITC Pub. 4162 at 21.

The Commission also considered several other factors in its analysis of impact. It recognized that the decline in demand for PC strand that became evident by late 2008 played a role in the domestic industry's worsening performance, but found that the injurious effects of subject imports on the domestic industry in 2008 and 2009 were observable independently of the decline in demand. The Commission stated that the volume and market share of subject imports increased from 2007 to 2008, even as demand for PC strand declined, and their injurious price effects intensified during this period.<sup>67</sup> It found that Buy America and Buy American provisions did not shield the domestic industry from injury by subject imports, because most of the U.S. PC strand market was not subject to such provisions.<sup>68</sup> It also found that the demarcation between products for pre-tensioned and post-tensioned applications was not clear and that the domestic industry and subject imports competed for sales in all applications.<sup>69</sup> Finally, nonsubject imports had only a minor role in the U.S. market as the subject imports were increasing.<sup>70</sup>

**Current Reviews.** The information available concerning the domestic industry's condition in these reviews consists of the 2014 data that domestic interested parties provided in response to the notice of institution. Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance. The limited record is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.<sup>71</sup>

The information available to us indicates that most indicators of the domestic industry's condition have improved since the orders were imposed in 2010, although some indicators remain below the levels of 2007 and 2008, the first two years of the POI of the original investigations.<sup>72</sup> Production capacity of 903.8 million pounds was higher in 2009, the last full year for which data were collected in the original investigations, than it was in 2014, when it was \*\*\* pounds. Capacity utilization increased from 43.8 percent in 2009 to \*\*\* percent in

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<sup>67</sup> *Original Determinations*, USITC Pub. 4162 at 21.

<sup>68</sup> *Original Determinations*, USITC Pub. 4162 at 21.

<sup>69</sup> *Original Determinations*, USITC Pub. 4162 at 21-22.

<sup>70</sup> *Original Determinations*, USITC Pub. 4162 at 22.

<sup>71</sup> Based on the record of these reviews, Vice Chairman Pinkert finds that the domestic industry is not vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. The information submitted by the three domestic interested parties, which accounted for an estimated \*\*\* percent of domestic production in 2014, shows that they performed better that year than the domestic industry did in 2009 (the last year of the original investigations) with respect to production, capacity utilization, commercial shipments, and net sales. Moreover, in 2014 they had an operating income of \$\*\*\* and a healthy operating income margin of \*\*\* percent. CR/PR at Tables I-1, I-3.

<sup>72</sup> We acknowledge that there are differences in domestic industry coverage between the original investigations, which presented data from all domestic producers in operation at the time of the determinations, *Original Determinations*, USITC Pub. 4162 at III-1, and the current reviews, in which responding producers estimate that they accounted for \*\*\* percent of domestic production in 2014. CR/PR at Table I-1. These differences may affect comparability of the domestic industry data.

2014. Domestic production increased from 395.7 million pounds in 2009 to \*\*\* pounds in 2014. U.S. commercial shipments increased from 396.5 million pounds in 2009 to \*\*\* pounds in 2014. Net sales increased from \$211.0 million in 2009 to \$\*\*\* in 2014. Operating income improved from a loss of \$3.7 million in 2009 to a \*\*\* of \$\*\*\* in 2014.<sup>73</sup>

Based on the record of these reviews, we find that should the orders be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share and revenues of the domestic industry. These declines would likely have a direct impact on the industry's profitability and employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.

We also have considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Nonsubject imports have been present in the U.S. market in substantial and increasing quantities since the orders were imposed in 2010,<sup>74</sup> but the condition of the domestic industry improved during that period. Any increase in subject imports upon revocation would likely be -- at least in substantial part -- at the expense of the domestic industry, which is the \*\*\* supplier to the U.S. market. We therefore conclude that the likely adverse effects of revocation that we have identified are not attributable to nonsubject imports.

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

## V. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on PC strand from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>73</sup> CR/PR at Table I-3.

<sup>74</sup> The volume of nonsubject imports was 152.1 million pounds in 2010, 141.6 million pounds in 2011, 198.3 million pounds in 2012, 216.5 million pounds in 2013, and 269.8 million pounds in 2014. CR/PR at Table I-4.

## INFORMATION OBTAINED IN THESE REVIEWS

### BACKGROUND

On May 1, 2015, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on prestressed concrete steel wire strand (“PC strand”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
May 1, 2015	Notice of institution and initiation by Commerce and Commission
July 21, 2015	Commerce results of its expedited review of the antidumping duty order
September 4, 2015	Commerce results of its expedited review of the countervailing duty order
August 4, 2015	Commission vote on adequacy
September 28, 2015	Commission determination

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Prestressed Concrete Steel Wire Strand from China; Institution of a Five-Year Review*, 80 FR 24976, May 1, 2015. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 80 FR 24900, May 1, 2015. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in appendix B. Summary data compiled in prior proceedings are presented in appendix C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in appendix D are the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of these reviews.

## RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Insteel Wire Products Company (“Insteel”), Sumiden Wire Products Corporation (“Sumiden”), and WMC Steel, LLC (“WMC”), domestic producers of PC strand (collectively referred to herein as “domestic interested parties”).<sup>5</sup>

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

**Table I-1:**  
**PC Strand - Summary of Responses to the Commission’s Notice of Institution**

Type of interested party	Completed responses	
	Number of firms	Domestic Production Coverage
Domestic	3	***
Respondents		
U.S. importer	0	0
Foreign producer/exporter	0	0

Source: *Domestic Interested Parties’ Response to Notice of Institution*, May 29, 2015, p. 16.

### Party comments on adequacy

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The submission was filed on behalf of the following entities: (1) Insteel; (2) Sumiden; and (3) WMC,<sup>6</sup> domestic producers of PC strand. In their comments, the domestic interested parties indicated that Insteel, Sumiden, and WMC accounted for virtually all PC strand production in the United States in 2014 and that these producers provided all data and information addressing each of the items specified by the Commission.<sup>7</sup> Therefore, the domestic interested parties argued that the Commission should conclude that the domestic

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<sup>5</sup> All three domestic interested parties are represented by Kelley Drye & Warren LLP.

<sup>6</sup> WMC was not a producer of PC strand in the original investigations. The company began production of PC strand in 2012. *Domestic Interested Parties’ Response to Notice of Institution*, June 1, 2015, p. 1.

<sup>7</sup> *Domestic Interested Parties’ Comments on Adequacy*, July 14, 2015, p. 2.



industry's response is adequate. The domestic interested parties further argued that the Commission should find the response on behalf of the respondents in these reviews to be inadequate. No foreign producer/exporter or U.S. importer of PC strand from China has submitted any response in these reviews. In addition, the domestic interested parties argued that the only purchaser questionnaire response received during the adequacy phase of these reviews offered no new information that would warrant conducting full reviews by the Commission.<sup>8</sup> Accordingly, the domestic industry parties requested that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on PC strand from China.<sup>9</sup>

### RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's original investigation, the following developments have occurred in the PC strand industry:

- Two new producers have entered the U.S. PC strand industry: (1) Deacero USA, a subsidiary of Mexican PC strand producer Deacero, began production in 2010 at Houston, Texas; and (2) Wire Mesh Corporation, a privately-owned firm, began production in 2012 at Conroe, Texas.
- RettCo Steel, LLC, which had begun production of PC strand in 2005 as a toll producer for MMI Strand Co., had its agreement with MMI terminated in 2010. \*\*\*.<sup>10</sup> RettCo then entered into a toll-processing agreement with American Spring Wire in 2011.<sup>11</sup>
- Following the toll-processing agreement with RettCo, American Spring Wire continued operation of its PC strand operations in Houston, Texas, but ceased production of PC strand at its Bedford Heights, Ohio plant.<sup>12</sup>
- In July 2014, American Spring Wire acquired RettCo and shortly thereafter, in August 2014, sold its PC strand business, including the former RettCo plant at Newnan, Georgia, and the equipment, but not the real estate, at its Houston, Texas plant to Insteel.<sup>13 14</sup> Insteel indicated that it would continue to lease the Houston facility from American Spring Wire.<sup>15</sup>

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<sup>8</sup> *Ibid*, p. 3.

<sup>9</sup> *Ibid*.

<sup>10</sup> Response to Notice of Institution, June 1, 2015, p. 17.

<sup>11</sup> American Spring Wire Corp., *American Spring Wire and RettCo announce partnership*, Press release October 1, 2011.

<sup>12</sup> *Ibid*.

<sup>13</sup> American Metal Market, *ASW acquires RettCo Steel assets*, July 30, 2014.

<sup>14</sup> Insteel Industries, *Insteel Industries Acquires Prestressed Concrete Strand Business Of American Spring Wire*, press release, August 15, 2014.

<sup>15</sup> *Ibid*.

- In March 2015, Insteel closed the former RettCo plant at Newnan, Georgia, and relocated the manufacturing to its other three production locations in Gallatin, Tennessee; Houston, Texas; and Sanderson, Florida.<sup>16</sup>
- In March 2015, it was reported that Wire Mesh Corporation plans to invest \$13.9 million in a new manufacturing facility in Saint Matthews, South Carolina that will focus initially on the production of PC strand.<sup>17</sup>

## THE PRODUCT

### Commerce's scope

Commerce has defined the subject merchandise as:

Steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, pre-stressed concrete (both pre-tensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A-416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft.<sup>2</sup> standard set forth in the ATSM-A-475.<sup>18</sup>

### Description and uses<sup>19</sup>

PC strand consists of multiple steel wires wound together to produce a strong, flexible product that is used to strengthen concrete structures. PC strand is commonly available in three grades, in covered and uncovered form, and in several nominal diameters. The most common PC strand configuration consists of six wires wound helically around a single wire core.<sup>20</sup> U.S.

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<sup>16</sup> Insteel Industries, *Insteel Industries Announces Consolidation of Prestressed Concrete Strand Facilities*, press release, February 10, 2015. See also Insteel Industries, *Insteel Industries Reports Second Quarter Financial Results*, press release, April 16, 2015.

<sup>17</sup> American Metal Market, *Wire Mesh plans PC strand operation in South Carolina*, March 12, 2015.

<sup>18</sup> *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557, May 21, 2010 and *Prestressed Concrete Steel Wire Strand from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560, May 21, 2010.

<sup>19</sup> Unless otherwise noted this information is based on *Prestressed Concrete Steel Wire Strand from China, Inv Nos. 701-TA-464 and 731-TA-1160 (Final)*, USITC Publication 4162, June, 2010, pp. I-11 through I-13.

<sup>20</sup> Although the seven-wire PC strand is the most prevalent product in the industry, PC strand may also be produced with as few as three wires. Shemenski, Robert M. *et al* (eds.), *Ferrous Wire Handbook*,  
(continued...)

producers typically manufacture PC strand in nominal diameters ranging from 0.25 to 0.70 inches and in three grade designations (250, 270, and 300) corresponding to the minimum ultimate strength of the product in thousands of pounds per square inch (“psi”) based on tensile strength and cross-sectional surface area of the PC strand.<sup>21</sup>

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

PC strand may be pre-tensioned or post-tensioned.<sup>23</sup> Pre-tensioned PC strand is tensioned (pulled tightly and slightly elongated) using a calibrated tensioning apparatus, and concrete is cured around the PC strand. After the concrete has cured, the tension is released and the tensile force of the strand induces a compressive force in the concrete. Pre-tensioned prestressed concrete depends upon the bond created between the concrete and the PC strand to hold the concrete in compression. Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site. Pre-tensioned concrete components may be used in balconies, lintels, floor slabs, beams or foundation piles.

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

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(...continued)

Guilford, CT: The Wire Association, 2008, pp. 922-923. While the majority of PC strand produced is one-half inch, 7-wire, low relaxation strand, according to petitioners in the original investigations, “all types, grade, and diameters of PC strand are produced in the United States.”

<sup>21</sup> For example, grade 270 PC strand has a minimum ultimate strength of 270,000 psi. According to petitioners in the original investigations, one-half inch diameter grade 270 is the predominant size and grade used in the U.S. market. Petition, vol. I, pp. 9 and 14; conference transcript, p. 15 (Selhorst).

<sup>22</sup> Prestressed concrete may also contain reinforcing wire or wire fabric. Lankford, William T. *et al* (eds.), *The Making, Shaping, and Treating of Steel*, 10th Edition, Pittsburgh, PA: Association of Iron and Steel Engineers, 1984, pp. 1014-1015.

<sup>23</sup> PC strand may be sold to pre- and post-tensioners for the same purpose—to impart compressive forces into concrete so that it can withstand tensile forces without cracking.

percent of U.S. shipments of post-tensioned PC strand in 2014 were used in building construction applications (\*\*\*) percent) and slab-on-grade (\*\*\*) percent).<sup>24</sup>

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

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

### **Manufacturing process<sup>25</sup>**

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

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

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<sup>24</sup> Post-Tensioning Institute, *2014 PTI Tonnage Report*, p. 1.

<sup>25</sup> Unless otherwise noted, this information is based on *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. I-27.

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

### **U.S. tariff treatment**

PC strand is currently classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under subheading 7312.10.30 and is imported under HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012. PC strand enters the U.S. market at a column 1-general duty rate of “free.”

### **The definition of the domestic like product**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determination, the Commission defined a single domestic like product in a manner that was coextensive with the scope of the investigations.<sup>26</sup>

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to their response to the notice of institution, the domestic interested parties support this definition.<sup>27</sup>

## **THE ORIGINAL INVESTIGATION AND PRIOR RELATED INVESTIGATIONS**

### **The original investigation**

The original investigations resulted from petitions filed on May 27, 2009 with Commerce and the Commission by counsel on behalf of American Spring Wire Corp. (“American”); Insteel Wire Products Co. (“Insteel”); and Sumiden Wire Products Corp. (“Sumiden”). On June 10, 2010, the Commission determined that an industry in the United States was materially injured by reason of subject imports of PC strand from China that were sold in the United States at less than fair value and subsidized by the Government of China.<sup>28</sup> Commerce issued the antidumping order on June 29, 2010 and the countervailing duty order on July 7, 2010 for PC strand from China.<sup>29</sup> Data compiled during the original investigations are presented in appendix C.

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<sup>26</sup> *Prestressed Concrete Steel Wire Strand From China, Investigation Nos. 701-TA-464 and 731-TA-1160 (Final)*, USITC Publication 4162, June 2010, p. 7.

<sup>27</sup> *Domestic Interested Parties’ Response to Notice of Institution*, May 29, 2015, p. 17.

<sup>28</sup> *Prestressed Concrete Steel Wire Strand From China, Investigation Nos. 701-TA-464 and 731-TA-1160 (Final)*, USITC Publication 4162, June 2010, p. 22.

<sup>29</sup> *Notice of Antidumping Duty Order: Prestressed Concrete Steel Wire Strand from the People’s Republic of China*, 75 FR 37382, June 29, 2010 and *Pre-Stressed Concrete Steel Wire Strand from the*

(continued...)

## Prior related investigations

The Commission has conducted several previous antidumping and countervailing duty investigations and five-year reviews concerning PC strand from nine different countries. The earliest investigations concerning PC strand were conducted by the Commission in 1978. The Commission's domestic like product and domestic industry determinations in all PC strand investigations and reviews are similar in that the Commission has consistently found one domestic like product consisting of PC strand and one domestic industry consisting of all domestic producers of PC strand. Table I-2 presents information on previous investigations and five-year reviews concerning PC strand.

**Table I-2**  
**PC strand: Related title VII investigations and five-year reviews**

Investigations/Reviews		Dates		Outcome
Country	Number	Begin	End	
India	AA1921-182 (Final)	06/02/1978	08/25/1978	Commission negative final determination
Spain	701-TA-164 (Final)	04/26/1982	08/23/1982	Commission negative final determination
Brazil	701-TA-152 (Final)		03/14/1983	Commission negative final determinations
France	701-TA-153 (Final)		12/06/1982	
United Kingdom	731-TA-89 (Final)		03/04/1982	
China	701-TA-464	12/23/2009	06/22/2010	Commission affirmative final determinations
Brazil, India, Korea, Mexico, and Thailand	701-TA-432 731-TA-1024-1028 (Final)	01/31/2003	01/21/2004	Commission affirmative final determinations
Brazil, India, Japan, Korea, Mexico, and Thailand	701-TA-432 731-TA-1024-1028 (Review)	12/1/2008	11/25/2009	Commission full review determination to continue orders
Brazil, India, Japan, Korea, Mexico, and Thailand	701-TA-432 731-TA-1024-1028 (Second Review)	11/3/2014	4/10/2015	Commission expedited review determination to continue orders

(...continued)

*People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order, 75 FR 38977, July 7, 2010.*

## ACTIONS AT COMMERCE

Commerce has not made duty absorption findings and has not conducted scope inquiries, anti-circumvention inquiries, or changed circumstances reviews since the antidumping and countervailing duty orders were imposed.

### Current review results

Commerce initiated the first five-year sunset review of the antidumping and countervailing duty orders on PC strand from China on May 1, 2015. On July 21, 2015, Commerce found that the revocation of the antidumping duty order on PC strand would be likely to lead to continuation or recurrence of dumping at weighted-average margins up to 193.55 percent.<sup>30</sup> Commerce is scheduled to release its finding on the countervailing duty order on PC strand from China on August 31, 2015, for subsequent publication in the *Federal Register*.

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

At the time of the original investigations, there were five U.S. producers of PC strand: American; EMC;<sup>31</sup> Insteel; RettCo Steel, LLC (“RettCo”); MMI Products, Inc. (“MMI”); Strand-Tech Martin (“Strand-Tech”); and Sumiden. \*\*\* was the largest domestic PC strand producer, accounting for \*\*\* percent of production of PC strand in the United States during 2009.<sup>32</sup>

Currently there are still five U.S. producers of PC strand: Insteel; Sumiden; WMC; Deacero USA, Inc. (“Deacero USA”); and Strand-Tech. Deacero USA is a subsidiary of Mexican PC strand producer Deacero, and began production in 2010 in Houston, Texas. WMC began production in 2012 in Conroe, Texas.

RettCo began its production of PC strand in 2005 as a toll producer for MMI. Its agreement with MMI was terminated in 2010. \*\*\*.<sup>33</sup> RettCo entered into a toll-processing agreement with American Spring Wire in 2011. \*\*\* was the largest domestic PC strand producer in 2014, accounting for \*\*\* percent of production of PC strand in the United States during 2014.<sup>34</sup>

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<sup>30</sup> *Prestressed Concrete Steel Wire Strand from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 80 FR 43063, July 21, 2015.

<sup>31</sup> EMC ceased production of PC strand in early 2007, and did not complete a questionnaire response. *Ibid.*, p. 8 and III-1.

<sup>32</sup> *Prestressed Concrete Steel from China, Investigation No. 701-TA-464 and 731-TA-1160 (Final)*, May 26, 2010, p. III-1.

<sup>33</sup> *Domestic Interested Parties’ Response to Notice of Institution*, May 29, 2015, p. 17.

<sup>34</sup> *Ibid.*, p. 16.

## Definition of the domestic industry and related parties issues

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In the original investigations, the Commission defined the domestic industry to include all domestic producers of PC strand.<sup>35</sup>

In the original investigations, Insteel imported PC strand from China but the Commission found that appropriate circumstances did not exist to exclude Insteel from the domestic industry.<sup>36</sup> In response to the Commission's notice of institution in these current reviews, the domestic interested parties support the Commission's definition of the domestic industry in the original investigations.<sup>37 38</sup>

## U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.<sup>39</sup> Table I-1 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations.

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<sup>35</sup> *Prestressed Concrete Steel Wire Strand from China, Investigation Nos. 701-TA-464 and 731-TA-1160 (Final)*, USITC Publication 4162, June 2010, p. 8.

<sup>36</sup> *Ibid.*

<sup>37</sup> *Domestic Interested Parties' Response to Notice of Institution*, May 29, 2015, p. 17.

<sup>38</sup> Insteel was listed as an importer in ex. 7 of the *Response to the Notice of Institution* because it imported "a small quantity of PC strand from non-subject countries during the period of review" and that "Insteel did not import PC strand from China in 2014 or during any year of the review period, or from 2010 to the present." Email from Kathleen Cannon, counsel to domestic interested parties, July 22, 2015.

<sup>39</sup> Individual company trade and financial data are presented in Appendix B.



**Table I-3: Trade and financial data submitted by U.S. producers, 2007-2009, and 2014**

Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound				
Item	2007	2008	2009	2014
Capacity	902,782	903,795	903,795	***
Production	601,717	558,885	395,658	***
Capacity utilization	66.7	61.8	43.8	***
U.S. commercial shipments:				
Quantity	582,800	529,973	396,498	***
Value	268,344	333,721	199,547	***
Unit value	460	630	503	***
Net sales (\$1,000)	283,088	354,082	210,951	***
COGS (\$1,000)	230,394	302,334	201,246	***
COGS/Net Sales	81.4	85.4	95.4	***
Gross profit or (loss) (\$1,000)	52,694	51,748	9,705	***
SG&A expenses (loss) (\$1,000)	13,317	13,795	13,437	***
Operating income/(loss) (\$1,000)	39,377	37,953	(3,732)	***
Operating income (loss)/Net sales	13.9	10.7	(1.7)	***

Source: For the years 2007-09, data are compiled using data submitted in the Commission's original investigation that included questionnaire data from five producers. *See appendix C.* For the year 2014, data are compiled using data submitted by three domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, June 1, 2015, exh. 5.

## U.S. IMPORTS AND APPARENT CONSUMPTION

### U.S. importers

In the original investigations, questionnaires were sent to 58 firms believed to be importing PC strand. Usable responses were returned by 23 firms accounting for approximately 83.4 percent of total U.S. imports from China and 70.2 percent of total U.S. imports from nonsubject sources (other than Mexico).<sup>40</sup> In their response to the notice of institution, the domestic interested parties listed 38 U.S. importers of PC strand.<sup>41</sup>

### U.S. imports

In the original investigations, the Commission found that in 2007, imports of PC strand from China amounted to 353.9 million pounds and accounted for 36.1 percent of total U.S. consumption of PC strand on the basis of quantity. In 2008, Chinese imports increased to 381.7 million pounds, accounting for 40.5 percent of total U.S. consumption of PC strand, and by 2009, they decreased to 36.6 million pounds and accounted for 72 percent. In 2014, PC strand imports from China dropped dramatically to 531,000 pounds and accounted for \*\*\* percent of total PC strand consumption.

From 2010 to 2014, U.S. imports of PC strand from China have decreased from around 1.1 million pounds in 2010 to 531,000 pounds in 2014. These imports from China have made up less than one percent of total imports since 2010.

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<sup>40</sup> *Prestressed Concrete Steel from China, Investigation No. 701-TA-464 and 731-TA-1160 (Final)*, May 26, 2010, p. IV-1.

<sup>41</sup> *Domestic Interested Parties' Response to Notice of Institution*, May 29, 2015, exh. 7.

**Table I-4**  
**PC strand: U.S. imports, 2010-14**

<b>Item</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>Quantity (1,000 pounds)</b>				
China (subject)	1,086	548	495	541	533
Malaysia	32,743	37,154	43,003	62,015	57,149
Colombia	6,083	25,533	35,470	36,994	47,218
Spain	18,669	27,219	33,956	31,129	35,172
South Africa	19,913	22,493	32,820	34,765	29,520
United Arab Emirates	0	0	0	2,179	28,825
All other imports (nonsubject)	74,692	29,226	52,970	49,417	71,921
<b>Total imports</b>	<b>153,187</b>	<b>142,173</b>	<b>198,762</b>	<b>217,040</b>	<b>270,339</b>
	<b>Landed, duty-paid value (\$1,000)</b>				
China	522	319	287	269	248
Malaysia	14,033	18,550	19,570	27,739	25,812
Colombia	2,749	11,827	16,424	16,475	20,437
Spain	8,726	13,084	17,100	14,516	15,829
South Africa	8,402	10,836	15,036	14,311	14,549
United Arab Emirates	0	0	0	1,069	13,440
All other imports (nonsubject)	37,852	18,779	31,866	30,624	37,892
<b>Total imports</b>	<b>72,284</b>	<b>73,394</b>	<b>100,284</b>	<b>105,003</b>	<b>128,206</b>

Note.--Because of rounding, figure may not add to total shown.

Source: Official statistics of Commerce for HTS statistical reporting number 7312.10.3010 and 7312.10.3012.

## Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-6 presents data on U.S. market shares of U.S. apparent consumption.

**Table I-5**

**PC strand: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2007-09, and 2014**

Item	2007	2008	2009	2014
	<b>Quantity (1,000 pounds)</b>			
U.S. producers' U.S. shipments	582,800	529,973	396,498	***
U.S. imports from—				
China	353,937	381,652	36,591	533
All other	43,766	31,089	75,515	269,805
Total imports	397,703	412,741	112,107	270,339
Apparent U.S. consumption	980,503	942,714	508,605	***
	<b>Value (1,000 dollars)</b>			
U.S. producers' U.S. shipments	268,344	333,721	199,547	***
U.S. imports from—				
China	115,843	194,276	13,816	248
All other	22,982	21,771	35,375	127,959
Total imports	138,825	216,047	49,191	128,206
Apparent U.S. consumption	407,169	549,768	248,738	***

*Source:* For the years 2007-09, data are compiled using data submitted in the Commission's original investigations and includes questionnaire data from five producers. See *appendix C*. For the year 2014, U.S. producers' U.S. shipments are compiled from the three domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS subheading 7312.10.30.10 and 7312.10.30.12.

**Table I-6**

**PC strand: Apparent U.S. consumption and U.S. market shares, 2007-09, and 2014**

<b>Item</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2014</b>
	<b>Quantity (1,000 pounds)</b>			
Apparent U.S. consumption	980,503	942,714	508,605	***
	<b>Value (1,000 dollars)</b>			
Apparent U.S. consumption	407,169	549,768	248,738	***
	<b>Share of consumption based on quantity (percent)</b>			
U.S. producer's share	59.4	56.2	78.0	***
U.S. imports from--				
China	36.1	40.5	7.2	***
All other sources	4.5	3.3	14.8	***
Total imports	40.6	43.8	22.0	***
	<b>Share of consumption based on value (percent)</b>			
U.S. producer's share	65.9	60.7	80.2	***
U.S. imports from--				
China	28.5	35.3	5.6	***
All other sources	5.6	4.0	14.2	***
Total imports	34.1	39.3	19.8	***

*Source:* For the years 2007-09, data are compiled using data submitted in the Commission's original investigations and includes questionnaire data from five producers. See *appendix C*. For the year 2014, U.S. producers' U.S. shipments are compiled from the three domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS subheading 7312.10.30.10 and 7312.10.30.12.

## THE INDUSTRY IN CHINA

### Foreign producers

During the original investigations, the Commission issued foreign producers questionnaires to 22 firms identified in the petition as producers or exporters of PC strand in China. Four firms provided responses to the Commission's questionnaires in the preliminary phase of the original investigations. In the final phase of the investigations, no questionnaire responses were received from foreign producers from China. The Commission estimated there to be 30 or more producers of PC strand in China.<sup>42</sup> According to estimates provided in the questionnaire responses of Chinese PC strand producers received during the preliminary phase of the investigations, total 2008 production of PC strand in China was believed to have been approximately 5.1 billion pounds. Petitioners in the original investigations stated that the capacity of the PC strand industry in China was approximately 6.6 billion pounds in 2007.<sup>43</sup>

The Commission did not receive any responses to the notice of institution in these reviews from foreign producers in China. The domestic interested parties provided the Commission a list of 20 Chinese companies that are asserted to have the capacity to produce 8.5 billion pounds of PC strand and other stranded wire, ropes, and cables. Domestic interested parties state that these companies indicated that they currently produce PC strand and export it to overseas markets.<sup>44</sup>

### ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

PC strand produced in China is currently subject to antidumping duties in the European Union, Turkey, and Colombia. On May 5, 2009, the European Union imposed definitive antidumping duties on imports of pre- and post-stressing wires and wire strands of non-alloy steel from China, with antidumping margins ranging from 31.1 percent to 46.2 percent. On June 13, 2014, Colombia imposed antidumping duties on imports of galvanized wire strand, wire strand for pre-stressed concrete and ropes of steel from China, with a tariff of 20 percent of the f.o.b. price. On December 30, 2006, Turkey imposed antidumping duties on imports of stranded wire, ropes, and cables from China.<sup>45</sup> Table I-7 presents data on China's exports by destination for 2010 to 2014.

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<sup>42</sup> *Prestressed Concrete Steel from China, Investigation No. 701-TA-464 and 731-TA-1160 (Final)*, May 26, 2010, p. VII-5.

<sup>43</sup> *Prestressed Concrete Steel from China, Investigation No. 701-TA-464 and 731-TA-1160 (Final)*, May 26, 2010, p. VII-3.

<sup>44</sup> *Domestic Interested Parties' Response to Notice of Institution*, May 29, 2015, pp. 7-9.

<sup>45</sup> *Domestic Interested Parties' Response to Notice of Institution*, May 29, 2015, p. 10 and exh. 4.

**Table I-7**

**PC strand: Chinese exports by destination, 2010-14**

Reporting Country	Quantity 1,000 pounds				
	2010	2011	2012	2013	2014
Top ten partner countries:					
United States	196,185	225,711	195,080	153,583	165,504
Korea	138,124	200,234	174,765	134,703	154,460
Japan	55,134	107,428	101,706	95,528	101,357
India	48,919	60,153	68,836	74,631	93,615
Thailand	30,857	41,470	43,143	62,517	57,169
Canada	40,376	49,806	49,690	49,669	55,538
Brazil	29,042	44,892	38,106	45,282	51,562
Malaysia	21,895	31,249	40,489	39,161	43,828
Vietnam	39,100	40,795	39,259	37,878	57,710
Germany	31,145	44,099	32,363	33,575	34,080
Total-top ten partner countries	630,778	845,837	783,437	726,527	814,824
All other partner countries	371,706	497,788	529,956	519,095	603,378
World	1,002,484	1,343,625	1,313,393	1,245,622	1,418,202

Note.--Based on HTS 7312.10, which includes all steel stranded wire, rope and cable. As such, it represents much more than PC strand.

Source: GTIS World Trade Atlas.

## THE GLOBAL MARKET

Table I-8 presents the largest global export sources of PC strand during 2010-14.

**Table I-8**  
**PC strand: Global exports by major sources, 2010-14**

Reporting Country	Quantity 1,000 pounds				
	2010	2011	2012	2013	2014
Subject country:					
China	1,541,725	1,755,124	1,811,880	1,851,221	2,168,927
Top ten nonsubject countries:					
South Korea	588,766	652,930	647,222	687,465	736,238
Malaysia	209,139	208,698	249,894	284,363	275,265
Italy	369,149	340,577	285,845	245,225	248,953
Thailand	200,281	247,841	209,878	216,236	235,191
Vietnam <sup>1</sup>	19,511	60,779	107,641	224,305	224,305
United States	159,844	173,640	176,447	177,025	193,634
Germany	230,786	250,849	226,626	211,494	193,270
Belarus	190,193	181,383	153,058	161,965	173,400
India	99,929	198,220	146,188	164,643	169,174
Portugal	111,772	133,441	180,239	166,914	158,221
Total: top ten nonsubject countries	2,179,370	2,448,358	2,383,038	2,539,634	2,607,651
All other nonsubject countries	2,046,460	2,035,391	1,947,620	2,065,076	1,915,600
Total: nonsubject countries	4,225,830	4,483,749	4,330,658	4,604,710	4,523,252
Total	5,767,556	6,238,873	6,142,538	6,455,931	6,692,179

<sup>1</sup> Vietnam export data were not available. Data reported for Vietnam are reported imports by all countries. Such data were not available for 2014; 2013 data were used as a proxy.

Note.--Based on HTS 7312.10, which includes all steel stranded wire, rope and cable. As such, it represents much more than PC strand.

Source: GTIS World Trade Atlas.



**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
80 FR 24976 May 1, 2015	<i>Prestressed Concrete Steel Wire Strand From China; Institution of a Five-Year Review</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-05-01/pdf/2015-10116.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-05-01/pdf/2015-10116.pdf</a>
80 FR 24900 May 1, 2015	<i>Prestressed Concrete Steel Wire Strand From China: Initiation of Antidumping and Countervailing Duty Orders Investigations</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-01-29/pdf/2014-01738.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-01-29/pdf/2014-01738.pdf</a>
80 FR 43063 July 21, 2015	<i>Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-07-21/pdf/2015-17836.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-07-21/pdf/2015-17836.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCERS**

Item	Insteel	Sumiden	WMC	Total
	Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound			
Nature of operation	✓	✓	✓	✓
Statement of intent to participate	✓	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓	✓
U.S. producer list	✓	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓	✓
List of sources for national/regional prices	✓	✓	✓	✓
<b>Production:</b>				
Quantity	***	***	***	***
Percent of total reported	***	***	***	***
Capacity	***	***	***	***
<b>Commercial shipments:</b>				
Quantity	***	***	***	***
Value	***	***	***	***
<b>Internal consumption:</b>				
Quantity	***	***	***	***
Value	***	***	***	***
Net sales	***	***	***	***
COGS	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expenses (loss)	***	***	***	***
Operating income/(loss)	***	***	***	***
Changes in supply/demand	✓	✓	✓	✓
<b>Note.—The production, capacity, and shipment data presented are for calendar year 2014. The financial data are for fiscal year ended December 31, 2014.</b>				
✓ = response provided; * = response not provided; NA = not applicable; ? = indicated that the information was not known.				





**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS**



Table C-1

## PC strand: Summary data concerning the U.S. market, 2007-09

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

Item	Reported data			Period changes		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	980,503	942,714	508,605	-48.1	-3.9	-46.0
Producers' share (1)	59.4	56.2	78.0	18.5	-3.2	21.7
Importers' share (1):						
China	36.1	40.5	7.2	-28.9	4.4	-33.3
All other countries	4.5	3.3	14.8	10.4	-1.2	11.5
Total imports	40.6	43.8	22.0	-18.5	3.2	-21.7
U.S. consumption value:						
Amount	407,169	549,768	248,738	-38.9	35.0	-54.8
Producers' share (1)	65.9	60.7	80.2	14.3	-5.2	19.5
Importers' share (1):						
China	28.5	35.3	5.6	-22.9	6.9	-29.8
All other countries	5.6	4.0	14.2	8.6	-1.7	10.3
Total imports	34.1	39.3	19.8	-14.3	5.2	-19.5
U.S. imports (2) from:						
China:						
Quantity	353,937	381,652	36,591	-89.7	7.8	-90.4
Value	115,843	194,276	13,816	-88.1	67.7	-92.9
Unit value	\$327	\$509	\$378	15.4	55.5	-25.8
Ending inventory quantity	31,725	51,461	15,019	-52.7	62.2	-70.8
All other countries:						
Quantity	43,766	31,089	75,515	72.5	-29.0	142.9
Value	22,982	21,771	35,375	53.9	-5.3	62.5
Unit value	\$525	\$700	\$468	-10.8	33.4	-33.1
Ending inventory quantity	4,241	3,777	14,198	234.8	-10.9	275.9
All sources:						
Quantity	397,703	412,741	112,107	-71.8	3.8	-72.8
Value	138,825	216,047	49,191	-64.6	55.6	-77.2
Unit value	\$349	\$523	\$439	25.7	50.0	-16.2
Ending inventory quantity	35,966	55,238	29,217	-18.8	53.6	-47.1
U.S. producers':						
Average capacity quantity	902,782	903,795	903,795	0.1	0.1	0.0
Production quantity	601,717	558,885	395,658	-34.2	-7.1	-29.2
Capacity utilization (1)	66.7	61.8	43.8	-22.9	-4.8	-18.1
U.S. shipments:						
Quantity	582,800	529,973	396,498	-32.0	-9.1	-25.2
Value	268,344	333,721	199,547	-25.6	24.4	-40.2
Unit value	\$460	\$630	\$503	9.3	36.8	-20.1
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	61,262	67,081	57,644	-5.9	9.5	-14.1
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	357	331	258	-27.7	-7.3	-22.1
Hours worked (1,000s)	771	715	555	-28.0	-7.3	-22.3
Wages paid (\$1,000s)	14,145	13,264	10,907	-22.9	-6.2	-17.8
Hourly wages	\$18.34	\$18.56	\$19.64	7.1	1.2	5.8
Productivity (pounds per hour)	780.1	781.9	712.5	-8.7	0.2	-8.9
Unit labor costs	\$23.51	\$23.73	\$27.57	17.3	1.0	16.2
Net sales:						
Quantity	613,704	589,793	389,834	-36.5	-3.9	-33.9
Value	283,088	354,082	210,951	-25.5	25.1	-40.4
Unit value	\$461	\$600	\$541	17.3	30.1	-9.9
Cost of goods sold (COGS)	230,394	302,334	201,246	-12.7	31.2	-33.4
Gross profit or (loss)	52,694	51,748	9,705	-81.6	-1.8	-81.2
SG&A expenses	13,317	13,795	13,437	0.9	3.6	-2.6
Operating income or (loss)	39,377	37,953	(3,732)	(3)	-3.6	(3)
Capital expenditures	***	***	***	***	***	***
Unit COGS	\$375	\$513	\$516	37.5	36.5	0.7
Unit SG&A expenses	\$22	\$23	\$34	58.8	7.8	47.4
Unit operating income or (loss)	\$64	\$64	(\$10)	(3)	0.3	(3)
COGS/sales (1)	81.4	85.4	95.4	14.0	4.0	10.0
Operating income or (loss)/ sales (1)	13.9	10.7	(1.8)	-15.7	-3.2	-12.5

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

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

(3) Not meaningful.

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

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



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of prestressed concrete steel wire strand: \*\*\*. Purchaser questionnaires were sent to these three firms and two firms (\*\*\*) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce prestressed concrete steel wire strand that affected the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?
- b.) Do you anticipate any changes in technology; production methods; or development efforts to produce prestressed concrete steel wire strand that will affect the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No.	No.

2. a.) Have any changes occurred in the ability to increase production of prestressed concrete steel wire strand (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?
- b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No.	No.

3. a.) Have any changes occurred in factors related to the ability to shift supply of prestressed concrete steel wire strand among different national markets (including barriers to importation

in foreign markets or changes in market demand abroad) that affected the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.

4. a.) Have there been any changes in the end uses and applications of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?

b.) Do you anticipate any changes in the end uses and applications of prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.

5. a.) Have there been any changes in the existence and availability of substitute products for prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?

b.) Do you anticipate any changes in the existence and availability of substitute products for prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.



6. a.) Have there been any changes in the level of competition between prestressed concrete steel wire strand produced in the United States, prestressed concrete steel wire strand produced in China, and such merchandise from other countries in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?

b.) Do you anticipate any changes in the level of competition between prestressed concrete steel wire strand produced in the United States, prestressed concrete steel wire strand produced in China, and such merchandise from other countries in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	Insteel Wire Products purchased the PC Strand assets of American Spring Wire which reduced the domestic suppliers by one.	No.
***	There have been many suppliers that have called on us asking to be qualified. We have chosen to remain with our current suppliers.	No.

7. a.) Have there been any changes in the business cycle for prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China since 2010?

b.) Do you anticipate any changes in the business cycle for prestressed concrete steel wire strand in the U.S. market or in the market for prestressed concrete steel wire strand in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No.	No.
***	No.	No.